AGENDA
TUESDAY, NOVEMBER 3, 2009
BOARD OF SUPERVISORS – COUNTY OF RIVERSIDE
1st FLOOR – COUNTY ADMINISTRATIVE CENTER
4080 Lemon Street, Riverside, California
(Clerk 951-955-1060)

9:00 A.M.

Invocation by Maria J. Vasquez, Board Assistant, Clerk of the Board

Pledge of Allegiance to the Flag

Presentation of Proclamation to Declare November 2009 Family Caregivers Month and the Second Week of November as In-Home Supportive Services (IHSS) Homecare Providers Recognition Week – See Item 2.4

OPENING COMMENTS:

BOARD MEMBERS

EXECUTIVE OFFICER

STATE BUDGET UPDATE

ADMINISTRATIVE ACTION:

1.1 CLERK OF THE BOARD: Proof of Publications.

The following items do not require specific Board action unless the matter is appealed.

1.2 TRANSPORTATION & LAND MANAGEMENT AGENCY/PLANNING: TENTATIVE PARCEL MAP 34821 – CEQA EXEMPT – Greg Jones/Landmark Survey – Meadowbrook Zoning Area – Elsinore Area Plan – 5th District, R-R Zoning, Schedule H. TPM 34821 proposes to subdivide 2.35 gross acres into 2 residential parcels, with a minimum lot size of 1 gross acres, approved by the Planning Director.

The following items do not require specific Board action unless a Board member desires to set the matter for hearing or the matter is appealed.

1.3 TRANSPORTATION & LAND MANAGEMENT AGENCY/PLANNING: CONDITIONAL USE PERMIT NO. 2149 REVISED NO. 1 – CEQA EXEMPT – Prestige Developers, Inc./ Prestige Developers, Inc. – Sage Zoning Area – REMAP Area Plan – 3rd District, 3.8 gross acres, R-R zoning. CUP 2149R1 to renew the permit for an existing auto tow yard, approved by the Planning Commission.

CONSENT CALENDAR: Presented for Block Approval: Supervisors have the option of excluding discussion items from a master motion.

2.1 SUPERVISOR STONE: Renewal of the Revised Local Emergency Declaration for Riverside County due to the epidemic infestation of bark beetles in the Mountain Communities of Idyllwild and Pine Cove.

2.2 AGRICULTURAL COMMISSIONER: Renewal of the Local Emergency Declaration for Riverside County due to the spread of Pierce's Disease in the Local Vineyards.

2.3 COUNTY COUNSEL: (R) ADOPTION OF ORDINANCE No. 348.4667, an Ordinance of the County of Riverside Amending Ordinance No. 348 relating to Zoning (amending the zoning in the Rancho California Area), 3rd District, ZC 7640.

2.4 PUBLIC SOCIAL SERVICES/IHSS Public Authority AND OFFICE ON AGING: Approval of Proclamation to Declare November 2009 Family Caregivers Month and the Second Week of November as In-Home Supportive Services (IHSS) Homecare Providers Recognition Week.

2.5 TREASURER-TAX COLLECTOR: Receive and File the Treasurer's Monthly Disclosure Report on Investments dated September 2009.

2.6 SUPERVISOR STONE: Appointment to Assessment Appeals Board #5.

2.7 SUPERVISOR STONE: Reappointment to County Service Area 36 Advisory Council.

2.8 SUPERVISOR STONE: Reappointment to County Service Area 36 Advisory Council.

2.9 SUPERVISOR STONE: Appointment to Development Disability Area Planning Board #12.

2.10 SUPERVISOR STONE: Reappointment to Development Disability Area Planning Board #12.

2.11 SUPERVISOR STONE: Reappointment to Development Disability Area Planning Board #12.

2.12 SUPERVISOR STONE: Appointment to the Veterans Advisory Committee.

POLICY CALENDAR: Presented for Block Approval; Supervisors have the option of excluding discussion items from a master motion.

3.1 SUPERVISOR BUSTER: First District Use of Community Improvement Designation Funds for the 15th Annual Santa Margarita River Watershed, and Budget Adjustments. (4/5 vote required) (3.2 of 10/27/09)

3.2 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to the Riverside County Peace Officer's Memorial Foundation, and Budget Adjustments. (4/5 vote required) (3.3 of 10/27/09)

3.3 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to Riverside Against Drugs (RAD), and Budget Adjustments. (4/5 vote required) (3.4 of 10/27/09)

3.4 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to the City of Corona, and Budget Adjustments. (4/5 vote required) (3.5 of 10/27/09)

3.5 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to the Santiago High School Aquatic Booster Club, and Budget Adjustments. (4/5 vote required) (3.6 of 10/27/09)

3.6 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to the 100 Mile Club, and Budget Adjustments. (4/5 vote required) (3.7 of 10/27/09)

3.7 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to Jurupa Valley High School Choir Program, and Budget Adjustments. (4/5 vote required) (3.8 of 10/27/09)

3.8 SUPERVISOR TAVAGLIONE: Second District Use of Community Improvement Designation Funds to the Safe House, and Budget Adjustments. (4/5 vote required) (3.9 of 10/27/09)

3.9 SUPERVISOR STONE: Appointment of Riverside County Supervisors to the California State Association of Counties (CSAC) Board of Directors.

3.10 SUPERVISOR STONE: Third District Use of Community Improvement Designation Funds to the Riverside County Regional Medical Center Foundation, and Budget Adjustments. (4/5 vote required) (3.10 of 10/27/09)

3.11 SUPERVISOR STONE: Third District Use of Community Improvement Designation Funds to the Idyllwild Help Center, and Budget Adjustments. (4/5 vote required) (3.11 of 10/27/09)

3.12 SUPERVISOR STONE: Third District Use of Community Improvement Designation Funds to the Economic Development Agency, and Budget Adjustments. (4/5 vote required) (3.12 of 10/27/09)

3.13 SUPERVISOR STONE: Third District Use of Community Improvement Designation Funds to the Family Services Association/Daybreak Adult Day Services, and Budget Adjustments. (4/5 vote required) (3.13 of 10/27/09)

3.14 SUPERVISOR STONE AND SUPERVISOR ASHLEY: Third and Fifth District Use of Community Improvement Designation Funds to the Riverside County Code Enforcement, and Budget Adjustments. (4/5 vote required) (3.14 of 10/27/09)

3.15 SUPERVISOR ASHLEY: Fifth District Use of Community Improvement Designation Funds to the Riverside County Water Task Force, and Budget Adjustments. (4/5 vote required)

3.16 SUPERVISOR ASHLEY: Acceptance of Low Bidder and Award of Construction Contract to Dateland Construction Company Inc. for ADA Pavement Improvement Project Phase 3 – Riverside County Fairgrounds, 4th District.

3.17 EXECUTIVE OFFICE: Adoption of Resolution 2009-328, Authorizing Certain Matters Relating to the Extension of a not to exceed $6.5 Million Certificates of Participation Anticipation Note Issued by the County of Riverside Asset Leasing Corporation for the Woodcrest Library Financing.

3.18 EXECUTIVE OFFICE: Approval of the Assessment Appeals Stipend and Reimbursement Policy; ADOPTION OF ORDINANCE 510.7, an Ordinance of the County of Riverside amending Ordinance 510 Providing for Assessment Appeals Board Members and Hearing Officers. (3.18 of 10/27/09)

3.19 EXECUTIVE OFFICE: Receive & File SCRAPE Update on Take Home Car Policy. (3.19 of 10/27/09) (Department requests Continuance to December 8, 2009)

3.20 COMMUNITY ACTION PARTNERSHIP OF RIVERSIDE COUNTY: Approval of Budget Adjustment. (4/5 vote required)

3.21 COMMUNITY HEALTH AGENCY/ENVIRONMENTAL HEALTH: Acceptance of the Grant Agreement with Department of Health and Human Services – Food and Drug Administration and Approval of Budget Adjustments. (4/5 vote required) (3.21 of 10/27/09)

3.22 COMMUNITY HEALTH AGENCY/PUBLIC HEALTH: Ratify Agreement #09-11221 with the California Department of Public Health for Network for a Healthy California Program.

3.23 COMMUNITY HEALTH AGENCY/PUBLIC HEALTH: Approval of the Agreement with BP West Coast Products for the Childhood Asthma Program and Approval of a Budget Adjustment. (4/5 vote required)

3.24 ECONOMIC DEVELOPMENT AGENCY: Approval of the Fourth Amendment to Revenue Lease – Riverside Centre, Riverside, 2nd District.

3.25 ECONOMIC DEVELOPMENT AGENCY: Approval of Community Development Block Grant – Recovery (CDBG-R) Program – Substantial Amendment to the 2008-2009 One Year Action Plan of the 2004-2009 Five Year Consolidated Plan.

3.26 ECONOMIC DEVELOPMENT AGENCY: Adoption of Resolution 2009-326, Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and related documents with respect to the sale of the seller's Proposition 1A Receivable from the state; and directing the authorizing of certain other actions in connection therewith – County Libraries.

3.27 ECONOMIC DEVELOPMENT AGENCY: Approval of a Sole Source Award to Endurant Energy LLC for the Southwest Justice Center Cogeneration Plant Repairs, 3rd District.

3.28 ECONOMIC DEVELOPMENT AGENCY: Approval of the Seventh Amendment to Lease – Community Health Agency and Approval of a Budget Adjustment, Riverside, 2nd District. (4/5 vote required) (3.22 of 10/27/09)

3.29 ECONOMIC DEVELOPMENT AGENCY: Approval of the Sixth Amendment to Lease with Cove Communities Senior Association for Office on Aging, Palm Desert, and Approval of a Budget Adjustment, 4th District. (4/5 vote required) (3.29 of 10/27/09)

3.30 ECONOMIC DEVELOPMENT AGENCY: Approval of the Second Amendment to Lease with Perris Investment Trust for the Probation Department, and Approval of a Budget Adjustment Perris, 5th District. (4/5 vote required) (3.30 of 10/27/09)

3.31 ECONOMIC DEVELOPMENT AGENCY: Approval of the Second Amendment to Lease – Department of Mental Health, and Approval of a Budget Adjustment, Perris, 5th District. (4/5 vote required) (3.31 of 10/27/09)

3.32 ECONOMIC DEVELOPMENT AGENCY AND PUBLIC SOCIAL SERVICES: Approval of Roy's Desert Resource Center Project and Adoption of the Initial Study/Negative Declaration for Environmental Assessment No. EA 08510003957, 5th District.

3.33 ECONOMIC DEVELOPMENT AGENCY AND RIVERSIDE COUNTY INFORMATION TECHNOLOGY: Approval of the Plans and Specifications for Riverside County Public Safety Radio Sites – Emergency Generator Upgrades, 4th District. (Clerk to advertise)

3.34 ECONOMIC DEVELOPMENT AGENCY AND SHERIFF-CORONER-PA: Acceptance of Notice of Completion – Detention Door Renovation for Various County Jails, 2nd, 3rd, & 4th Districts.

3.35 ECONOMIC DEVELOPMENT AGENCY AND TRANSPORTATION & LAND MANAGEMENT AGENCY/TRANSPORTATION: Approval of the Reimbursement Agreement between the Riverside County Redevelopment Agency and the County of Riverside for the Mecca Downtown Street Revitalization Project and Approval of the Findings, 4th District. (See Item 4.3)

3.36 FIRE: Approval of Cost Recovery Equipment Rates.

3.37 FIRE/OES: Approval of the FY09 United States Department of Homeland Security Grant Program; Adoption of Resolution 2009-297, Acceptance of Award and Approved Projects; and Approval of Budget Adjustments. (4/5 vote required) (3.34 of 10/27/09)

3.38 HUMAN RESOURCES: Approve the Exclusive Care – New Exclusive Provider Option Medical Contractor Agreement with Guillermo J. Gomez, M.D., Inc.

3.39 HUMAN RESOURCES: Approve the Exclusive Care – Exclusive Provider Option Behavioral Contractor Agreement Renewal with Tobias Desjardins, L.C.S.W.

3.40 MENTAL HEALTH: Ratify Mental Health Services Act Professional Service and Instruction Service Agreements with the California Institute for Mental Health.

3.41 OFFICE ON AGING: Approval of the Title III Medicare Improvements for Patients and Provider MIPPA Grant for FY 2009-11 with the California Department of Aging. (4/5 vote required) (3.38 of 10/27/09)

3.42 DELETED

3.43 SHERIFF-CORONER-PA: Approval of a Sole Source Provider Agreement without securing competitive bids with GeoSpective Technologies, a Division of Hollister-Powell & Associates for Geographic Data and Related Database Support Services.

3.44 SHERIFF-CORONER-PA: Approval of a Memorandum of Understanding with San Diego County for the Sheriff's Continued Participation on the Computer and Technology Crime High-Tech Response Team and Approval of a Budget Adjustment. (4/5 vote required)

3.45 SHERIFF-CORONER-PA: Approval of the School Resource Officer Agreement with the Riverside County Superintendent of Schools, 3rd District and Approval of Budget Adjustments. (4/5 vote required) (3.42 of 10/27/09)

3.46 SHERIFF-CORONER-PA: Approval of the First Amendment to the Law Enforcement Services Agreement with the City of Palm Desert and Adoption of Resolution 440-8823, and Approval of Budget Adjustments, 4th District. (4/5 vote required) (3.43 of 10/27/09)

3.47 SHERIFF-CORONER-PA: Approval of an Appropriation of Homeland Security Grant Program Funds for the purchase of a Bomb Robot and Approval of Budget Adjustments. (4/5 vote required) (3.44 of 10/27/09)

3.48 TRANSPORTATION & LAND MANAGEMENT AGENCY/TRANSPORTATION: Acceptance of Notice of Completion – School Flashing Beacons, 1st, 2nd, & 3rd Districts.

3.49 TRANSPORTATION & LAND MANAGEMENT AGENCY/TRANSPORTATION: Acceptance of Notice of Completion – Harrison Avenue and 65th Street Traffic Signal and Lighting, 1st, 2nd, 3rd Districts.

3.50 TRANSPORTATION & LAND MANAGEMENT AGENCY/TRANSPORTATION: Acceptance of the low bid of and Award of Contract to Matich Corporation for the Construction of street improvements for the Mecca Streets Revitalization Project – Phase 1, including 2nd Street and Hammond Road, in the unincorporated Community of Mecca, 4th District.

3.51 EXECUTIVE OFFICE: Approval of the FY 2009-10 First Quarter Budget Report. (4/5 vote required) (Including Early Retirement Impacts 3.19 of 10/27/09)

Following items need to be excluded from a master motion; it needs to be acted on separately:

3.52 TREASURER-TAX COLLECTOR: Adoption of Resolution 2009-316 – Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series A.

3.53 TREASURER-TAX COLLECTOR: Adoption of Resolution 2009-317 – Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series B.

3.54 TREASURER-TAX COLLECTOR: Adoption of Resolution 2009-318 – Hemet Unified School District, 2006 Election, Series C.

REDEVELOPMENT AGENCY MEETING:

4.1 Ratify the Second Amendment to the Agreement with Albert A. Webb & Associates for the Varner Road & Monterey Avenue Street Improvement Project, 4th District.

4.2 Approval of the First Amendment to the Disposition and Development Agreement, Desert Center Airport; Approval of the First Amendment to the Promissory Note and Deed of Trust with Chuckwalla Valley Associates, LLC., 4th District.

4.3 Approval of Reimbursement Agreement with the County of Riverside for the Mecca Downtown Revitalization Project, 4th District. (See Item 3.35)

RIVERSIDE COUNTY PUBLIC FINANCING AUTHORITY:

5. (No Business)

INDUSTRIAL DEVELOPMENT AUTHORITY MEETING:

6. (No Business)

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY:

7. (No Business)

COMMUNITY FACILITIES DISTRICT'S LEGISLATIVE BODY MEETING:

8. (No Business)

9:30 A.M. PUBLIC HEARINGS:

9.1 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Excess Outside Storage and Accumulation of Rubbish] on Case No. CV 07-9032, located at 17736 Alexander Street, Perris, APN 295-120-010, 1st District.

9.2 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Grading without Permit] on Case No. CV 08-10817, located 4 parcels Northeast of 37480 Via Vista Grande, Murrieta, APN 928-220-027, 1st District.

9.3 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Grading without Permit] on Case No. CV 05-3785, located at 45712 Gene Road, Aguanga, APN 581-240-037, 3rd District.

9.4 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Grading without Permit] on Case No. CV 07-6752, located at 35376 Borel Road, Winchester, APN 964-130-016, 3rd District. (9.2 of 10/20/09)

9.5 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Grading without Permit] on Case Nos. CV 07-7450 and CV 06-0356, located at 33171 Madera De Playa, Temecula, APN 951-080-032, 3rd District. (9.5 of 09/29/09)

9.6 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Substandard Structure and Accumulation of Rubbish] on Case Nos. CV 07-4034 and CV 07-4576, located at 21925 Wine Lane, Nuevo, APN 307-180-019, 5th District.

9.7 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Accumulation of Rubbish] on Case No. CV 07-2841, located at 22615 De Prad Street, Perris, APN 325-210-030, 5th District.

9.8 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Accumulation of Rubbish] on Case No. CV 09-00416, located 1 parcel East of 17477 Louise Street, Palm Springs, APN 666-230-002, 5th District.

9.9 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Abatement of Public Nuisance [Accumulation of Rubbish] on Case No. CV 08-06768, located 1 Parcel on the Southeast Corner of Crest Street and Knoll Drive, Desert Hot Springs, APN 667-211-040, 5th District. (9.5 of 10/20/09)

9.10 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Statement of Expense on Public Nuisance Case Nos. CV 04-3373, CV05-3372 and CV 08-00706, located at 620 Prospect Avenue, Riverside, APN 247-160-054, 5th District. (9.7 of 09/15/09)

9.11 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Statement of Expense on Public Nuisance Case Nos. CV05-3370 and CV 08-00705, located 1 parcel south of 620 Prospect Avenue, Riverside, APN 247-160-055, 5th District. (9.8 of 09/15/09)

9.12 COUNTY COUNSEL/CODE ENFORCEMENT: Public Hearing on Statement of Expense on Public Nuisance Case Nos. CV05-3371 and CV 08-00730, located 2 parcels south of 620 Prospect Avenue, Riverside, APN 247-160-056, 5th District. (9.9 of 09/15/09)

ORAL COMMUNICATIONS FROM THE AUDIENCE ON ANY MATTER WHICH DOES NOT APPEAR ON THE BOARD'S AGENDA:

RECESS TO LUNCH

1:30 P.M. HOUSING AUTHORITY MEETING:

10. (No Business)

1:30 P.M. FLOOD CONTROL AND WATER CONSERVATION DISTRICT MEETING:

11. (No Business)

1:30 P.M. COUNTY BOARD AND WASTE RESOURCES MANAGEMENT DISTRICT MEETING:

County:

12.1 Acceptance of the low bid of and Award of Contract to Cascade Drilling, Inc. for Construction of Multi-Level Landfill Gas Detection Probes at the Badlands and Lamb Canyon Sanitary Landfills, 5th District.

12.2 Approval of the Lakeview Disposal Site Clean Closure Agreement between Nuevo Development Company, LLC and the County of Riverside, 5th District.

District:

12. (No Business)

1:30 P.M. COUNTY BOARD AND REGIONAL PARK AND OPEN SPACE DISTRICT MEETING:

County:

13. (No Business)

District:

13.1 Adoption of Resolution 2009-5, Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and related documents with respect to the sale of the seller's Proposition 1A Receivable from the state; and directing the authorizing of certain other actions in connection therewith.

1:30 PM. GENERAL PLAN AMENDMENT INITIATION PROCEEDINGS:

15. (No Business)

1:30 P.M. PUBLIC HEARINGS:

16. (No Business)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 702B

FROM: TLMA - Planning Department

SUBMITTAL DATE: October 20, 2009

SUBJECT: TENTATIVE PARCEL MAP NO. 34821- (CEQA Exempt) - Applicant: Greg Jones - Engineer/Representative: Landmark Survey - Fifth Supervisorial District - Meadowbrook Zoning Area - Elsinore Area Plan: Community Development: Very Low Density Residential (CD:VLDR) (1 Acre Minimum) - Location: Northerly of River Road and easterly of State Highway 74 – 2.35 Net Acres - Zoning: Rural Residential (R-R) - **REQUEST:** The **Tentative Parcel Map** proposes a Schedule "H" subdivision of a 2.35 gross acre parcel into two (2) residential parcels with a minimum lot size of one (1) gross acre, an existing single family residence exists on site.
- APN: 349-130-039

RECOMMENDED MOTION:

RECEIVE AND FILE The Notice of Decision for the above referenced case acted on by the Director's Hearing on October 19, 2009.

The Planning Department recommended Approval; and,
THE PLANNING DIRECTOR RECOMMENDED:

APPROVAL of **TENTATIVE PARCEL MAP NO. 34821**, subject to the attached conditions of approval, and based upon the findings and conclusions incorporated in the staff report.

Ron Goldman
Planning Director

RG:db

REVIEWED BY EXECUTIVE OFFICE
DATE 10/26/09
Tina Grande
Departmental Concurrence

☒ Policy ☐ Policy
☐ Consent ☒ Consent
Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref. | **District:** Fifth | **Agenda Number:** 1.2

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 7.01B

FROM: TLMA - Planning Department

SUBMITTAL DATE:
October 13, 2009

SUBJECT: CONDITIONAL USE PERMIT NO. 2149, REVISED NO. 1 – (CEQA Exempt) – Applicant: Prestige Developers, Inc. – Engineer/Representative: Prestige Developers, Inc. – Third Supervisorial District – Sage Zoning Area – REMAP Area Plan – Rural: Rural Residential (RR) (5 Acre Minimum) – Location: Southerly of Power Line Road, easterly of Getts Road, and westerly of Sage Road – 3.80 Gross Acres – Zoning: Rural Residential (R-R) – **REQUEST:** Renewal of the conditional use permit for an existing auto tow yard. – APN: 581-050-007 – Related Cases: CUP02149

RECOMMENDED MOTION:

RECEIVE AND FILE The Notice of Decision for the above referenced case acted on by the Planning Commission on July 22, 2009.

The Planning Department recommended Approval; and,
THE PLANNING COMMISSION RECOMMENDED:

APPROVAL CONDITIONAL USE PERMIT NO. 2149, REVISION NO. 1, subject to the attached conditions of approval, and based upon the findings and conclusions incorporated in the staff report.

Ron Goldman
Planning Director

RG:db
PM

REVIEWED BY EXECUTIVE OFFICE
DATE 10/26/09
Tina Grande
Departmental Concurrence

☒ Policy ☐ Policy
☐ Consent ☒ Consent
Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref. | **District:** Third | **Agenda Number:** 1.3

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** November 3, 2009

SUBJECT: Renewal of the Revised Local Emergency Declaration for Riverside County due to the epidemic Infestation of bark beetles in the Mountain Communities of Idyllwild and Pine Cove.

RECOMMENDED MOTION: That the declaration relating to the emergency due to the epidemic infestation of bark beetles in the Mountain Communities of Idyllwild and Pine Cove adopted as Agenda Item 3.42 on March 5, 2002, Resolution Number 2002-97, and revised on September 10, 2002 to include "severe drought and fire hazard" be renewed.

BACKGROUND: The Riverside County Fire Department has reviewed the emergency conditions necessitating the declaration of March 5, 2002, and as revised on September 10, 2002, and finds that these conditions still exist. Government Code Section 8630 requires the Board to review the need for continuation of the local emergency every 14 days.

CLERK OF THE BOARD: Due to the unique circumstances and unknown duration of this situation, request that renewal of this declaration be automatically submitted as an agenda item every 14 days until request to terminate is submitted by the Riverside County Board of Supervisors.

Jeff Stone
Supervisor Third District

Prev. Agn. Ref. Dist. AGENDA NO.

2.1

716A

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Agricultural Commissioner's Office

SUBMITTAL DATE:
November 3, 2009

SUBJECT: Renewal of the Local Emergency Declaration for Riverside County due to the spread of Pierce's Disease in the Local Vineyards.

RECOMMENDED MOTION: That the declaration relating to Pierce's Disease adopted as Agenda Item 3.91 on August 10, 1999, Resolution Number 99-369 be renewed.

BACKGROUND: The Riverside County Agricultural Commissioner's Office has reviewed the emergency conditions necessitating the declaration of August 10, 1999, and find that these conditions still exist. Government Code Section 8630 requires the Board to review the need for continuation of the local emergency every 14 days.

CLERK OF THE BOARD: Due to unique circumstances and unknown duration of the situation, request that renewal of this declaration be automatically submitted as an agenda item every 14 days until request to terminate is submitted by the Riverside County Agricultural Commissioner's Office.

Departmental Concurrence

John Snyder, Agricultural Commissioner/
Sealer of Weights and Measures

FINANCIAL DATA	**Current F.Y. Total Cost:**	**$ 0**	**In Current Year Budget:**	N/A
	Current F.Y. Net County Cost:	**$ 0**	**Budget Adjustment:**	N/A
	Annual Net County Cost:	**$ 0**	**For Fiscal Year:**	N/A

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Michael R. Shetler
Michael R. Shetler

County Executive Office Signature

Dep't Recomm.: ☐ Policy ☐ Consent
Per Exec. Ofc.: X Consent ☐ Policy

Prev. Agn. Ref.: | **District:** | **Agenda Number:** 2.2

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

718A

FROM: County Counsel

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Ordinance No. 348.4667

RECOMMENDED MOTION: That the Board of Supervisors adopt Ordinance No. 348.4667 amending the zoning in the Rancho California Area shown on Map No. 2.2316 Change of Zone Case No. 7640.

BACKGROUND: Change of Zone Case No. 7640 was tentatively approved by the Board of Supervisors on April 21, 2009.

Departmental Concurrence

for
Pamela J. Walls, County Counsel DAVID H. K. HUFF

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

Dep't Recomm.: ☒ Policy ☐ Consent
Per Exec. Ofc.: ☒ Policy ☐ Consent

Prev. Agn. Ref.: | **District:** Third | **Agenda Number:** 2.3

Form 11 (Rev 06/2003)

ORDINANCE NO. 348.4667

AN ORDINANCE OF THE COUNTY OF RIVERSIDE

AMENDING ORDINANCE NO. 348 RELATING TO ZONING

The Board of Supervisors of the County of Riverside Ordains as Follows:

Section 1. Section 4.1 of Ordinance No. 348, and official Zoning Plan Map No. 2, as amended, are further amended by placing in effect in the Rancho California Area, the zone or zones as shown on the map entitled "Change of Official Zoning Plan Amending Ordinance No. 348, Map No. 2.2316, Change of Zone Case No. 7640" which map is made a part of this ordinance.

Section 2. This ordinance shall take effect 30 days after its adoption.

BOARD OF SUPERVISORS OF THE COUNTY
OF RIVERSIDE, STATE OF CALIFORNIA

By:_____
Chairman, Board of Supervisors

ATTEST:

Clerk of the Board

By:_____
Deputy

(SEAL)

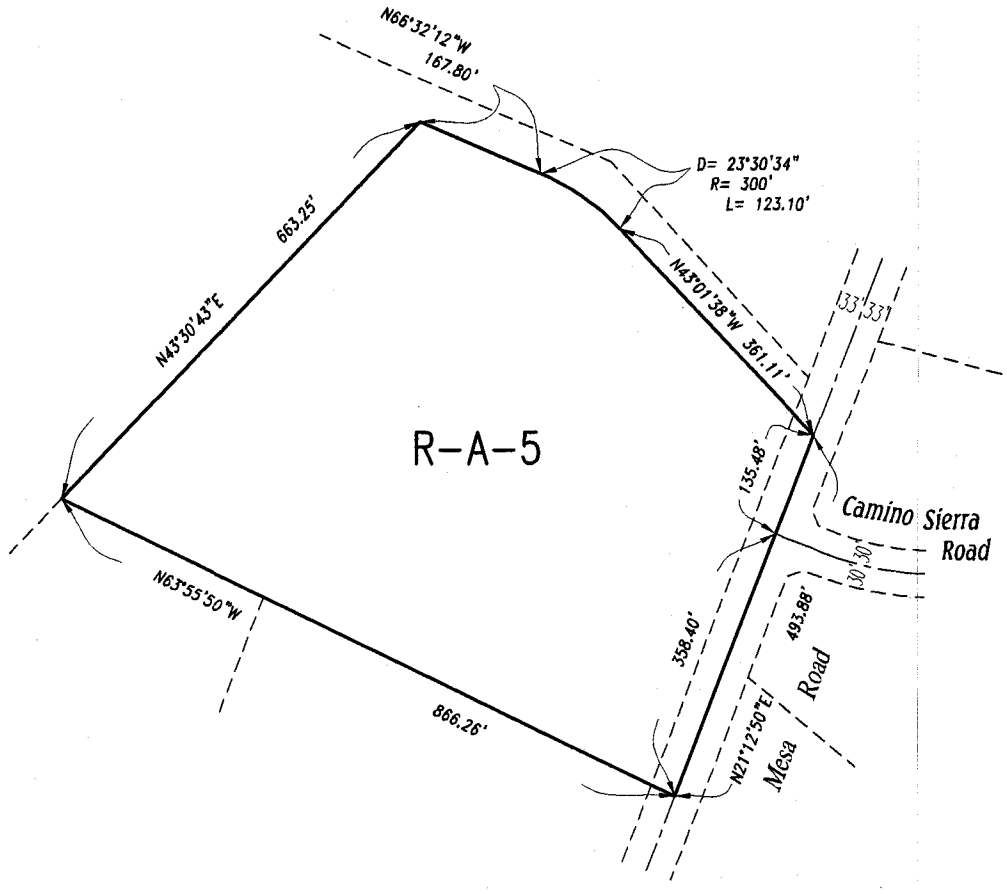
APPROVED AS TO FORM
October 22, 2009

By:_____
DAVID H.K. HUFF
Deputy County Counsel

DKHK/mdk
10/22/09
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RANCHO CALIFORNIA AREA

SEC. 17, T.7S., R.1W. S.B.B & M.



SCALE IN FEET

0 100

LEGEND:

R-A-5 RESIDENTIAL AGRICULTURAL (5 ACRE MIN.)

MAP NO. 2.2316

CHANGE OF OFFICIAL ZONING PLAN

AMENDING

MAP NO. 2 ORDINANCE NO. 348

CHANGE OF ZONE CASE NO. 7640

ADOPTED BY ORDINANCE NO. 348.4667
NOVEMBER 3, 2009
RIVERSIDE COUNTY BOARD OF SUPERVISORS

APN 924-040-007

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

3.07A

FROM: DPSS/IHSS Public Authority & Office on Aging

SUBMITTAL DATE:
October 13, 2009

SUBJECT: Proclamation to Declare November 2009 Family Caregivers Month and the Second Week of November as In-Home Supportive Services (IHSS) Homecare Providers Recognition Week.

RECOMMENDED MOTION: That the Board of Supervisors officially proclaim November 2009 to be Family Caregivers Month and the second week of November as In-Home Supportive Services Homecare Providers recognition week in Riverside County.

BACKGROUND: Every November, the President of the United States proclaims November to be National Family Caregivers Month. It is designated as a time every year to thank, support, educate and celebrate the thousands of family caregivers in Riverside County. Additionally, the State of California has proclaimed the second week in November as In-Home Supportive Services Homecare Worker Recognition Week in order to recognize and appreciate the many IHSS caregivers who serve our elder and disabled citizens in Riverside County.

Caregivers, whether family members or others, provide a substantial service to the community and need to be recognized for their work.

Anna L. Martinez, Executive Director
IHSS Public Authority

Edward F. Walsh, Director
Office on Aging

Departmental Concurrence

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	2009/2010

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Debra Cournoyer

County Executive Office Signature

Dep't Recomm.: ☐ Policy ☐ Consent
Per Exec. Ofc.: ☐ Policy ☒ Consent

Prev. Agn. Ref.: | **District:** | **Agenda Number:** 2.4

TO PROCLAIM NOVEMBER 2009 FAMILY CAREGIVERS MONTH AND THE SECOND WEEK OF NOVEMBER AS IN-HOME SUPPORTIVE SERVICES HOMECARE PROVIDERS RECOGNITION WEEK

WHEREAS, during this season of thanksgiving, we are especially grateful for the caring and support of our family, friends and community. One of the most profound ways caring is expressed is through the generous support provided by family caregivers and In-Home Supportive Services (IHSS) Homecare Providers to individuals who are ill, elderly or disabled; and

WHEREAS, more long-term care is provided at home and in the community rather than through institutions, reliance on family caregivers grows. The National Alliance for Caregiving and Association for the Advancement of Retired Persons estimate that 21% of the population (1 in 5) provide unpaid care to friends and family members age 18 and over and the value of the services family caregivers provide is estimated to be at more than 306 billion a year. The need for caregivers will increase significantly as the baby boomers age; and

WHEREAS, in Riverside County, 16,000 valuable IHSS Homecare Providers provide essential services to 17,000 seniors and people with disabilities keeping them safe and in their own homes; and

WHEREAS, November is National Family Caregivers Month, and the State of California in 2005 voted to proclaim the second week in November as In-Home Supportive Services Homecare Worker Recognition Week; and

WHEREAS, Riverside County would like to recognize and commend the contributions of family caregivers and IHSS Homecare Providers who give their time, patience, care, and support to their families and the entire community.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, does hereby proclaim November, 2009 as a time to recognize the contributions of all caregivers, and it calls upon the people of Riverside County to observe such month with appropriate ceremonies and activities.

ROBERT A. BUSTER
First District

JOHN F. TAVAGLIONE
Second District

JEFF STONE
Third District, Vice Chairman

Vacant
Fourth District, Chairman

MARION ASHLEY
Fifth District

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

7.12A

FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
November 3, 2009

SUBJECT: Monthly Disclosure Report on Investments

RECOMMENDED MOTION: That the Board of Supervisors receives and files the Treasurer's "Monthly Disclosure Report on Investments" dated September 2009.

BACKGROUND: The County Treasurer and Tax Collector is submitting the above noted report to the County Board of Supervisors in keeping with Section 53607 of the California Government Code, which requires a quarterly report on the status of investments. The practice has been to provide the Board with a monthly report. The report gives the various statistics on the portfolio as to overall composition, liquidity structure, credit quality on the various securities, and provides several trends on earning performance, average weighted maturity, and the portfolio's "paper loss or gain".

Don Kent
Treasurer – Tax Collector

epartmental Concurrence

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	
	Annual Net County Cost:	$ 0	For Fiscal Year:	2009-2010

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Christopher M. Hans

County Executive Office Signature

Dep't Recomm.: ☐ Policy ☑ Consent
Per Exec. Ofc.: ☐ Policy ☑ Consent

Prev. Agn. Ref.: | **District:** | **Agenda Number:** 2.5

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

COUNTY OF RIVERSIDE

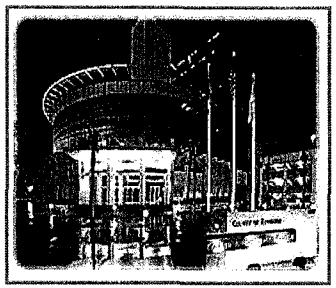
TREASURER'S POOLED INVESTMENT FUND MONTHLY REPORT SEPTEMBER 2009

Investment Objectives

SAFETY OF PRINCIPAL

LIQUIDITY

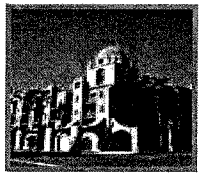
MAXIMUM RATE OF RETURN



Economic Indicators of Importance

25-Sep	Durable Goods Orders (-2.4% actual vs. 0.4% survey)
30-Sep	Gross Domestic Product (-0.7% actual vs. 1.2% survey)
29-Sep	Consumer Confidence (53.1 actual vs.57 survey)
05-Sep	Factory Orders(-0.8% actual vs. 0% survey)
02-Oct	Unemployment Rate (9.8% actual vs. 9.8% survey) Payroll change(-263000 actual vs.-175000 survey)
16-Sep	Consumer Price Index CPI (0.4% actual vs.0.3% survey) Core CPI (0.1% actual vs.0.1% survey)

"Light at the End of the Tunnel?"



This country's toughest economic period since the Great Depression is well into its second year and is still in full swing. As we all know by now, some of our worst fears were realized with a lack of confidence in our financial system, free markets and capitalism. Since the subprime meltdown, subsequent bursting of the housing bubble and credit freeze, investors had sustained losses totaling well over $9 trillion in the stock market alone.

If you haven't thrown in the towel yet, there may be some light at the end of the tunnel. The larger banks with billions of dollars of TARP program money have shored up their tattered balance sheets; many smaller banks though are still falling as victims of the banking collapse. The FDIC itself is apparently in need of $45 billion in an effort to support their insurance fund. Rather than borrowing from the U.S. Treasury (aka taxpayer money), they're hoping to raise the money by taking in three years worth of insurance premiums from banks by year's end. To date, they have seized the most number of banks since the S & L crisis some 20 years ago.

The nation's savings rate is also up to a over 20 year high, after a multi- decade spending spree that we are not likely to see again anytime soon; *Americans are actually saving money* again! According to Richard Clarida of Pacific Investment Management Co, the estimated national savings rate may now exceed 8%. Clarida does see this, however, as a drag on economic growth as consumer spending will be slowed by the amount being saved. Go figure! We do see this as a positive move in the right direction for our U.S. economy which will pay benefits, in the long-term. It will take time to wean ourselves of the massive amounts of household debt we Americans have saddled ourselves with.

Through all of this turmoil, we're happy to report that the Treasurer's Pooled Investment Fund has navigated this storm well. We have been reaffirmed our coveted AAA / V1+ rating from Fitch Ratings. We will continue to maintain our conservative posture and adhere to our investment objectives that have served us so well.

Don Kent

Treasurer-Tax Collector

Capital Markets

Don Kent
Treasurer-Tax Collector

Jon Christensen
Assistant Treasurer-Tax Collector

Giovane Pizano
Investment Manager

Portfolio Statistics

(1) Market values do not include accrued interest. (2) Monthly Average Book Yield

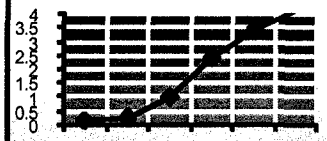
	Month End Market Value(1)	Month End Book Value	Paper Gain or Loss ($)	Paper Gain or Loss (%)	Book Yield(2)	WAM (Yrs.)	Modified Duration
The Treasurer's Pooled Investment Fund is composed of County, Schools, Special Districts and other Discretionary Depositors							
September	5,222,064,383.99	5,197,744,083.50	24,320,300.49	0.47%	1.26	1.04	1.01
August	5,113,300,045.10	5,090,682,546.65	22,617,498.45	0.44%	1.28	1.02	0.99
July	5,339,200,376.75	5,319,938,960.35	19,261,416.40	0.36%	1.29	1.00	0.97
June	5,137,795,368.05	5,115,107,770.36	22,687,597.69	0.44%	1.45	1.06	1.03
May	5,204,112,528.68	5,177,433,264.28	26,679,264.40	0.52%	1.57	1.00	0.96
April	5,968,500,823.98	5,944,915,987.76	23,584,836.22	0.40%	1.58	0.84	0.81

RIVERSIDE COUNTY TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED:
Aaa/MR1 BY MOODY'S INVESTOR SERVICES AAA/V1+ BY FITCH RATINGS

Market Snapshot

The Fed maintained the target rate at a range of 0 to 25 bps. The 2 year T-Note was yielding 0.95% (down 2bps). while the 10 year T-Note was yielding 3.31% (down 9bps.) For September, the Pool had a decrease of 2bps. in the average monthly yield.

U.S. Government



3 Mo US Treasury Bill	0.14	(0.01)
6 Mo US Treasury Bill	0.18	(0.06)
2 Yr US Treasury Note	0.95	(0.02)
5 Yr US Treasury Note	2.31	(0.08)
10 Yr US Treasury Note	3.31	(0.09)
FED Fund Rate	0.25	-

Other Markets

Crude Oil (barrel)	70.61	0.79
Gold (Ounce)	1,042.95	90.75

Major Indices

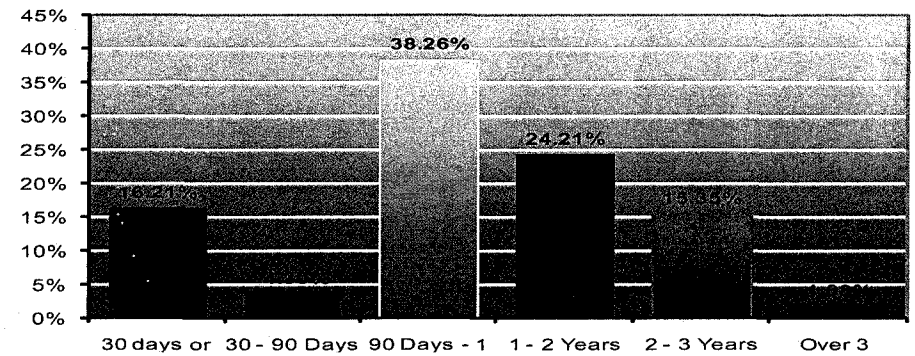
DJIA	9,712.28	216.00
S&P 500	1,057.08	36.46
NASDAQ	2,122.42	113.36

Portfolio Characteristics

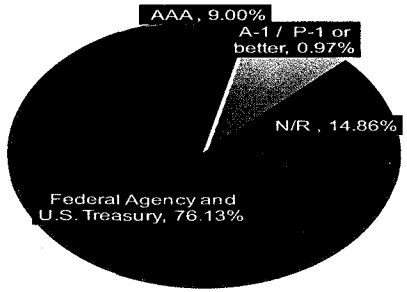
Sector breakdown

	Market Value	WAM	Book
Federal Agency	3,754,884,960	1.16	1.25
Cash Equivalent & MMF	703,946,000	0.08	0.37
Commercial Paper	-	-	-
Negotiable CDs	-		
Medium Term Notes	292,234,602	1.71	2.84
Municipal Bonds	117,910,322	0.83	2.19
Certificates of Deposit			
Bond - U.S. Treasury	250,779,500	1.54	0.94
Local Agency Obligation	102,309,000	0.51	1.75
TOTAL	5,222,064,384	1.04	1.23

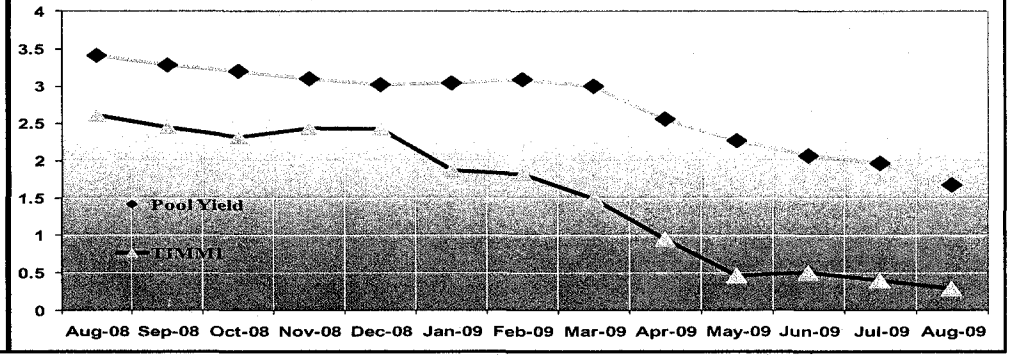
Maturity Distribution



Credit Quality



12 Month Gross Yield Trends[1]



Cash Flows[2]

Month	Monthly Receipts	Monthly Disbmts	Difference	Required Mat. Invest	Balance	Actual Inv. Maturities	Avail. To Invest> 1 Yr.
10/2009					84.50		
10/2009	650.92	897.5	(246.58)	162.08	-	816.80	
11/2009	743.18	768.4	(25.23)	25.23	-	135.57	
12/2009	1,338.10	874	464.10		464.10	88.71	
01/2010	625.85	1,391.0	(762.09)	297.99	-	798.00	
02/2010	703.04	926.3	(223.26)	223.26	-	155.24	
03/2010	807.62	995.9	(188.24)	188.24	-	15.00	
04/2010	1,304.77	927	377.77		377.77	112.42	
05/2010	592.53	1,341.2	(748.17)	371.40	-	402.75	
06/2010	707.13	1131	(423.87)	423.87	-	264.00	
07/2010	735.29	1,107.9	(372.56)	372.56	-	125.52	
08/2010	716.41	839.69	(123.28)	123.28	-	62.00	
09/2010	566.39	799.0	(372.56)	372.56	-	83.00	
TOTALS	9,494.3	11,999.9	(2,645.0)	2,560.5		3,059.0	2,636.5
				49.27%		58.86%	50.73%

[1] Treasurer's Institutional Money Market Index (TIMMI) is compiled and reported by the Riverside County Treasurer's Capital Markets division. It is a composite index derived from the average of three multi-billion dollar AAA rated Prime (funds that invest in a diversified portfolio of U.S. dollar denominated money market instruments including U.S. Treasuries, government agencies, bankers' acceptances, commercial paper, certificates of deposits, repurchase agreements, etc.) portfolios that the Treasurer tracks. Further details available upon request.

[2] The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. Based upon projected cash receipts and maturing investments, there are sufficient funds to meet future cash flow disbursements over the next 12 months.

Treasurer's Pooled Investment Fund

Month-End Portfolio Holdings Report

SEPTEMBER 30, 2009

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	M DUR.4	AVG. LIFE2
BOND - U.S. TREASURY BONDS											
912828JY7	10,000,000.00	U.S. TREASURY BONDS	0.88	1/31/2011	10,001,953.13	100.42	10,041,800.00	39,846.87	0.86	1.32	1.34
912828JY7	10,000,000.00	U.S. TREASURY BONDS	0.88	1/31/2011	9,981,250.00	100.42	10,041,800.00	60,550.00	1.00	1.32	1.34
912828JY7	10,000,000.00	U.S. TREASURY BONDS	0.88	1/31/2011	9,980,468.75	100.42	10,041,800.00	61,331.25	1.01	1.32	1.34
912828KE9	10,000,000.00	U.S. TREASURY BONDS	0.88	2/28/2011	9,987,109.38	100.38	10,038,300.00	51,190.62	0.96	1.40	1.41
912828KE9	10,000,000.00	U.S. TREASURY BONDS	0.88	2/28/2011	9,987,500.00	100.38	10,038,300.00	50,800.00	0.95	1.40	1.41
912828KE9	10,000,000.00	U.S. TREASURY BONDS	0.88	2/28/2011	9,989,062.50	100.38	10,038,300.00	49,237.50	0.94	1.40	1.41
912828KE9	10,000,000.00	U.S. TREASURY BONDS	0.88	2/28/2011	9,990,625.00	100.38	10,038,300.00	47,675.00	0.93	1.40	1.41
912828KE9	20,000,000.00	U.S. TREASURY BONDS	0.88	2/28/2011	19,965,625.00	100.38	20,076,600.00	110,975.00	0.99	1.40	1.41
912828KE9	30,000,000.00	U.S. TREASURY BONDS	0.88	2/28/2011	30,073,828.13	100.38	30,114,900.00	41,071.87	0.71	1.41	1.41
912828KU3	15,000,000.00	U.S. TREASURY BONDS	0.88	5/31/2011	14,987,109.38	100.24	15,035,700.00	48,590.62	0.92	1.65	1.67
912828KU3	20,000,000.00	U.S. TREASURY BONDS	0.88	5/31/2011	19,884,375.00	100.24	20,047,600.00	163,225.00	1.20	1.64	1.67
912828KU3	15,000,000.00	U.S. TREASURY BONDS	0.88	5/31/2011	14,920,312.50	100.24	15,035,700.00	115,387.50	1.17	1.64	1.67
912828KU3	15,000,000.00	U.S. TREASURY BONDS	0.88	5/31/2011	14,943,750.00	100.24	15,035,700.00	91,950.00	1.09	1.64	1.67
912828KU3	15,000,000.00	U.S. TREASURY BONDS	0.88	5/31/2011	14,941,406.25	100.24	15,035,700.00	94,293.75	1.09	1.64	1.67
912828KU3	50,000,000.00	U.S. TREASURY BONDS	0.88	5/31/2011	50,082,500.00	100.24	50,119,000.00	56,500.00	0.80	1.65	1.67
	250,000,000.00				**249,696,875.02**		**250,779,500.00**	**1,082,624.98**	**0.94**	**1.52**	**1.54**
CASH - UBOC DEPOSIT ACCOUNT											
UBOCSI	265,000,000.00	UBOC DEPOSIT SI ACCOUNT	0.44	10/5/2009	265,000,000.00	100.00	265,000,000.00	-	0.44	0.01	0.01
UBOC	75,000,000.00	UBOC DEPOSIT ACCOUNT	0.10	10/30/2009	75,000,000.00	100.00	75,000,000.00	-	0.10	0.08	0.08
CITINOW	250,000,000.00	CITINOW ACCT FDIC INSURED	0.40	10/30/2009	250,000,000.00	100.00	250,000,000.00	-	0.40	0.08	0.08
	590,000,000.00				**590,000,000.00**		**590,000,000.00**	**-**	**0.38**	**0.05**	**0.05**
CLTR - CALTRUST SHORT TERM FUND											
CLTR	54,000,000.00	CALTRUST SHORT TERM FUND 9.99	0.67	10/30/2009	54,000,000.00	99.90	53,946,000.00	(54,000.00)	0.56	0.08	0.08
	54,000,000.00				**54,000,000.00**		**53,946,000.00**	**(54,000.00)**	**0.56**	**0.08**	**0.08**
FCDN - FARM CRED DISCOUNT NOTES											
313313UZ9	25,000,000.00	FARM CRED DISCOUNT NOTES	0.45	4/1/2010	24,914,375.00	99.91	24,977,500.00	63,125.00	0.45	0.50	0.50
313397XB2	50,000,000.00	FARM CRED DISCOUNT NOTES	0.32	5/21/2010	49,880,000.00	99.88	49,940,000.00	60,000.00	0.32	0.64	0.64
313313E20	25,000,000.00	FARM CRED DISCOUNT NOTES	0.43	9/1/2010	24,891,604.17	99.72	24,930,000.00	38,395.83	0.00	0.00	0.00
	100,000,000.00				**99,685,979.17**		**99,847,500.00**	**161,520.83**	**0.38**	**0.67**	**0.67**
FFCB - FED FARM CREDIT BANK											
31331YDR8	10,000,000.00	FED FARM CREDIT BANK 2YrNc	4.13	11/19/2009	10,248,848.94	102.49	10,248,848.94	-	2.50	0.12	0.12
31331GWZ8	10,000,000.00	FED FARM CREDIT BANK 1YrNc	0.50	6/1/2010	10,000,000.00	100.09	10,009,400.00	9,400.00	0.50	0.67	0.67
31331GGS2	5,000,000.00	FED FARM CREDIT BANK 1.5YrNc	2.00	6/11/2010	5,000,000.00	101.03	5,051,550.00	51,550.00	2.00	0.69	0.70
31331YYU8	5,000,000.00	FED FARM CREDIT BANK 2YrNc	2.25	7/1/2010	4,902,150.00	101.38	5,068,750.00	166,600.00	3.23	0.74	0.75
31331YYU8	5,000,000.00	FED FARM CREDIT BANK 2.5YrNc	2.25	7/1/2010	4,905,165.54	101.38	5,068,750.00	163,584.46	3.26	0.74	0.75
31331YYU8	25,000,000.00	FED FARM CREDIT BANK 1.5YrNc	2.25	7/1/2010	25,439,500.00	101.38	25,343,750.00	(95,750.00)	1.06	0.74	0.75
31331Y3U2	6,500,000.00	FED FARM CREDIT BANK 2YrNc	3.30	7/21/2010	6,492,625.00	102.28	6,648,265.00	155,740.00	3.36	0.79	0.81
31331YRV4	5,000,000.00	FED FARM CREDIT BANK 2.5YrNc	2.88	8/4/2010	4,967,550.00	102.00	5,100,000.00	132,450.00	3.25	0.82	0.84
31331GME6	15,000,000.00	FED FARM CREDIT BANK 1.5YrNc	1.13	8/6/2010	15,012,000.00	100.63	15,093,750.00	81,750.00	1.07	0.84	0.85
31331GPQ6	5,000,000.00	FED FARM CREDIT BANK 1.5 nc	1.25	9/9/2010	5,000,000.00	100.66	5,032,800.00	32,800.00	1.25	0.93	0.94
31331GDG1	5,000,000.00	FED FARM CREDIT BANK 2YrNc	2.65	10/13/2010	4,995,000.00	102.13	5,106,250.00	111,250.00	2.70	1.01	1.04
31331GDM8	5,000,000.00	FED FARM CREDIT BANK 2YrNc1Yr1	3.25	10/21/2010	5,000,000.00	100.16	5,007,800.00	7,800.00	3.25	1.02	1.06
31331GDM8	5,000,000.00	FED FARM CREDIT BANK 2YrNc1Yr1	3.25	10/21/2010	5,000,000.00	100.16	5,007,800.00	7,800.00	3.25	1.02	1.06
31331GDM8	5,000,000.00	FED FARM CREDIT BANK 2YrNc1Yr1	3.25	10/21/2010	5,000,000.00	100.16	5,007,800.00	7,800.00	3.25	1.02	1.06
31331GXW4	5,000,000.00	FED FARM CREDIT BANK	0.80	12/16/2010	4,976,000.00	100.00	5,000,000.00	24,000.00	1.12	1.20	1.21
31331GJY6	5,000,000.00	FED FARM CREDIT BANK	1.60	1/12/2011	5,002,800.00	101.09	5,054,700.00	51,900.00	1.57	1.26	1.28
307692AA1	14,500,000.00	FED FARM CREDIT BANK	4.88	1/14/2011	15,219,490.00	103.65	15,058,105.00	(161,385.00)	1.30	1.25	1.29
31331YUD0	5,000,000.00	FED FARM CREDIT BANK 3YrNc	2.88	2/14/2011	4,965,050.00	102.84	5,142,200.00	177,150.00	3.20	1.33	1.38
31331GNW5	10,000,000.00	FED FARM CREDIT BANK 2YrNc1Con	1.60	3/2/2011	10,000,000.00	100.53	10,053,100.00	53,100.00	1.80	1.40	1.42
31331YWG1	6,750,000.00	FED FARM CREDIT BANK 3YrNc	3.00	3/3/2011	6,779,362.50	103.06	6,956,752.50	177,390.00	2.80	1.38	1.42
31331GS34	5,000,000.00	FED FARM CREDIT BANK 1.5-NC3M	0.84	3/23/2011	5,000,000.00	99.97	4,998,450.00	(1,550.00)	0.84	1.47	1.48
31331GS34	10,000,000.00	FED FARM CREDIT BANK 1.5-NC3M	0.84	3/23/2011	10,000,000.00	99.97	9,996,900.00	(3,100.00)	0.84	1.47	1.48
3128X8WC2	5,000,000.00	FED FARM CREDIT BANK 2YrNc1Yr1	1.75	4/20/2011	5,000,000.00	100.67	5,033,650.00	33,650.00	1.75	1.52	1.55
31331YG46	5,000,000.00	FED FARM CREDIT BANK 3YrNc	2.63	4/21/2011	4,965,100.00	102.66	5,132,800.00	167,700.00	2.92	1.50	1.56
31331GED7	5,000,000.00	FED FARM CREDIT BANK 2.5YrNc1Y	3.45	5/6/2011	5,000,000.00	100.31	5,015,650.00	15,650.00	3.45	1.52	1.60
31331GED7	5,000,000.00	FED FARM CREDIT BANK 2.5YrNc1Y	3.45	5/6/2011	5,000,000.00	100.31	5,015,650.00	15,650.00	3.45	1.52	1.60
31331YT26	5,000,000.00	FED FARM CREDIT BANK 3YrNc1.5Y	3.62	6/2/2011	5,000,000.00	100.56	5,028,150.00	28,150.00	3.62	1.59	1.67
31331GXR5	10,000,000.00	FED FARM CREDIT BANK 2YrNc	1.15	6/8/2011	9,971,000.00	100.25	10,025,000.00	54,000.00	1.30	1.66	1.69
31331YY46	4,950,000.00	FED FARM CREDIT BANK 3YrNc	3.90	6/20/2011	5,166,117.00	104.88	5,191,312.50	25,195.50	2.10	1.65	1.72
30769PAA0	4,602,000.00	FARMER MAC 2.5YrNc	5.50	7/15/2011	4,967,444.82	106.71	4,910,794.20	(56,650.62)	2.25	1.70	1.79
31331GB99	10,000,000.00	FED FARM CREDIT BANK 2YrNc3MoC	1.24	7/20/2011	9,988,500.00	100.00	10,000,000.00	11,500.00	1.30	1.78	1.80
313160AA1	8,000,000.00	FED FARM CREDIT BANK	3.88	8/19/2011	8,364,880.00	105.09	8,407,520.00	42,640.00	1.55	1.82	1.88
31331GN96	10,000,000.00	FED FARM CREDIT BANK 2YrNc	1.90	9/1/2011	10,000,000.00	100.25	10,025,000.00	25,000.00	1.90	1.89	1.92
31331GS59	5,000,000.00	FED FARM CREDIT BANK 2-NC3MO A	1.20	9/23/2011	5,000,000.00	99.56	4,978,150.00	(21,850.00)	1.20	1.95	1.98
31331GS59	10,000,000.00	FED FARM CREDIT BANK 2-NC3MO A	1.20	9/23/2011	10,000,000.00	99.56	9,956,300.00	(43,700.00)	1.20	1.95	1.98
31331GU23	5,000,000.00	FED FARM CREDIT BANK 2YrNc1xCo	1.24	9/28/2011	5,000,000.00	99.78	4,989,050.00	(10,950.00)	1.24	1.96	1.99

Treasurer's Pooled Investment Fund — SEPTEMBER 30, 2009

Month End Portfolio Holdings Report

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	M DUR.4	AVG. LIFE2
31331GU23	5,000,000.00	FED FARM CREDIT BANK 2YrNc1YrC	1.24	9/28/2011	5,000,000.00	99.78	4,989,050.00	(10,950.00)	1.24	1.96	1.99
31331GU23	5,000,000.00	FED FARM CREDIT BANK 2YrNc1YrC	1.24	9/28/2011	5,000,000.00	99.78	4,989,050.00	(10,950.00)	1.24	1.96	1.99
31331GU23	10,000,000.00	FED FARM CREDIT BANK 2YrNc1YrC	1.24	9/28/2011	10,000,000.00	99.78	9,978,100.00	(21,900.00)	1.24	1.98	1.99
31331GU23	10,000,000.00	FED FARM CREDIT BANK 2YrNc1YrC	1.24	9/28/2011	9,990,000.00	99.78	9,978,100.00	(11,900.00)	1.29	1.96	1.99
31331GU23	10,000,000.00	FED FARM CREDIT BANK 2YrNc1YrC	1.24	9/28/2011	10,000,000.00	99.78	9,978,100.00	(21,900.00)	1.24	1.96	1.99
31331GV22	5,000,000.00	FED FARM CREDIT BANK 2YrNc	1.13	10/3/2011	5,000,000.00	99.63	4,981,250.00	(18,750.00)	1.13	1.97	2.01
31331GEG0	5,000,000.00	FED FARM CREDIT BANK 3YrNc1Yr	3.88	11/10/2011	5,000,000.00	100.31	5,015,650.00	15,650.00	3.88	1.98	2.11
31331GEW5	5,000,000.00	FED FARM CREDIT BANK 3YrNc1Yr1	3.38	11/18/2011	5,000,000.00	100.34	5,017,200.00	17,200.00	3.38	2.02	2.13
31331GEW5	5,000,000.00	FED FARM CREDIT BANK 3YrNc1Yr1	3.38	11/18/2011	5,000,000.00	100.34	5,017,200.00	17,200.00	3.38	2.02	2.13
31331GEW5	5,000,000.00	FED FARM CREDIT BANK 3YrNc1Yr1	3.38	11/18/2011	5,000,000.00	100.34	5,017,200.00	17,200.00	3.38	2.02	2.13
31331GEW5	5,000,000.00	FED FARM CREDIT BANK 3YrNc1Yr1	3.38	11/18/2011	5,000,000.00	100.34	5,017,200.00	17,200.00	3.38	2.02	2.13
31331GMW6	5,000,000.00	FED FARM CREDIT BANK	2.47	2/17/2012	5,000,000.00	100.53	5,026,550.00	26,550.00	2.47	2.29	2.38
31331GNP0	4,580,000.00	FED FARM CREDIT BANK 3-YrNc1-C	2.37	3/2/2012	4,580,000.00	100.66	4,610,044.80	30,044.80	2.37	2.34	2.42
31331GP29	20,000,000.00	FED FARM CREDIT BANK 2.5YrNc3M	1.78	3/9/2012	20,000,000.00	100.19	20,037,600.00	37,600.00	1.78	2.38	2.44
31331GTK5	5,000,000.00	FED FARM CREDIT BANK 3YrNc1Yr1	2.02	4/20/2012	5,000,000.00	100.63	5,031,250.00	31,250.00	2.02	2.46	2.56
31331GNQ8	5,000,000.00	FED FARM CREDIT BANK	2.25	4/24/2012	5,066,900.00	101.69	5,084,400.00	17,500.00	1.78	2.46	2.57
31331GUD9	5,000,000.00	FED FARM CREDIT BANK	2.03	4/27/2012	5,000,000.00	100.53	5,026,550.00	26,550.00	2.03	2.48	2.58
31331GYP8	5,000,000.00	FED FARM CREDIT BANK 3YrNc	2.13	6/18/2012	4,988,000.00	101.00	5,050,000.00	62,000.00	2.21	2.61	2.72
31331GYP8	3,000,000.00	FED FARM CREDIT BANK 3YrNc	2.13	6/18/2012	2,992,800.00	101.00	3,030,000.00	37,200.00	2.21	2.61	2.72
31331GP45	10,000,000.00	FED FARM CREDIT BANK 3YrNc1x	2.00	9/10/2012	10,000,000.00	100.31	10,031,300.00	31,300.00	2.00	2.84	2.95
31331GP78	10,000,000.00	FED FARM CREDIT BANK 3YrNc1YrC	1.95	9/17/2012	9,995,000.00	100.13	10,012,500.00	17,500.00	1.97	2.86	2.97
3128X84Q2	10,000,000.00	FED FARM CREDIT BANK	2.25	1/30/2013	10,000,000.00	100.07	10,007,200.00	7,200.00	2.25	3.18	3.34
31331GRL5	15,000,000.00	FED FARM CREDIT BANK4-NCMOCONT	2.63	4/2/2013	15,000,000.00	100.03	15,004,650.00	4,650.00	2.63	3.29	3.51
31331GVK2	5,000,000.00	FED FARM CREDIT BANK 4YrNc1YrC	2.45	5/6/2013	5,000,000.00	100.28	5,014,050.00	14,050.00	2.45	3.39	3.60
	437,882,000.00				**439,941,183.80**		**441,708,942.94**	**1,767,759.14**	**1.95**	**1.71**	**1.76**
FHLB - FED HOME LOAN BANK											
3133XQL83	5,000,000.00	FED HOME LOAN BANK 1.5YrNc	2.25	10/2/2009	4,970,550.00	99.41	4,970,550.00	-	2.87	0.01	0.01
3133XMD40	5,000,000.00	FED HOME LOAN BANK 2YrNc	4.50	10/9/2009	5,056,250.00	101.13	5,056,250.00	-	3.32	0.02	0.02
3133XUDZ3	30,000,000.00	FED HOME LOAN BANK	0.31	1/22/2010	29,998,200.00	100.00	30,000,000.00	1,800.00	0.32	0.31	0.31
3133XQ5F5	5,000,000.00	FED HOME LOAN BANK 2YrNc6Mo	3.00	3/10/2010	5,000,000.00	101.19	5,059,400.00	59,400.00	3.00	0.44	0.44
3133XQ5C2	10,000,000.00	FED HOME LOAN BANK	2.38	4/30/2010	10,140,260.00	101.19	10,118,800.00	(21,460.00)	1.12	0.57	0.58
3133MBJA6	5,000,000.00	FED HOME LOAN BANK 2YrNc	7.63	5/14/2010	5,426,200.00	104.50	5,225,000.00	(201,200.00)	3.08	0.60	0.62
3133XT4S2	10,000,000.00	FED HOME LOAN BANK NC	1.05	5/28/2010	9,988,000.00	100.44	10,043,800.00	55,800.00	1.16	0.65	0.66
3133XTRA6	20,000,000.00	FED HOME LOAN BANK1YrNcInc	0.50	6/1/2010	20,000,000.00	100.09	20,018,800.00	18,800.00	0.50	0.67	0.67
3133XTTT3	5,000,000.00	FED HOME LOAN BANK 1YrNc	0.55	6/3/2010	5,000,000.00	100.13	5,006,250.00	6,250.00	0.55	0.67	0.67
3133XTS64	10,000,000.00	FED HOME LOAN BANK1YrNc6Mo1x	0.63	6/4/2010	10,000,000.00	100.06	10,006,300.00	6,300.00	0.63	0.67	0.68
3133XTGG5	25,000,000.00	FED HOME LOAN BANK	0.92	6/7/2010	25,076,000.00	100.38	25,093,750.00	17,750.00	0.60	0.68	0.68
3133XTSM9	30,000,000.00	FED HOME LOAN BANK1YrNc6Mo	0.65	6/10/2010	30,000,000.00	100.06	30,018,900.00	18,900.00	0.65	0.69	0.69
3133XR2Y5	10,000,000.00	FED HOME LOAN BANK 2YrNc	3.00	6/11/2010	9,995,000.00	101.81	10,181,300.00	186,300.00	3.02	0.68	0.70
3133XR2Y5	13,000,000.00	FED HOME LOAN BANK 2YrNc	3.00	6/11/2010	12,961,130.00	101.81	13,235,690.00	274,560.00	3.15	0.68	0.70
3133XR2Y5	10,000,000.00	FED HOME LOAN BANK 2YrNc	3.00	6/11/2010	9,988,200.00	101.81	10,181,300.00	213,100.00	3.16	0.68	0.70
3133XR2Y5	5,000,000.00	FED HOME LOAN BANK 2YrNc	3.00	6/11/2010	4,967,600.00	101.81	5,090,650.00	123,050.00	3.33	0.68	0.70
3133XR2Y5	10,000,000.00	FED HOME LOAN BANK 2YrNc	3.00	6/11/2010	9,931,300.00	101.81	10,181,300.00	250,000.00	3.35	0.68	0.70
3133XR2Y5	10,000,000.00	FED HOME LOAN BANK 2YrNc	3.00	6/11/2010	9,934,400.00	101.81	10,181,300.00	246,900.00	3.33	0.68	0.70
3133XTZ68	5,000,000.00	FED HOME LOAN BANK	0.56	6/18/2010	5,000,000.00	100.13	5,006,250.00	6,250.00	0.56	0.71	0.72
3133XTRR9	10,000,000.00	FED HOME LOAN BANK 1YrNc	0.52	6/25/2010	10,000,000.00	100.09	10,009,400.00	9,400.00	0.52	0.73	0.73
3133XTUH7	10,000,000.00	FED HOME LOAN BANK1YrNc6Mo1x	0.58	7/2/2010	10,000,000.00	100.06	10,006,300.00	6,300.00	0.58	0.75	0.75
3133XTZD1	5,000,000.00	FED HOME LOAN BANK 1YrNc6Mo1X	0.63	7/6/2010	5,000,000.00	100.09	5,004,700.00	4,700.00	0.63	0.76	0.76
3133XU6X6	5,000,000.00	FED HOME LOAN BANK	0.55	7/15/2010	4,999,500.00	100.09	5,004,700.00	5,200.00	0.56	0.79	0.79
3133XTZK5	5,000,000.00	FED HOME LOAN BANK1YrNc9Mo1x	0.63	7/19/2010	4,998,500.00	100.13	5,006,250.00	7,750.00	0.65	0.80	0.80
3133XTZK5	10,000,000.00	FED HOME LOAN BANK	0.63	7/19/2010	10,000,000.00	100.13	10,012,500.00	12,500.00	0.63	0.80	0.80
3133XTZK5	10,000,000.00	FED HOME LOAN BANK 1YrNc9Mo1x	0.63	7/19/2010	9,997,000.00	100.13	10,012,500.00	15,500.00	0.65	0.80	0.80
3133XUBJ1	10,000,000.00	FED HOME LOAN BANK 1YrNc3MoInc	0.65	7/28/2010	10,000,000.00	100.03	10,003,100.00	3,100.00	0.65	0.82	0.82
3133XUAD5	5,000,000.00	FED HOME LOAN BANK 1YrNcInc	0.55	7/30/2010	5,000,000.00	100.13	5,006,250.00	6,250.00	0.55	0.83	0.83
3133XUDP5	5,000,000.00	FED HOME LOAN BANK Inc	0.61	8/12/2010	5,000,000.00	100.09	5,004,700.00	4,700.00	0.61	0.86	0.87
3133XPM68	5,000,000.00	FED HOME LOAN BANK 2.5YrNc6Mo1	3.19	8/12/2010	5,000,000.00	102.31	5,115,650.00	115,650.00	3.19	0.85	0.87
3133XUME0	10,000,000.00	FED HOME LOAN BANK 1YrNc3Mo	0.75	8/24/2010	10,000,000.00	100.06	10,006,300.00	6,300.00	0.75	0.89	0.90
3133XUKZ5	5,000,000.00	FED HOME LOAN BANK	0.70	8/27/2010	5,000,000.00	100.06	5,003,150.00	3,150.00	0.70	0.90	0.91
3133XTTQ9	8,000,000.00	FED HOME LOAN BANK	0.70	9/8/2010	7,999,040.00	100.16	8,012,480.00	13,440.00	0.71	0.93	0.94
3133XTBB1	5,000,000.00	FED HOME LOAN BANK 1.5 NC	1.35	9/9/2010	5,000,000.00	100.75	5,037,500.00	37,500.00	1.35	0.93	0.94
3133XQYX4	10,000,000.00	FED HOME LOAN BANK 2.5YrNc	3.00	9/10/2010	9,961,000.00	102.31	10,231,300.00	270,300.00	3.18	0.92	0.95
3133XTCW4	5,000,000.00	FED HOME LOAN BANK 1.5-NC	1.45	9/30/2010	5,000,000.00	100.13	5,006,250.00	6,250.00	1.45	0.99	1.00
3133XTCW4	5,000,000.00	FED HOME LOAN BANK	1.45	9/30/2010	5,024,385.00	100.13	5,006,250.00	(18,135.00)	1.12	0.99	1.00
3133XU3C5	10,000,000.00	FED HOME LOAN BANK1.25YrNc	0.75	9/30/2010	10,000,000.00	100.19	10,018,800.00	18,800.00	0.75	0.99	1.00
3133XSC89	5,000,000.00	FED HOME LOAN BANK 2YrNc1YrIX	3.38	10/6/2010	5,000,000.00	100.03	5,001,550.00	1,550.00	3.38	0.98	1.02
3133XTGU4	10,000,000.00	FED HOME LOAN BANK1.5-NC	1.20	10/7/2010	10,000,000.00	100.66	10,065,600.00	65,600.00	1.20	1.00	1.02
3133XSCT3	5,000,000.00	FED HOME LOAN BANK 2YrNc	3.38	10/20/2010	4,998,000.00	102.94	5,146,900.00	148,900.00	3.39	1.01	1.05
3133XSGG7	5,000,000.00	FED HOME LOAN BANK 2YrNc1Yr	3.40	10/21/2010	5,000,000.00	102.96	5,147,800.00	147,800.00	3.40	1.02	1.06

Treasurer's Pooled Investment Fund — SEPTEMBER 30, 2009

Month End Portfolio Holdings Report

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	M DUR.4	AVG. LIFE2
3133XQSX1	5,000,000.00	FED HOME LOAN BANK 2.5YrNc6Mo1	3.00	10/28/2010	5,000,000.00	102.59	5,129,700.00	129,700.00	3.00	1.04	1.06
3133XSHD3	10,000,000.00	FED HOME LOAN BANK 2YrNc1Yr1X	3.14	10/29/2010	10,000,000.00	100.22	10,021,900.00	21,900.00	3.14	1.04	1.08
3133XTTF3	10,000,000.00	FED HOME LOAN BANK	0.85	12/3/2010	9,992,800.00	100.22	10,021,900.00	29,100.00	0.90	1.16	1.18
3133XSR91	30,000,000.00	FED HOME LOAN BANK 2YrNc1Yr1X	2.05	12/29/2010	30,000,000.00	100.31	30,093,900.00	93,900.00	2.05	1.22	1.25
3133XU4H3	5,000,000.00	FED HOME LOAN BANK 1.5YrNc3Mo1x	1.00	1/13/2011	5,000,000.00	100.03	5,001,550.00	1,550.00	1.00	1.27	1.29
3133XU4H3	5,000,000.00	FED HOME LOAN BANK 1.5-NC3MO1X	1.00	1/13/2011	5,000,000.00	100.03	5,001,550.00	1,550.00	1.00	1.27	1.29
3133XUB28	5,000,000.00	FED HOME LOAN BANK	0.85	1/20/2011	5,000,000.00	100.22	5,010,950.00	10,950.00	0.85	1.29	1.31
3133XUBV4	10,000,000.00	FED HOME LOAN BANK 1.5YrNc	0.88	1/20/2011	9,994,200.65	100.09	10,009,400.00	15,199.35	0.92	1.29	1.31
3133XUBV4	5,000,000.00	FED HOME LOAN BANK 1.5YrNc	0.88	1/20/2011	4,998,400.00	100.09	5,004,700.00	16,300.00	1.07	1.29	1.31
3133XUCG6	5,000,000.00	FED HOME LOAN BANK 1.5YrNc3Mo1	1.00	1/28/2011	5,000,000.00	100.06	5,003,150.00	3,150.00	1.00	1.31	1.33
3133XUCG6	10,000,000.00	FED HOME LOAN BANK 1.5YrNc3Mo1	1.00	1/28/2011	10,000,000.00	100.06	10,006,300.00	6,300.00	1.00	1.31	1.33
3133XUCG6	10,000,000.00	FED HOME LOAN BANK 1.5YrNc3Mo1	1.00	1/28/2011	10,000,000.00	100.06	10,006,300.00	6,300.00	1.00	1.31	1.33
912828JY7	20,000,000.00	FED HOME LOAN BANK	0.88	1/31/2011	19,989,062.50	100.42	20,083,600.00	94,537.50	0.91	1.32	1.34
3133XUG49	5,000,000.00	FED HOME LOAN BANK	1.00	2/10/2011	5,000,000.00	100.06	5,003,150.00	3,150.00	1.00	1.35	1.36
3133XUG49	10,000,000.00	FED HOME LOAN BANK	1.00	2/10/2011	10,000,000.00	100.06	10,006,300.00	6,300.00	1.00	1.35	1.36
3133XTJ64	10,000,000.00	FED HOME LOAN BANK 2Yr	1.38	5/16/2011	10,053,700.00	100.94	10,093,800.00	40,100.00	1.10	1.60	1.62
3133XURC0	50,000,000.00	FED HOME LOAN BANK	1.10	5/27/2011	50,000,000.00	100.41	50,203,000.00	203,000.00	1.10	1.63	1.65
3133XTUR5	10,000,000.00	FED HOME LOAN BANK 2YrNc	1.13	6/3/2011	10,000,000.00	100.53	10,053,100.00	53,100.00	1.13	1.65	1.67
3133XTUR5	5,000,000.00	FED HOME LOAN BANK 2YrNc	1.13	6/3/2011	5,000,000.00	100.53	5,026,550.00	26,550.00	1.13	1.65	1.67
3133XTUR5	5,000,000.00	FED HOME LOAN BANK 2YrNc	1.13	6/3/2011	5,000,000.00	100.53	5,026,550.00	26,550.00	1.13	1.65	1.67
3133XTV45	5,000,000.00	FED HOME LOAN BANK	1.13	6/3/2011	4,974,100.00	100.53	5,026,550.00	51,450.00	1.38	1.65	1.67
3133XTV45	5,000,000.00	FED HOME LOAN BANK	1.13	6/3/2011	4,974,600.00	100.53	5,026,550.00	51,950.00	1.39	1.65	1.67
3133XTV45	5,000,000.00	FED HOME LOAN BANK	1.13	6/3/2011	4,978,000.00	100.53	5,026,550.00	48,550.00	1.35	1.65	1.67
3133XTV45	10,000,000.00	FED HOME LOAN BANK	1.13	6/3/2011	9,930,700.00	100.53	10,053,100.00	122,400.00	1.48	1.65	1.67
3133XRC65	10,825,000.00	FED HOME LOAN BANK 3YrNc	3.38	6/10/2011	10,777,108.38	104.28	11,288,418.25	511,309.89	3.53	1.62	1.69
3133XTUG9	5,000,000.00	FED HOME LOAN BANK2YrNc1Yr1x	1.30	6/15/2011	5,000,000.00	100.56	5,028,150.00	28,150.00	1.30	1.68	1.71
3133XTUG9	5,000,000.00	FED HOME LOAN BANK 2YrNc1x	1.30	6/15/2011	5,000,000.00	100.56	5,028,150.00	28,150.00	1.30	1.68	1.71
3133XTS98	5,000,000.00	FED HOME LOAN BANK 2YrNc1x1x	1.25	6/22/2011	5,000,000.00	100.59	5,029,700.00	29,700.00	1.25	1.70	1.73
3128X8S45	5,000,000.00	FED HOME LOAN BANK2YrNc1Yrnc	1.70	6/29/2011	5,000,000.00	100.90	5,045,200.00	45,200.00	1.70	1.71	1.75
3133XU7J6	5,000,000.00	FED HOME LOAN BANK	1.13	7/18/2011	4,987,800.00	100.31	5,015,650.00	27,850.00	1.25	1.77	1.80
3133XTXH4	5,000,000.00	FED HOME LOAN BANK	1.63	7/27/2011	4,995,250.00	101.16	5,057,800.00	62,550.00	1.67	1.79	1.82
3133XTXH4	10,000,000.00	FED HOME LOAN BANK	1.63	7/27/2011	9,990,500.00	101.16	10,115,600.00	125,100.00	1.67	1.79	1.82
3133XUC69	10,000,000.00	FED HOME LOAN BANK	1.35	8/3/2011	10,000,000.00	100.44	10,043,800.00	43,800.00	1.35	1.81	1.84
3133XUG23	5,000,000.00	FED HOME LOAN BANK 2YrNc6Mo1x	1.38	8/11/2011	4,996,250.00	100.25	5,012,500.00	16,250.00	1.41	1.83	1.86
3133XUG23	5,000,000.00	FED HOME LOAN BANK2YrNc6Mo	1.38	8/11/2011	4,997,500.00	100.25	5,012,500.00	15,000.00	1.40	1.83	1.86
3133XUDE0	4,800,000.00	FED HOME LOAN BANK 2YrNc1Mo1x	1.35	8/12/2011	4,800,000.00	100.53	4,825,488.00	25,488.00	1.35	1.83	1.87
3133XUD59	5,000,000.00	FED HOME LOAN BANK 2YrNc6Mo1x	1.38	8/12/2011	5,000,000.00	100.34	5,017,200.00	17,200.00	1.38	1.83	1.87
3133XUDE0	5,000,000.00	FED HOME LOAN BANK 2YrNc1M1x	1.35	8/12/2011	5,000,000.00	100.53	5,026,550.00	26,550.00	1.35	1.83	1.87
3133XTTN6	5,000,000.00	FED HOME LOAN BANK2.25YrNc1x	1.40	9/15/2011	5,000,000.00	100.69	5,034,400.00	34,400.00	1.40	1.92	1.96
3133XUTH6	10,000,000.00	FED HOME LOAN BANK	1.25	9/28/2011	10,000,000.00	100.16	10,015,600.00	15,600.00	1.25	1.96	1.99
3136FH4A0	5,000,000.00	FED HOME LOAN BANK2.25YrNc1Yr	1.55	11/17/2011	5,000,000.00	100.75	5,037,500.00	37,500.00	1.55	2.08	2.13
3133XTVK9	5,000,000.00	FED HOME LOAN BANK 2.5YrNc6Mo1	1.50	12/22/2011	5,000,000.00	100.28	5,014,050.00	14,050.00	1.50	2.17	2.23
3133XTVK9	5,000,000.00	FED HOME LOAN BANK 2.5YrNc6Mo1	1.50	12/22/2011	5,000,000.00	100.28	5,014,050.00	14,050.00	1.50	2.17	2.23
3133XU2D4	5,000,000.00	FED HOME LOAN BANK	1.50	12/30/2011	5,000,000.00	100.41	5,020,300.00	20,300.00	1.50	2.20	2.25
3133XSVA3	3,750,000.00	FED HOME LOAN BANK 3YrNc6Mo	2.00	2/6/2012	3,737,100.00	100.03	3,751,162.50	14,062.50	2.12	2.28	2.35
3128X8XS6	10,000,000.00	FED HOME LOAN BANK 3YrNc2Yr1x	2.00	4/27/2012	9,985,000.00	100.86	10,086,200.00	101,200.00	2.05	2.48	2.58
3136FHUF0	5,000,000.00	FED HOME LOAN BANK 3YrNc1x	1.50	6/4/2012	4,985,350.00	100.34	5,017,200.00	31,850.00	1.60	2.60	2.68
3133XTRW8	5,000,000.00	FED HOME LOAN BANK 3YrNc6Mo	1.50	6/8/2012	5,000,000.00	100.19	5,009,400.00	9,400.00	1.50	2.61	2.69
3128X8L42	10,000,000.00	FED HOME LOAN BANK3YrNc1x	2.00	6/15/2012	10,000,000.00	100.61	10,061,200.00	61,200.00	2.00	2.61	2.71
3133XTS49	5,000,000.00	FED HOME LOAN BANK	1.88	6/20/2012	4,995,600.00	100.97	5,048,450.00	52,850.00	1.90	2.63	2.72
3133XTS49	10,000,000.00	FED HOME LOAN BANK	1.88	6/20/2012	9,991,200.00	100.97	10,096,900.00	105,700.00	1.90	2.63	2.72
3133XTS49	10,000,000.00	FED HOME LOAN BANK	1.88	6/20/2012	9,991,200.00	100.97	10,096,900.00	105,700.00	1.90	2.63	2.72
3128X8XP2	10,000,000.00	FED HOME LOAN BANK 3.25YrNc6Mo	2.10	7/27/2012	10,000,000.00	100.11	10,011,100.00	11,100.00	2.10	2.72	2.82
3128X8XP2	10,000,000.00	FED HOME LOAN BANK	2.10	7/27/2012	10,000,000.00	100.11	10,011,100.00	11,100.00	2.10	2.72	2.82
3128X8XP2	5,000,000.00	FED HOME LOAN BANK 3.25YrNc6Mo	2.10	7/27/2012	5,000,000.00	100.11	5,005,550.00	5,550.00	2.10	2.72	2.82
3133XUE33	5,000,000.00	FED HOME LOAN BANK 3Nc1Yr1x	1.25	8/6/2012	5,000,000.00	100.50	5,025,000.00	25,000.00	1.25	2.79	2.85
3133XUD91	10,000,000.00	FED HOME LOAN BANK3YrNc2Mo1x	2.05	8/10/2012	9,985,500.00	101.03	10,103,100.00	117,600.00	2.10	2.78	2.86
3133XUTD5	10,000,000.00	FED HOME LOAN BANK 3-NC6MO 1X	2.00	9/24/2012	10,000,000.00	100.09	10,009,400.00	9,400.00	2.00	2.88	2.99
3133XUTD5	5,000,000.00	FED HOME LOAN BANK 3-NC6MO 1X	2.00	9/24/2012	5,000,000.00	100.09	5,004,700.00	4,700.00	2.00	2.88	2.99
3133XUKP7	10,000,000.00	FED HOME LOAN BANK2YrNc1Yrnc	1.20	8/24/2011	10,000,000.00	100.41	10,040,600.00	40,600.00	1.20	1.87	1.90
3133XULF8	5,000,000.00	FED HOME LOAN BANK 2YrNc6Molnc	1.00	9/2/2011	5,000,000.00	100.00	5,000,000.00	-	1.00	1.90	1.92
3133XULF8	10,000,000.00	FED HOME LOAN BANK 2YrNc6Molnc	2.00	9/2/2011	10,000,000.00	100.00	10,000,000.00	-	1.00	1.88	1.92
3133XULF8	5,000,000.00	FED HOME LOAN BANK 2YrNc6Molnc	1.00	9/2/2011	5,000,000.00	100.00	5,000,000.00	-	1.00	1.90	1.92
	900,375,000.00				900,480,436.51		905,406,188.75	4,925,752.24	1.46	1.34	1.37
FHLC - FHLB - MORTG. CERT.											
3128X7QZ0	10,000,000.00	FHLB - MORTG. CERT. 1.5YNc6M1X	2.70	11/9/2009	9,999,000.00	99.99	9,999,000.00	-	2.71	0.11	0.11
3137EABB4	5,000,000.00	FHLB - MORTG. CERT. 2YrNc	4.13	11/30/2009	5,076,400.00	101.53	5,076,400.00	-	3.07	0.16	0.17

Treasurer's Pooled Investment Fund — SEPTEMBER 30, 2009

Month End Portfolio Holdings Report

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	AVG. M DUR.4	AVG. LIFE2
3128X6K54	5,000,000.00	FHLB - MORTG. CERT. 2YrNc6Mo	3.25	1/29/2010	5,000,000.00	100.85	5,042,600.00	42,600.00	3.25	0.33	0.33
3128X6W51	5,000,000.00	FHLB - MORTG. CERT. 2YrNc6Mo	3.05	2/12/2010	5,000,000.00	100.96	5,048,100.00	48,100.00	3.05	0.36	0.37
3128X7FG4	5,000,000.00	FHLB - MORTG. CERT. 2YrNc3Mo1X	3.00	4/23/2010	5,000,000.00	101.07	5,053,300.00	53,300.00	3.00	0.55	0.56
313397WR8	20,000,000.00	FHLB - MORTG. CERT.	0.21	5/11/2010	19,973,866.67	99.88	19,976,000.00	2,133.33	0.42	0.61	0.61
3137EABQ1	5,000,000.00	FHLB - MORTG. CERT. 2YrNc	3.25	7/16/2010	4,989,650.00	102.22	5,110,950.00	121,300.00	3.38	0.77	0.79
3128X6Y59	10,000,000.00	FHLB - MORTG. CERT. 2.5YrNc9Mo	3.05	8/12/2010	10,000,000.00	102.12	10,211,700.00	211,700.00	3.05	0.85	0.87
3128X6Y59	5,000,000.00	FHLB - MORTG. CERT. 2.5YrNc9Mo	3.05	8/12/2010	5,000,000.00	102.12	5,105,850.00	105,850.00	3.05	0.85	0.87
3128X8NQ1	5,000,000.00	FHLB - MORTG. CERT.1.2YRBC	1.43	9/3/2010	5,043,700.00	100.83	5,041,600.00	(2,100.00)	0.70	0.92	0.93
3128X9NQ1	5,000,000.00	FHLB - MORTG. CERT.	1.43	9/3/2010	5,042,500.00	100.83	5,041,600.00	(900.00)	0.71	0.92	0.93
3128X8GS5	10,000,000.00	FHLB - MORTG. CERT. 2Y-NC1YR	1.75	2/9/2011	9,998,000.00	100.45	10,045,300.00	47,300.00	1.76	1.33	1.36
3128X8Y26	5,000,000.00	FHLB - MORTG. CERT. 3YrNc6Mo1X	3.25	2/11/2011	4,972,500.00	103.28	5,163,950.00	191,450.00	3.45	1.32	1.37
3128X6W85	5,000,000.00	FHLB - MORTG. CERT. 3YrNc6Mo1X	3.30	2/15/2011	4,999,950.00	103.37	5,168,450.00	168,450.00	3.30	1.33	1.38
3128X8LN0	5,000,000.00	FHLB - MORTG. CERT. 2-NC1 IX	2.00	2/25/2011	5,000,000.00	100.55	5,027,500.00	27,500.00	2.00	1.37	1.41
3128X8LN0	5,000,000.00	FHLB - MORTG. CERT. 2-NC1 IX	2.00	2/25/2011	5,000,000.00	100.55	5,027,500.00	27,500.00	2.00	1.37	1.41
3128X8NB4	10,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.05	3/9/2011	10,000,000.00	100.66	10,065,600.00	65,600.00	2.05	1.41	1.44
3128X8NB4	5,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.05	3/9/2011	5,000,000.00	100.66	5,032,800.00	32,800.00	2.05	1.41	1.44
3128X8NB4	5,000,000.00	FHLB - MORTG. CERT 2-NC1 1X	2.05	3/9/2011	5,000,000.00	100.66	5,032,800.00	32,800.00	2.05	1.41	1.44
3128X8NB4	15,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.05	3/9/2011	15,000,000.00	100.66	15,098,400.00	98,400.00	2.05	1.41	1.44
3128X8NB4	10,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.05	3/9/2011	10,000,000.00	100.66	10,065,600.00	65,600.00	2.05	1.41	1.44
3128X8NB4	10,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.05	3/9/2011	9,997,500.00	100.66	10,065,600.00	68,100.00	2.06	1.41	1.44
3128X8NB4	5,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.05	3/9/2011	5,000,000.00	100.66	5,032,800.00	32,800.00	2.05	1.41	1.44
3128X8RT1	15,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.13	3/16/2011	14,997,750.00	100.67	15,100,200.00	102,450.00	2.13	1.43	1.46
3128X8RT1	5,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.13	3/16/2011	5,000,000.00	100.67	5,033,400.00	33,400.00	2.13	1.43	1.46
3128X8RT1	5,000,000.00	FHLB - MORTG. CERT. 2-NC1 1X	2.13	3/16/2011	5,000,000.00	100.67	5,033,400.00	33,400.00	2.13	1.43	1.46
3128X8WC2	5,000,000.00	FHLB - MORTG. CERT.	1.75	4/20/2011	5,000,000.00	100.67	5,033,650.00	33,650.00	1.75	1.62	1.65
3137EABZ1	5,000,000.00	FHLB - MORTG. CERT.	1.63	4/26/2011	5,025,400.00	101.25	5,062,500.00	37,100.00	1.35	1.54	1.57
3128X8D86	5,050,000.00	FHLB - MORTG. CERT.2YrNc6Mo1x	1.50	5/20/2011	5,050,000.00	100.15	5,057,777.00	7,777.00	1.50	1.60	1.64
3128X8K43	20,000,000.00	FHLB - MORTG. CERT.2YrNc6Mo	1.25	6/8/2011	20,000,000.00	100.20	20,040,400.00	40,400.00	1.25	1.66	1.69
3133XRCW8	5,000,000.00	FHLB - MORTG. CERT. 2YR	3.38	6/24/2011	5,229,900.00	104.06	5,203,150.00	(26,750.00)	1.14	1.68	1.73
3128X8S45	5,000,000.00	FHLB - MORTG. CERT.2YrNc1YrInc	1.70	6/29/2011	5,000,000.00	100.90	5,045,200.00	45,200.00	1.70	1.71	1.75
3128X8T36	10,000,000.00	FHLB - MORTG. CERT.	2.00	7/13/2011	10,000,000.00	100.05	10,005,200.00	5,200.00	2.00	1.74	1.78
3128X8XV9	10,000,000.00	FHLB - MORTG. CERT 2.25YrNc1Yr	1.75	7/27/2011	10,000,000.00	100.71	10,070,800.00	70,800.00	1.75	1.78	1.82
3128X8C26	10,000,000.00	FHLB - MORTG. CERT.2.25YrNc1Yr	1.63	8/11/2011	9,995,000.00	100.50	10,049,500.00	54,500.00	1.65	1.82	1.86
3128X9DB3	10,000,000.00	FHLB - MORTG. CERT.2YrNc6Molnc	1.63	9/2/2011	10,000,000.00	100.39	10,038,700.00	38,700.00	1.63	1.88	1.92
3128X8VJ6	5,000,000.00	FHLB - MORTG. CERT.2.5YrNc1Yr1	2.00	10/14/2011	5,000,000.00	100.64	5,031,950.00	31,950.00	2.00	1.97	2.04
3128X8D90	5,000,000.00	FHLB - MORTG. CERT.2.5Nc6Mo1X	1.75	11/18/2011	5,000,000.00	100.19	5,009,550.00	9,550.00	1.75	2.07	2.13
3128X9FU9	5,000,000.00	FHLB - MORTG. CERT.2YrNc9Molnc	1.30	12/30/2011	5,000,000.00	100.10	5,005,050.00	5,050.00	1.30	2.20	2.25
3128X8DX7	10,000,000.00	FHLB - MORTG. CERT. 3YrNc1Yr1X	2.15	1/13/2012	10,000,000.00	100.38	10,038,300.00	38,300.00	2.15	2.21	2.29
3133F2JD6	5,000,000.00	FHLB - MORTG. CERT. 3YrNc1Yr	2.00	1/15/2012	4,995,000.00	100.50	5,024,800.00	29,800.00	2.03	2.22	2.29
3128X8ZJ4	5,000,000.00	FHLB - MORTG. CERT.2.75YrNc1Yr	2.00	1/30/2012	5,000,000.00	100.53	5,026,550.00	26,550.00	2.00	2.26	2.33
3128X8GP1	5,000,000.00	FHLB - MORTG. CERT. 3YrNc1Yr1X	2.25	2/2/2012	4,987,050.00	100.53	5,026,400.00	39,350.00	2.34	2.26	2.34
3128X8TC6	15,000,000.00	FHLB - MORTG. CERT. 3YrNc1Yr1X	2.13	4/2/2012	15,000,000.00	100.75	15,112,200.00	112,200.00	2.13	2.40	2.51
3128X9XR6	5,000,000.00	FHLB - MORTG. CERT.	2.05	4/27/2012	5,000,000.00	100.11	5,005,550.00	5,550.00	2.05	2.47	2.58
3128X8ZV7	15,000,000.00	FHLB - MORTG. CERT.3YrNc6M1x	2.08	5/4/2012	15,000,000.00	100.12	15,017,700.00	17,700.00	2.08	2.49	2.59
3137EACC1	7,000,000.00	FHLB - MORTG. CERT.	1.75	6/15/2012	6,984,390.00	100.53	7,037,170.00	52,780.00	1.83	2.62	2.71
3137EACC1	10,000,000.00	FHLB - MORTG. CERT.3YR	1.75	6/15/2012	10,005,000.00	100.53	10,053,100.00	48,100.00	1.73	2.62	2.71
3128X8XP2	5,000,000.00	FHLB - MORTG. CERT.	2.10	7/27/2012	4,993,750.00	100.11	5,005,550.00	11,800.00	2.14	2.72	2.82
3128X9DY3	10,000,000.00	FHLB - MORTG. CERT.3YrNc1Yr1x	2.05	9/17/2012	10,000,000.00	100.48	10,047,800.00	47,800.00	2.05	2.86	2.97
3128X9DY3	15,000,000.00	FHLB - MORTG. CERT. 3YrNc1Yr1X	2.05	9/17/2012	15,000,000.00	100.48	15,071,700.00	71,700.00	2.05	2.86	2.97
3128X9EV8	10,000,000.00	FHLB - MORTG. CERT.	2.00	9/25/2012	10,000,000.00	100.21	10,020,600.00	20,600.00	2.00	2.88	2.99
3128X9EV8	9,000,000.00	FHLB - MORTG. CERT. 3YrNc6Mo1X	2.00	9/25/2012	9,000,000.00	100.21	9,018,540.00	18,540.00	2.00	2.88	2.99
3128X9GK0	5,000,000.00	FHLB - MORTG. CERT. 3YrNc1Yr1x	2.00	9/28/2012	4,997,500.00	100.03	5,001,300.00	3,800.00	2.02	2.89	3.00
3133F27B5	5,000,000.00	FHLB - MORTG. CERT.	1.50	5/15/2013	4,984,850.00	100.38	5,017,800.00	32,950.00	1.58	3.49	3.62
	431,050,000.00				**431,338,656.67**		**433,878,837.00**	**2,540,180.33**	**1.97**	**1.72**	**1.77**
FHLD - FED HOME LOAN DISCOUNT											
313385NA0	50,000,000.00	FED HOME LOAN DISCOUNT	0.40	10/16/2009	49,897,777.78	99.80	49,897,777.78	-	0.41	0.04	0.04
313385SN7	50,000,000.00	FED HOME LOAN DISCOUNT	0.50	2/1/2010	49,807,638.89	99.96	49,980,000.00	172,361.11	0.50	0.34	0.34
313397XB2	26,000,000.00	FED HOME LOAN DISCOUNT	0.30	5/21/2010	25,941,716.67	99.86	25,968,600.00	27,083.33	0.30	0.64	0.64
	126,000,000.00				**125,647,133.34**		**125,846,577.78**	**199,444.44**	**0.42**	**0.28**	**0.28**
FNMA - FED NAT MORTG ASSOC.											
31398APK2	5,000,000.00	FED NAT MORTG ASSOC. 2YrNc6Mo1	3.05	3/5/2010	5,000,000.00	101.13	5,056,250.00	56,250.00	3.05	0.42	0.43
31398APK2	5,000,000.00	FED NAT MORTG ASSOC. 2YrNc6Mo1	3.05	3/5/2010	5,000,000.00	101.13	5,056,250.00	56,250.00	3.05	0.42	0.43
3136F9RJ4	10,000,000.00	FED NAT MORTG ASSOC. 2YrNc3Mo1	3.26	6/8/2010	10,000,000.00	101.91	10,190,600.00	190,600.00	3.26	0.67	0.69
3136F9RN5	15,000,000.00	FED NAT MORTG ASSOC. 2YrNc3Mo1	3.38	6/10/2010	15,000,000.00	102.00	15,300,000.00	300,000.00	3.38	0.67	0.69
31398ASC7	5,000,000.00	FED NAT MORTG ASSOC 2YrNc	3.00	7/12/2010	4,996,450.00	102.00	5,100,000.00	103,550.00	3.04	0.76	0.78
3136FHAA3	5,000,000.00	FED NAT MORTG ASSOC. 2YrNc1Yr	2.00	2/11/2011	5,000,000.00	100.50	5,025,000.00	25,000.00	2.00	1.34	1.37
31398AVL3	10,000,000.00	FED NAT MORTG ASSOC. 2YR-NC1YR	2.00	3/2/2011	10,000,000.00	100.41	10,040,600.00	40,600.00	2.00	1.39	1.42
31398AVL3	10,000,000.00	FED NAT MORTG ASSOC. 2YR-NC1YR	2.00	3/2/2011	10,000,000.00	100.41	10,040,600.00	40,600.00	2.00	1.39	1.42

Treasurer's Pooled Investment Fund — SEPTEMBER 30, 2009

Month End Portfolio Holdings Report

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	M DUR.4	AVG. LIFE2
31398AVL9	10,000,000.00	FED NAT MORTG ASSOC 2YrNc1Yr1	2.00	3/2/2011	10,000,000.00	100.41	10,040,600.00	40,600.00	2.00	1.39	1.42
31398AVL3	10,000,000.00	FED NAT MORTG ASSOC 2YrNc1	2.00	3/2/2011	10,000,000.00	100.41	10,040,600.00	40,600.00	2.00	1.39	1.42
31398AVL3	10,000,000.00	FED NAT MORTG ASSOC 2YrNc1Yr	2.00	3/2/2011	9,999,000.00	100.41	10,040,600.00	41,600.00	2.01	1.39	1.42
31398AVW9	5,000,000.00	FED NAT MORTG ASSOC. 2-NC1 1X	2.00	4/1/2011	5,000,000.00	100.78	5,039,050.00	39,050.00	2.00	1.46	1.50
31398AWL2	5,000,000.00	FED NAT MORTG ASSOC 2YrNc1x	1.75	4/15/2011	5,000,000.00	100.63	5,031,250.00	31,250.00	1.76	1.50	1.54
3136F9GQ0	5,000,000.00	FED NAT MORTG ASSOC. 3YrNc1.5Y	3.05	4/15/2011	5,000,000.00	100.09	5,004,700.00	4,700.00	3.05	1.47	1.54
31398AVY5	5,000,000.00	FED NAT MORTG ASSOC 2YrNc1Yr1	2.13	4/15/2011	5,000,000.00	100.88	5,043,750.00	43,750.00	2.12	1.49	1.54
31398AVY5	5,000,000.00	FED NAT MORTG ASSOC. 2YrNc1Yr1	2.13	4/15/2011	5,000,000.00	100.88	5,043,750.00	43,750.00	2.12	1.49	1.54
3136F9HL0	5,000,000.00	FED NAT MORTG ASSOC. 3YrNc1.5Y	3.00	4/21/2011	5,000,000.00	100.16	5,007,800.00	7,800.00	3.00	1.49	1.58
31398AWQ1	5,000,000.00	FED NAT MORTG ASSOC.	1.38	4/28/2011	5,005,450.00	100.88	5,043,750.00	38,300.00	1.32	1.55	1.58
31398AWY4	5,000,000.00	FED NAT MORTG ASSOC 2YrNc1Yr1x	1.70	4/29/2011	5,000,000.00	100.69	5,034,400.00	34,400.00	1.70	1.54	1.58
31398AWY4	5,000,000.00	FED NAT MORTG ASSOC.2YrNc1Yr1x	1.70	4/29/2011	5,000,000.00	100.69	5,034,400.00	34,400.00	1.70	1.54	1.58
3136F9MV2	5,000,000.00	FED NAT MORTG ASSOC 3YrNc2Yr1	3.25	5/5/2011	4,975,000.00	101.75	5,087,500.00	112,500.00	3.43	1.52	1.59
3136F9MV2	5,000,000.00	FED NAT MORTG ASSOC. 3YrNc2Yr1	3.25	5/5/2011	5,000,000.00	101.75	5,087,500.00	87,500.00	3.25	1.52	1.59
3133XTTN6	3,850,000.00	FED NAT MORTG ASSOC 2.25YrNc1	1.40	9/15/2011	3,850,000.00	100.69	3,876,488.00	26,488.00	1.40	1.82	1.96
3136FH4A0	5,000,000.00	FED NAT MORTG ASSOC.2.25YrNc1Y	1.55	11/17/2011	4,993,750.00	100.75	5,037,500.00	43,750.00	1.61	2.08	2.13
3136FH4A0	5,000,000.00	FED NAT MORTG ASSOC 2.25YrNc1Y	1.55	11/17/2011	4,993,750.00	100.75	5,037,500.00	43,750.00	1.61	2.08	2.13
3136FHQU2	5,000,000.00	FED NAT MORTG ASSOC.2.5Nc6M	1.75	11/18/2011	4,993,750.00	100.19	5,009,400.00	15,650.00	1.80	2.07	2.13
3136FHTG0	10,000,000.00	FED NAT MORTG ASSOC 2.5YrNc6Mo	1.25	11/18/2011	10,000,000.00	100.09	10,009,400.00	9,400.00	1.25	2.09	2.13
3136FHWB7	5,000,000.00	FED NAT MORTG ASSOC.2.5Nc1Yr1x	1.50	11/21/2011	5,000,000.00	100.56	5,028,150.00	28,150.00	1.50	2.09	2.14
3136FHWB7	5,000,000.00	FED NAT MORTG ASSOC 2.5Nc1Yr1x	1.50	11/21/2011	5,000,000.00	100.56	5,028,150.00	28,150.00	1.50	2.09	2.14
3136FH7L3	10,000,000.00	FED NAT MORTG ASSOC.2.5YrNc6M	1.63	11/25/2011	10,000,000.00	100.34	10,034,400.00	34,400.00	1.62	2.10	2.15
3136FHUS2	15,000,000.00	FED NAT MORTG ASSOC 2YrNc1Yr1	1.25	11/28/2011	15,000,000.00	100.47	15,070,350.00	70,350.00	1.25	2.12	2.16
3136FHHK4	21,685,000.00	FED NAT MORTG ASSOC.2YRNC1X	2.05	12/30/2011	21,685,000.00	100.75	21,847,637.50	162,637.50	2.05	2.18	2.25
3136F92N2	25,000,000.00	FED NAT MORTG ASSOC 3YrNc1Yr1	2.10	12/30/2011	24,971,000.00	100.31	25,078,250.00	107,250.00	2.14	2.18	2.25
3136F94P5	10,000,000.00	FED NAT MORTG ASSOC.3Nc3Mo1x	2.00	1/30/2012	10,107,000.00	101.69	10,168,800.00	61,800.00	1.59	2.27	2.33
3136FH7H2	10,000,000.00	FED NAT MORTG ASSOC 2.5YrNc6Mo	1.80	2/24/2012	10,000,000.00	100.38	10,037,500.00	37,500.00	1.80	2.33	2.40
31398AVX7	10,000,000.00	FED NAT MORTG ASSOC. 3YrNc1Yr1	2.50	3/19/2012	10,000,000.00	100.81	10,081,300.00	81,300.00	2.50	2.38	2.47
3136FHPG4	15,000,000.00	FED NAT MORTG ASSOC 3YrNc6M1x	2.08	5/4/2012	15,000,000.00	100.13	15,019,750.00	19,750.00	2.08	2.49	2.59
31398AWX6	5,000,000.00	FED NAT MORTG ASSOC.3YrNc1x	2.15	5/4/2012	4,992,500.00	100.69	5,034,400.00	41,900.00	2.20	2.49	2.59
31398AWX6	5,000,000.00	FED NAT MORTG ASSOC 3YrNc1Yr1x	2.15	5/4/2012	4,997,500.00	100.69	5,034,400.00	36,900.00	2.17	2.49	2.59
31398AWX6	5,000,000.00	FED NAT MORTG ASSOC.3YrNc1Yr1x	2.15	5/4/2012	4,997,500.00	100.69	5,034,400.00	36,900.00	2.17	2.49	2.59
3136FHQY4	10,000,000.00	FED NAT MORTG ASSOC 3YrNc3Mo1x	2.00	5/21/2012	10,000,000.00	101.53	10,153,100.00	153,100.00	2.00	2.54	2.64
3136FHQY4	5,000,000.00	FED NAT MORTG ASSOC.3YrNc3Moln	2.00	5/21/2012	5,000,000.00	101.53	5,076,550.00	76,550.00	2.00	2.54	2.64
3136FHQY4	5,000,000.00	FED NAT MORTG ASSOC 3YrNc3Moln	2.00	5/21/2012	5,000,000.00	101.53	5,076,550.00	76,550.00	2.00	2.54	2.64
3136FHQY4	10,000,000.00	FED NAT MORTG ASSOC.3YrNc3Moln	2.00	5/21/2012	10,000,000.00	101.53	10,153,100.00	153,100.00	2.00	2.54	2.64
3136FHQY4	5,000,000.00	FED NAT MORTG ASSOC 3YrNc3Moln	2.00	5/21/2012	5,000,000.00	101.53	5,076,550.00	76,550.00	2.00	2.54	2.64
3136FHTP0	10,000,000.00	FED NAT MORTG ASSOC.3YrNc6Mo1x	2.00	6/1/2012	10,000,000.00	100.16	10,015,600.00	15,600.00	2.00	2.57	2.67
3136FHTP0	10,000,000.00	FED NAT MORTG ASSOC 3YrNc6Mo1x	2.00	6/1/2012	10,000,000.00	100.16	10,015,600.00	15,600.00	2.00	2.57	2.67
3136FHTP0	5,000,000.00	FED NAT MORTG ASSOC.3YrNc6Mo1x	2.00	6/1/2012	5,000,000.00	100.16	5,007,800.00	7,800.00	2.00	2.57	2.67
3136FHTP0	5,000,000.00	FED NAT MORTG ASSOC 3YrNc6Mo1x	2.00	6/1/2012	5,000,000.00	100.16	5,007,800.00	7,800.00	2.00	2.57	2.67
3136FHB38	10,000,000.00	FED NAT MORTG ASSOC.3.5Nc6MB	2.23	12/10/2012	9,987,500.00	100.25	10,025,000.00	37,500.00	2.29	3.05	3.20
3136F82A2	5,000,000.00	FED NAT MORTG ASSOC 5YrNc6Mo1	4.00	2/12/2013	4,995,450.00	106.53	5,326,550.00	331,100.00	4.02	3.10	3.37
3136F83U7	10,000,000.00	FED NAT MORTG ASSOC. 5YrNc6Mo1	4.05	2/22/2013	10,000,000.00	106.72	10,671,900.00	671,900.00	4.05	3.13	3.40
3136F9CB7	5,000,000.00	FED NAT MORTG ASSOC 5YrNc6Mo1	4.00	3/11/2013	5,000,000.00	106.59	5,329,700.00	329,700.00	4.00	3.18	3.45
3136F9CB7	10,000,000.00	FED NAT MORTG ASSOC. 5YrNc6Mo1	4.00	3/11/2013	10,000,000.00	106.59	10,659,400.00	659,400.00	4.00	3.18	3.45
31398ARC6	5,000,000.00	FED NAT MORTG ASSOC. 5YrNc1Yr	4.12	5/6/2013	4,979,700.00	100.31	5,015,650.00	35,950.00	4.22	3.26	3.60
3136FHHF5	12,650,000.00	FED NAT MORTG ASSOC 3YrNc1Q	1.75	4/2/2012	12,634,187.50	100.59	12,725,141.00	90,953.50	1.79	2.42	2.51
3136FHJK2	5,000,000.00	FED NAT MORTG ASSOC 5YrNc2Yr1x	2.00	4/15/2014	4,990,000.00	100.69	5,034,400.00	44,400.00	2.10	4.28	4.54
	448,185,000.00				**448,144,487.50**		**453,226,116.50**	**5,081,629.00**	**2.26**	**2.06**	**2.14**
FNMD - FNMA DISCOUNT NOTES											
313589NV1	50,000,000.00	FNMA DISCOUNT NOTES	0.44	11/4/2009	49,868,000.00	99.74	49,868,000.00	-	0.45	0.09	0.10
313589PA5	50,000,000.00	FNMA DISCOUNT NOTES	0.45	11/9/2009	49,865,625.00	99.73	49,865,625.00	-	0.46	0.11	0.11
313589RJ4	50,000,000.00	FNMA DISCOUNT NOTES	0.51	1/4/2010	49,811,583.33	99.97	49,985,000.00	173,416.67	0.52	0.26	0.26
313589RZ8	50,000,000.00	FNMA DISCOUNT NOTES	0.53	1/19/2010	49,793,152.78	99.97	49,985,000.00	191,847.22	0.54	0.30	0.30
313589RZ8	16,000,000.00	FNMA DISCOUNT NOTES	0.51	1/19/2010	15,937,893.33	99.97	15,995,200.00	57,306.67	0.51	0.30	0.30
313589SA2	50,000,000.00	FNMA DISCOUNT NOTES	0.53	1/20/2010	49,792,416.67	99.97	49,985,000.00	192,583.33	0.54	0.30	0.31
313589SB0	50,000,000.00	FNMA DISCOUNT NOTES	0.42	1/21/2010	49,848,333.33	99.97	49,985,000.00	136,666.67	0.43	0.31	0.31
313589SC8	50,000,000.00	FNMA DISCOUNT NOTES	0.32	1/22/2010	49,906,666.67	99.97	49,985,000.00	78,333.33	0.32	0.31	0.31
313589SC8	50,000,000.00	FNMA DISCOUNT NOTES	0.42	1/22/2010	49,847,750.00	99.97	49,985,000.00	137,250.00	0.42	0.31	0.31
313589SF1	50,000,000.00	FNMA DISCOUNT NOTES	0.33	1/25/2010	49,902,375.00	99.97	49,985,000.00	82,625.00	0.33	0.32	0.32
313589SX2	50,000,000.00	FNMA DISCOUNT NOTES	0.33	2/10/2010	49,912,000.00	99.96	49,980,000.00	68,000.00	0.33	0.36	0.36
313589TK9	50,000,000.00	FNMA DISCOUNT NOTES	0.35	2/22/2010	49,882,847.22	99.95	49,975,000.00	92,152.78	0.35	0.39	0.40
313589WC3	50,000,000.00	FNMA DISCOUNT NOTES	0.38	4/28/2010	49,855,388.89	99.90	49,950,000.00	94,611.11	0.38	0.58	0.58
313589WK5	50,000,000.00	FNMA DISCOUNT NOTES	0.40	5/5/2010	49,843,888.89	99.89	49,945,000.00	101,111.11	0.41	0.60	0.59
313589WZ2	50,000,000.00	FNMA DISCOUNT NOTES	0.42	5/19/2010	49,827,916.67	99.88	49,940,000.00	112,083.33	0.42	0.63	0.63
313589XJ7	50,000,000.00	FNMA DISCOUNT NOTES	0.43	5/28/2010	49,819,638.89	99.87	49,935,000.00	115,361.11	0.43	0.66	0.66
313589XJ7	50,000,000.00	FNMA DISCOUNT NOTES	0.43	5/28/2010	49,818,444.44	99.87	49,935,000.00	116,555.56	0.43	0.66	0.66

Treasurer's Pooled Investment Fund — SEPTEMBER 30, 2009

Month End Portfolio Holdings Report

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	M DUR.4	AVG. LIFE2
	816,000,000.00				**813,533,921.11**		**815,283,825.00**	**1,749,903.89**	**0.42**	**0.39**	**0.39**
FRMC - FEDERAL HOME LOAN MORG CORP DI											
313397NF4	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.41	10/21/2009	49,884,972.22	99.77	49,884,972.22	-	0.41	0.06	0.06
313397RL7	20,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.32	1/6/2010	19,966,044.44	99.97	19,994,000.00	27,955.56	0.32	0.27	0.27
313397RL7	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.58	1/6/2010	49,784,111.11	99.97	49,985,000.00	200,888.89	0.58	0.27	0.27
313397RZ8	100,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.33	1/19/2010	99,782,750.00	99.97	99,970,000.00	187,250.00	0.33	0.30	0.30
313397RZ8	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.31	1/19/2010	49,915,611.11	99.97	49,985,000.00	69,388.89	0.31	0.30	0.30
313397SF9	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.30	1/25/2010	49,916,666.67	99.97	49,985,000.00	68,333.33	0.30	0.32	0.32
313397SF9	30,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.29	1/25/2010	29,954,808.33	99.97	29,991,000.00	36,191.67	0.29	0.32	0.32
313397SF9	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.30	1/25/2010	49,924,583.33	99.97	49,985,000.00	60,416.67	0.30	0.32	0.32
313397WU1	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.21	5/14/2010	49,933,500.00	99.88	49,940,000.00	6,500.00	0.21	0.62	0.62
	450,000,000.00				**449,063,047.21**		**449,719,972.22**	**656,925.01**	**0.34**	**0.31**	**0.31**
LAO - LOCAL AGENCY OBLIGATIONS											
	6,000,000.00	CORAL CANS Srs 2006	1.36	11/12/2009	6,000,000.00	100.00	6,000,000.00	-	1.70	0.12	0.12
	80,629,000.00	TEETER PLAN NOTE	1.51	12/15/2009	80,629,000.00	100.00	80,629,000.00	-	1.83	0.21	0.21
	15,000,000.00	EDA BAN Srs 2003	1.28	7/21/2011	15,000,000.00	100.00	15,000,000.00	-	1.29	1.78	1.81
	680,000.00	US DIST COURTHOUSE	1.73	12/15/2020	680,000.00	100.00	680,000.00	-	2.08	10.06	11.22
	102,309,000.00				**102,309,000.00**		**102,309,000.00**	**-**	**1.75**	**0.50**	**0.51**
MMF - MONEY MARKET FUND											
ASTITGA	30,000,000.00	AIM MONEY MARKET AAA/Aaa	0.17	10/30/2009	30,000,000.00	100.00	30,000,000.00	-	0.17	0.08	0.08
GOIXX	5,000,000.00	FEDERATED AAA/Aaa	0.14	10/30/2009	5,000,000.00	100.00	5,000,000.00	-	0.14	0.08	0.08
WFJXX	25,000,000.00	WELLS FARGO AAA/Aaa	0.30	10/30/2009	25,000,000.00	100.00	25,000,000.00	-	0.30	0.08	0.08
	60,000,000.00				**60,000,000.00**		**60,000,000.00**	**-**	**0.22**	**0.08**	**0.08**
MTNO - MED TERM NOTES											
36962GY61	7,800,000.00	GE CAP CRP Aaa/AAA	2.94	10/26/2009	7,775,352.00	99.68	7,775,352.00	-	3.15	0.07	0.07
36962G2B9	10,000,000.00	GE CAP CRP Aaa/AAA	2.73	1/4/2010	9,902,300.00	100.00	10,000,100.00	97,800.00	2.73	0.26	0.26
084664AR2	7,000,000.00	BERKSHIRE HATHAWAY Aaa/AAA	4.13	1/15/2010	7,115,780.00	101.23	7,085,960.00	(29,820.00)	3.10	0.29	0.29
084664AR2	15,000,000.00	BERKSHIRE HATHAWAY Aaa/AAA	4.13	1/15/2010	15,143,400.00	101.23	15,184,200.00	40,800.00	3.63	0.29	0.29
084664AR2	5,000,000.00	BERKSHIRE HATHAWAY Aaa/AAA	4.13	1/15/2010	5,113,550.00	101.23	5,061,400.00	(52,150.00)	2.84	0.29	0.29
36962GUL6	10,000,000.00	GE CAP CRP Aaa/AAA	7.38	1/19/2010	10,750,300.00	101.90	10,190,100.00	(560,200.00)	3.43	0.30	0.30
89233PU87	20,000,000.00	TOYOTA MOTOR CREDIT Aaa/AAA	2.74	4/7/2010	20,000,000.00	100.00	19,999,200.00	(800.00)	2.74	0.51	0.52
89233PV94	1,000,000.00	TOYOTA MOTOR CREDIT Aaa/AAA	3.20	4/30/2010	1,000,000.00	101.37	1,013,740.00	13,740.00	3.20	0.57	0.58
36962GW83	10,000,000.00	GE CAP CRP Aaa/AAA	3.16	5/10/2010	9,929,500.00	100.00	9,999,900.00	70,400.00	3.21	0.59	0.61
17313YAB7	10,000,000.00	CITIGROUP TLGP	1.38	5/5/2011	10,045,200.00	100.66	10,065,500.00	20,300.00	1.14	1.57	1.59
17313YAC5	5,000,000.00	CITIGROUP FUNDING TLGP	1.25	6/3/2011	4,991,400.00	100.32	5,016,050.00	24,650.00	1.34	1.65	1.67
69351CAA1	10,000,000.00	PNC FUNDING CORP TLGP Aaa/AAA	1.88	6/22/2011	9,982,000.00	101.21	10,120,600.00	138,600.00	1.95	1.68	1.73
17314JAN3	7,000,000.00	CITIGROUP TLGP	1.38	8/10/2011	6,986,490.00	100.36	7,025,060.00	38,570.00	1.47	1.83	1.86
17314JAP8	3,000,000.00	CITI TLGP AAA/Aaa	1.25	9/22/2011	2,999,280.00	100.01	3,000,390.00	1,110.00	1.26	1.95	1.98
866810AB1	10,000,000.00	SUNTRUST BANK TLGP Aaa/AAA	3.00	11/16/2011	9,969,700.00	103.53	10,352,500.00	382,800.00	3.11	2.02	2.13
481247AA2	20,000,000.00	JP MORGAN CHASE TLGP Aaa/AAA	3.13	12/1/2011	19,987,600.00	103.76	20,752,600.00	765,000.00	3.15	2.06	2.17
61757UAB6	10,000,000.00	MORGAN STANLEY TLGP Aaa/AAA	3.25	12/1/2011	9,996,800.00	104.03	10,402,800.00	406,200.00	3.26	2.06	2.17
949744AA4	30,000,000.00	WELLS FARGO CO TLGP Aaa/AAA	3.00	12/9/2011	29,964,900.00	103.56	31,068,600.00	1,103,700.00	3.04	2.09	2.19
4042EPAA5	15,000,000.00	HSBC USA INC TLGP Aaa/AAA	3.13	12/16/2011	14,991,450.00	103.85	15,577,200.00	585,750.00	3.15	2.10	2.21
846042AA7	10,000,000.00	SOVEREIGN BANK TLGP Aaa/AAA	2.75	1/17/2012	9,990,500.00	102.93	10,292,900.00	302,400.00	2.78	2.20	2.30
36967HAN7	15,000,000.00	GENERAL ELECTRIC TLGP	2.25	3/12/2012	14,994,000.00	101.81	15,270,900.00	276,900.00	2.26	2.37	2.45
68620GAA9	5,000,000.00	ORIENTAL BK & TR TLGP	2.75	3/16/2012	5,074,000.00	102.06	5,102,850.00	28,850.00	2.23	2.37	2.46
060505AA9	35,000,000.00	BANK OF AMERICA TLGP Aaa/AAA	3.13	6/15/2012	34,982,150.00	104.01	36,402,800.00	1,420,650.00	3.14	2.56	2.71
38146FAA9	5,000,000.00	GOLDMAN SACHS TLGP Aaa/AAA	3.25	6/15/2012	4,980,600.00	104.36	5,218,150.00	237,550.00	3.37	2.55	2.71
24424DAA7	5,000,000.00	JOHN DEERE CAP TLGP Aaa/AAA	2.88	6/19/2012	4,988,450.00	103.32	5,166,000.00	177,550.00	2.94	2.58	2.72
69351CAC7	5,000,000.00	PNC FUNDING CORP TLGP Aaa/AAA	2.30	6/22/2012	4,994,150.00	101.80	5,089,750.00	95,600.00	2.34	2.61	2.73
	285,800,000.00				**286,648,652.00**		**292,234,602.00**	**5,585,950.00**	**2.84**	**1.63**	**1.71**
MUNI - MUNICIPAL BONDS											
207748R89	4,570,000.00	CT HFA TXB-MTG-C 5 Aaa/AAA	3.57	11/15/2009	4,525,351.10	99.02	4,525,351.10	-	4.11	0.12	0.13
649902NJ8	8,085,000.00	NY DORM TXB B ECON AAA	3.16	12/15/2009	8,085,000.00	100.00	8,085,000.00	-	3.16	0.21	0.21
76913CAE9	240,000.00	RIVERSIDE A1/AA/AA-	4.08	2/15/2010	239,947.20	100.38	240,919.20	972.00	4.10	0.37	0.38
68607VTC9	1,420,000.00	OREGON ST LOTTERY Aa3/AAA	3.82	4/1/2010	1,420,000.00	101.12	1,435,875.60	15,875.60	3.82	0.48	0.50
419787BR6	1,000,000.00	HI TXB-SER DM Aa2/AA	3.68	5/1/2010	1,000,000.00	101.33	1,013,290.00	13,290.00	3.68	0.57	0.58
20775BNB8	750,000.00	CT HFA Aaa/AAA	1.60	5/15/2010	750,000.00	99.46	745,927.50	(4,072.50)	1.60	0.62	0.62
130137AS1	60,000,000.00	CALIFORNIA COMMUNITIES TRAN A	2.00	6/30/2010	60,601,200.00	100.93	60,560,400.00	(40,800.00)	0.90	0.74	0.75
686053FN4	1,000,000.00	OR SCH BRDS-TXB-PEN Aaa/AAA	4.18	6/30/2010	1,003,000.00	102.04	1,020,370.00	17,370.00	4.06	0.73	0.75
93974QBX7	10,000,000.00	WASHINGTON ST Aa/AA+/AA	4.50	7/1/2010	10,200,700.00	102.46	10,246,400.00	45,700.00	3.42	0.73	0.75
842471BQ6	4,025,000.00	STHRN CA PWR TXB Aaa/AAA	3.43	7/1/2010	4,025,000.00	101.42	4,082,114.75	57,114.75	3.43	0.73	0.75
801624AC1	1,010,000.00	SANTA CLARA PENSION Aaa/AAA	5.45	8/1/2010	1,059,106.20	102.36	1,033,805.70	(25,300.50)	3.28	0.81	0.84
797398BL7	1,000,000.00	SAN DIEGO PENSION Aaa/AAA	4.34	8/15/2010	1,018,590.00	101.87	1,018,650.00	60.00	3.51	0.85	0.87
207748R97	4,855,000.00	CT HFA TXB-MTG-C 5 Aaa/AAA	3.91	11/15/2010	4,819,364.30	101.63	4,934,136.50	114,772.20	4.18	1.07	1.13
649902NK5	6,840,000.00	NY DORM TXB B ECON AAA	3.46	12/15/2010	6,840,000.00	102.02	6,978,168.00	138,168.00	3.46	1.16	1.21
68607VTD7	1,170,000.00	OREGON ST LOTTERY Aa3/AAA	4.16	4/1/2011	1,170,000.00	103.02	1,205,922.30	35,922.30	4.16	1.41	1.50

Treasurer's Pooled Investment Fund

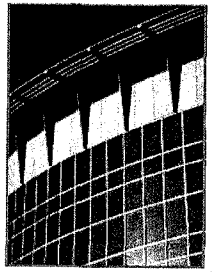
Month End Portfolio Holdings Report

SEPTEMBER 30, 2009

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE1	GAIN/LOSS	YLD MAT1	M DUR.4	AVG. LIFE2
93974CBY5	5,000,000.00	WASHINGTON ST Aa1/AA+/AA	4.00	7/1/2011	5,023,300.00	103.89	5,194,350.00	171,050.00	3.83	1.66	1.75
93974CBY5	3,645,000.00	WASHINGTON ST Aa1/AA+/AA	4.00	7/1/2011	3,661,985.70	103.89	3,786,681.15	124,695.45	3.83	1.66	1.75
20775BND4	850,000.00	CT HFA Aaa/AAA	2.18	5/15/2012	850,000.00	97.38	827,730.00	(22,270.00)	2.18	2.52	2.62
	116,460,000.00				**117,292,544.50**		**117,910,321.80**	**617,777.30**	**2.19**	**0.81**	**0.83**
TBIL - U.S. TREASURY BILLS											
912795U41	30,000,000.00	U.S. TREASURY BILLS	0.20	5/6/2010	29,962,166.67	99.89	29,967,000.00	4,833.33	0.20	0.60	0.60
	30,000,000.00				**29,962,166.67**		**29,967,000.00**	**4,833.33**	**0.20**	**0.60**	**0.60**
Totals	**5,198,061,000.00**				***5,197,744,083.50***		**5,222,064,383.99**	**24,320,300.49**	**1.23**	**1.01**	**1.04**

1. The market value and yield of short-term money market securities are based on purchase price.
2. Average life is the number of years until principal is returned at maturity, weighted by market value.
3. Local Agency Obligations have variable rate coupons, spread to Pool.
4. Modified Duration. The percentage price change of a securiy for a given change in yield.
   The higher the modified duration of a security, the higher the risk.




The Treasurer's Pooled Investment Fund was in **FULL COMPLIANCE** with the Treasurer's Statement of Investment Policy. The County's Investment Policy is more restrictive than the California Government Code. This policy is reviewed annually by the County's Investment Oversight Committee and approved by the County Board of Supervisors.

	Government Code			County Investment Policy			
Investment Category	Maximum Maturity	Authorized % Limit	Quality S&P/ Moody's	Maximum Maturity	Authorized % Limit	Quality S&P/ Moody's	Actual Riverside Portfolio %
AGENCY BONDS	5 YEARS	NO LIMIT	A/A2/A	3 YEARS	15%/ $150MM	A/A2/A	2.26%
U.S. TREASURY	5 YEARS	NO LIMIT	N/A	5 YEARS	100%	N/A	4.80%
LOCAL AGENCY OBLIGATIONS	5 YEARS	NO LIMIT		3 YEARS	2.50%	INVESTMENT GRADE	1.96%
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	NO LIMIT	AAA	71.33%
BILLS OF EXCHANGE	270 DAYS	40% (1)		180 DAYS	30%	A1/P1/F1	
COMMERCIAL PAPER	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	
CERTIFICATE & TIME DEPOSITS	5 YEARS	30%		1 YEAR	25% MAX	A1/P1/F1	
REPURCHASE AGREEMENTS	1 YEAR	NO LIMIT		45 DAYS	40%/25% TERM MAX	A1/P1/F1	
REVERSE REPOS	92 DAYS	20%		60 DAYS	10% MAX	N/A	
MED. TERM NOTES	5 YEARS	30%	A	2 YEARS	20% MAX	AA/Aa2/AA	5.60%
CalTRUST SHORT TERM FUND	N/A	N/A	N/A	DAILY LIQUIDITY	1%	BOARD APPROVED	1.03%
MUTUAL FUNDS	90 DAYS (2)	20%	AAA/Aaa (3)	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGENCIES	1.15%
SECURED BANK DEPOSITS	5 YEARS	NO LIMIT		1 YEAR	2%		
MORTGAGE PASS-THROUGH SECURITIES	5 YEARS	20%	AA-SECURITY A-ISSUER	N/A	N/A		
LOCAL AGENCY INVESTMENT FUNDS	N/A	NO LIMIT		3 YEARS	0% MAX		

[1] No more than 30% of this category may be invested with any one commercial bank
[2] Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 90 days
[3] Or must have an investment advisor with not less than 5 years experience and with assets under management of $500,000,000.

THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646



County Administrative Center
4080 Lemon Street, 4th Floor - Capital Markets
Riverside, CA 92502-2205
www.riversidetaxinfo.com

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: Assessment Appeals Board #5

RECOMMENDED MOTION:
- ■ The Board of Supervisors appoint member to:
- ☐ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ☐ District No. 3 ☐ At Large

Member:
Name: Angelita Gunkel
Address: 27860 Lake Ridge Drive
Menifee, CA 92585
Telephone: (951) 878-7156

Replaces: Paul St. Martin
Date Posted or Expired: August 5, 2009

Term of Appointment:
(or previous appointment)
- ☐ Full Term ending
- ■ Unexpired Term ending 9/4/11

Full underlying term is 3 years.

BACKGROUND/APPOINTEE INFORMATION:

I support the appointment of Ms. Angelita Gunkel to fill the vacancy created by Mr. Paul St. Martin who did not meet the necessary qualifications required by R & T 1624.05.

Supervisor Jeff Stone

Prev.Agn.ref. 3.5

Dist. 3rd

AGENDA NO.
2.6

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: County Service Area 36 Advisory Council

RECOMMENDED MOTION:

- ☐ The Board of Supervisors appoint member to:
- ■ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ■ District No. 3 ☐ At Large

Member:
Name: Steve Kunkle
Address: Box 1001
Idyllwild, CA 92549
Telephone: (951) 659-2153

Replaces:

Date Posted or Expired: 6/30/09

Term of Appointment:
(or previous appointment)

- ■ Full Term ending 6/30/11
- ☐ Unexpired Term ending

Full underlying term is 2 years.

BACKGROUND/APPOINTEE INFORMATION:

Mr. Kunkle has expressed the desire to continue representing his community as a member on the CSA 36 Advisory Council.

Supervisor Jeff Stone

Prev.Agn.ref.

Dist. 3rd

AGENDA NO. 2.7

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: County Service Area 36 Advisory Council

RECOMMENDED MOTION:

- ☐ The Board of Supervisors appoint member to:
- ■ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ■ District No. 3 ☐ At Large

Member:

Name: Pete Capparelli
Address: Box 3599
Idyllwild, CA 92549
Telephone: (951) 659-2125

Replaces:

Date Posted or Expired: 6/30/09

Term of Appointment:
(or previous appointment)

■ Full Term ending 6/30/11

☐ Unexpired Term ending

Full underlying term is 2 years.

BACKGROUND/APPOINTEE INFORMATION:

Mr. Capparelli has expressed the desire to continue representing his community as a member on the CSA 36 Advisory Council.

Jeff Stone

Supervisor Jeff Stone

Prev.Agn.ref.

Dist. 3rd

AGENDA NO. 2.8

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: Development Disability Area Planning Board #12

RECOMMENDED MOTION:

- ■ The Board of Supervisors appoint member to:
- ☐ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ☐ District No. 3 ■ At Large

Member:
Name: Stephen T. Holloway
Address: 19410 Castle Peak Drive

Telephone: (951) 313-4220

Replaces: Jim Collins
Date Posted or Expired: **6/17/09**

Term of Appointment:
(or previous appointment)

- ☐ Full Term ending
- ■ Unexpired Term ending 12/31/12

Full underlying term is 3 years.

BACKGROUND/APPOINTEE INFORMATION:

I support the appointment of Mr. Stephen Holloway to fill the vacancy created by Mr. Jim Collins. Mr. Holloway has been attending the Area Board 12 meetings for several years as an advocate for his daughter who has Down syndrome. He works as a Special Education Instructional Aide with Riverside Unified School District.

Jeff Stone

Supervisor Jeff Stone

Prev.Agn.ref.

Dist. 3rd

AGENDA NO. 2.9

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: Development Disability Area Planning Board #12

RECOMMENDED MOTION:
- ☐ The Board of Supervisors appoint member to:
- ■ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ☐ District No. 3 ☐ At Large

Member:
Name: Karen Holloway
Address: 19410 Castle Peak Drive
Riverside, CA 92508
Telephone: (951) 656-0441

Replaces:
Date Posted or Expired: 12/31/07

Term of Appointment: (or previous appointment)
- ☐ Full Term ending
- ■ Unexpired Term ending 12/31/10

Full underlying term is 3 years.

BACKGROUND/APPOINTEE INFORMATION:

I support the reappointment of Ms. Karen Holloway as a member of the Development Disability Area Planning Board #12.

Jeff Stone

Supervisor Jeff Stone

Prev.Agn.ref.

Dist. 3rd

AGENDA NO.
2.10

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: Development Disability Area Planning Board #12

RECOMMENDED MOTION:
- ☐ The Board of Supervisors appoint member to:
- ■ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ■ District No. 3 ☐ At Large

Member:
Name: Becky Thompson
Address: 1331 Emerald Street
Corona, CA 92882
Telephone: (951) 371-0429

Replaces:
Date Posted or Expired: 12/31/08

Term of Appointment: (or previous appointment)
- ☐ Full Term ending
- ■ Unexpired Term ending 12/31/11

Full underlying term is 3 years.

BACKGROUND/APPOINTEE INFORMATION:

I support the reappointment of Ms. Becky Thompson as a member of the Development Disability Area Planning Board #12.

Supervisor Jeff Stone

Prev.Agn.ref.

Dist. 3rd

AGENDA NO. 2.11

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Stone **SUBMITTAL DATE:** October 28, 2009

SUBJECT: COMMITTEES, COMMISSIONS AND BOARDS ACTION

Committee, Commission or Board: Veterans Advisory Committee

RECOMMENDED MOTION:

- ■ The Board of Supervisors appoint member to:
- ☐ The Board of Supervisors reappoint member to:
- ☐ The Board of Supervisors removes member from office, declares vacancy and directs the Clerk of the Board to post vacancy per Maddy Act, for:
- ☐ The Board of Supervisors

Type of Nomination: ■ District No. 3 ☐ At Large

Member:
Name: Dean Klockenteger
Address: 38951 Vista Dawn Court
Temecula, CA 92592
Telephone:

Replaces: Mike Giles
Date Posted or Expired: **9/15/09**

Term of Appointment:
(or previous appointment)

- ☐ Full Term ending
- ■ Unexpired Term ending 6/30/11

Full underlying term is 2 years.

BACKGROUND/APPOINTEE INFORMATION:

I support the appointment of Mr. Dean Klockenteger to fill the vacancy created by Mr. Mike Giles. Mr. Klockenteger has been serving as an at-large member, but would now serve as a Third District representative.

Jeff Stone

Supervisor Jeff Stone

Prev.Agn.ref.

Dist. 3rd

AGENDA NO. 2.12

FORM11-ccb

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Bob Buster **SUBMITTAL DATE: October 27, 2009**

SUBJECT: First District use of Community Improvement Designation Funds (CIDF) for the 15th Annual Santa Margarita River Watershed

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to The Nature Conservancy's
15th Annual Volunteer Event-Santa Margarita River Watershed Clean-Up

2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contributions to Non-Co Agency**	**$ 500**

Decrease Appropriations:

10000-1000100000-320135	**Community Improvement**	**$ 500**

BACKGROUND: The Santa Margarita River Watershed Clean-Up, founded in 1995, is an annual event receiving volunteer support from United States Forest Service, the Lakeland Village Neighborhood Association, City of Wildomar, Riverside County Code Enforcement, Riverside County Flood Control, Riverside County Park and Open Space, Department of Fish and Game, the Santa Rosa Plateau Ecological Reserve and The Nature Conservancy. The Santa Margarita River Watershed Clean Up helps restore water quality along the Santa Margarita River and its tributaries affected by illegal dumping in the neighboring canyons and creeks primarily in unincorporated Riverside County and adjacent designated open space.

I request that the Board of Supervisors approve a contribution of $500 to support the efforts of the volunteers of The Nature Conservancy.

BOB BUSTER
1st District Supervisor

Prev.Agn.ref **Dist.** **AGENDA NO.** 3.1

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 27, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to the Riverside County Peace Officer's Memorial Foundation;
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Other Non-Co Agcy**	$2,500.00

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	$2,500.00

BACKGROUND: This donation will be used to assist the Riverside County Peace Officer's Memorial Foundation which supports building and maintaining memorials and ceremonies which honor Riverside County's fallen federal, state and local law enforcement officers and their families.

RCPOMF
6215 River Crest Drive, Ste A
Riverside, CA 92507

John Tavaglione, Supervisor
Second District

REQUIRES 4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.2

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 27, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to Riverside Against Drugs (RAD);
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Non-Co Agcy**	$1,000.00

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	$1,000.00

BACKGROUND: This contribution to Riverside Against Drugs (RAD) will be used to help sponsor Red Ribbon Week in Riverside County.

Riverside Against Drugs
7990 Auto Center Drive
Riverside, CA 92504

John Tavaglione, Supervisor
Second District

REQUIRES 4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.3

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to the City of Corona;
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Other Non-Co Agcy**	**$583.00**

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	**$583.00**

BACKGROUND: The City of Corona and the County of Riverside have been looking at the possibility of annexing the area known as Coronita into the City of Corona. The City of Corona and County of Riverside have agreed to split the cost of a survey to find out if the residents of Coronita are in favor of annexation. This amount to the City of Corona represents the County's portion of costs associated with the survey.

The City of Corona
Community Development Department
400 S. Vicentia Avenue
Corona, CA 92882

John Tavaglione, Supervisor
Second District

REQUIRES
4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.4

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to the Santiago High School Aquatic Booster Club;
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Other Non-Co Agcy**	$1,000.00

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	$1,000.00

BACKGROUND: This contribution will be used to assist the Xtreme Water Polo Club to travel to the 17th Annual Speedo Cup at the University of Michigan.

Santiago High School Aquatic Booster Club
1836 Kapalua Bay Circle
Corona, CA 92883

John Tavaglione, Supervisor
Second District

REQUIRES 4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.5

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to the 100 Mile Club;
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Non-Co Agcy**	$2000.00

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	$2000.00

BACKGROUND: This contribution to the 100 Mile Club will help promote their organization, which is a physical fitness and life skills project for all individuals based on the goal of running (or walking) 100 miles at school during a single school year. This gives the kids incentive and motivation to keep active and healthy.

100 Mile Club
PO Box 7244
Norco, CA 92860

John Tavaglione, Supervisor
Second District

REQUIRES
4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.6

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to Jurupa Valley High School Choir Program;
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Non-Co Agcy**	$5,000.00

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	$5,000.00

BACKGROUND: This contribution will be used to assist the Jurupa Valley High School Choir Program.

Jurupa Valley High School Choir Program
Attn: Melva Morrison
10551 Bellegrave Avenue
Mira Loma, CA 91752

John Tavaglione, Supervisor
Second District

REQUIRES
4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.7

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Tavaglione **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Second District Use of Community Improvement Designation Funds

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds to Safe House.;
2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:

10000-1000100000-536200	**Contrib to Non-Co Agcy**	$5000.00

Decrease Board Designation:

10000-1000100000-320135	Community Improvement	$5000.00

BACKGROUND: This contribution will help Safehouse continue to operate their Riverside Emergency Shelter for runaway youth.

Safehouse
9685 Hayes Street
Riverside, CA 92503

John Tavaglione, Supervisor
Second District

REQUIRES 4/5th's VOTE

Prev. Agn. ref. **Dist.** 2 **AGENDA NO.** 3.8

FORM 11 (Rev. 1/00)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** Oct 27, 2009

SUBJECT: Appointment by the Riverside County Board of Supervisors to the California State Association of Counties (CSAC) Board of Directors.

RECOMMENDED MOTION:

That the Board join me in reappointing Supervisor John Tavaglione as a member of the Board of Directors for the California State Association of Counties (CSAC) and Supervisor Jeff Stone be reappointed as his alternate.

BACKGROUND:

Supervisor Tavaglione currently serves on the CSAC Board of Directors and Supervisor Jeff Stone serves as his alternate. Both Supervisors wish to continue to serve in their respective capacities.

Jeff Stone
Supervisor
Third District

JS:vc

3.9

Prev. Agn. ref. Dist. AGENDA NO.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** October 27, 2009

SUBJECT: Third District Use of Community Improvement Designation Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds for the following organizations:

Riverside County Regional Medical Center Foundation **$12,500. 00**
PO Box 9850, Moreno Valley, CA 92552

Project Touch **$1,000. 00**
30141 Antelope Road #D103, Menifee, CA 92584

2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:
10000-1000100000-536200 Contributions to Non-Co Agency **$13,500 .00**

Decrease Board Designation:
10000-1000100000-320135 Community Improvement
$13,500 .00

Jeff Stone, 3rd District Supervisor

REQUIRES 4/5th's VOTE

Prev. Agn. ref. **Dist.** **AGENDA NO** 3.10

FORM 11 – CID Funds (Rev. 1/08)

BACKGROUND:

Community Improvement Designation funds will be given to the local-community organizations dedicated to serving the public. The organizations will use the County funds to improve the quality of life of local residents.

Community Improvement Designation funds given to these organizations will be used for the following purposes:

ORGANIZATION	COMMUNITY SERVICE
Riverside County Regional Medical Center Foundation	Fundraiser
Project Touch	Homeless Response Program

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Third District Use of Community Improvement Designation Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds for the following organizations:

Idyllwild Help Center **$500 .00**
PO Box 660
Idyllwild, CA 92549

2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:
10000-1000100000-536200 Contributions to Non-Co Agency **$500 .00**

Decrease Board Designation:
10000-1000100000-320135 Community Improvement **$500 .00**

Jeff Stone, 3rd District Supervisor

REQUIRES 4/5th's VOTE

Prev. Agn. ref. **Dist.** **AGENDA NO.** 3.11

FORM 11 – CID Funds (Rev. 1/08)

BACKGROUND:

Community Improvement Designation funds will be given to the local-community organizations dedicated to serving the public. The organizations will use the County funds to improve the quality of life of local residents.

Community Improvement Designation funds given to these organizations will be used for the following purposes:

ORGANIZATION	COMMUNITY SERVICE
Idyllwild Help Center	Holiday Baskets

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Third District Use of Community Improvement Designation Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds for the following organizations:

Economic Development Agency

2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:		
528500 10000 1930100000	Project Cost Expense	**$1,000.00**
Increase Appropriations:		
572800 10000 1930100000	Intra-Miscellaneous	**$1,000.00**
Decrease Designation:		
320135 10000 1000100000	Community Improvement	**$1,000.00**
Increase Appropriations:		
527780 10000 1000100000	Special Program Expense	**$1,000.00**

Jeff Stone, 3rd District Supervisor

3.12

FORM 11 – CID Funds (Rev. 1/08)

BACKGROUND:

Community Improvement Designation funds will be given to the local-community organizations dedicated to serving the public. The organizations will use the County funds to improve the quality of life of local residents.

Community Improvement Designation funds given to these organizations will be used for the following purposes:

ORGANIZATION	COMMUNITY SERVICE
Riverside County Economic Development Agency	Edward Dean Garden

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Jeff Stone **SUBMITTAL DATE:** October 20, 2009

SUBJECT: Third District Use of Community Improvement Designation Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds for the following organizations:

Family Services Association / Daybreak Adult Day Services **$500. 00**
1075 N. State St. , Hemet, CA 92543

2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:
10000-1000100000-536200 Contributions to Non-Co Agency **$500 .00**

Decrease Board Designation:
10000-1000100000-320135 Community Improvement **$500 .00**

Jeff Stone, 3rd District Supervisor

Prev. Agn. ref. **Dist.** **AGENDA NO.** 3.13

FORM 11 – CID Funds (Rev. 1/08)

BACKGROUND:

Community Improvement Designation funds will be given to the local-community organizations dedicated to serving the public. The organizations will use the County funds to improve the quality of life of local residents.

Community Improvement Designation funds given to these organizations will be used for the following purposes:

ORGANIZATION	COMMUNITY SERVICE
Family Services Association / Daybreak Adult Day Services	Adult Day Scholarships

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisors Jeff Stone and Marion Ashley **SUBMITTAL DATE:** October 27, 2009

SUBJECT: Third and Fifth District Use of Community Improvement Designation Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation funds for the following organizations:

Riverside County Code Enforcement	**$1,000. 00**

2) Approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations: **572800-10000-3140100000 – Intra-Miscellaneous**	**$1,000.00**
Increase Appropriations: **523230-10000-3140100000 -- Miscellaneous Expense**	**$1,000.00**
Increase Appropriations: **10000-1000100000-527780 Special Program Expense**	**$1,000 .00**
Decrease Board Designation: **10000-1000100000-320135 Community Improvement**	**$1,000 .00**

Jeff Stone, 3rd District Supervisor

Marion Ashley, 5th District Supervisor

REQUIRES 4/5th's VOTE

3.14

BACKGROUND:

Community Improvement Designation funds will be given to the local-community organizations dedicated to serving the public. The organizations will use the County funds to improve the quality of life of local residents.

Community Improvement Designation funds given to these organizations will be used for the following purposes:

ORGANIZATION	COMMUNITY SERVICE
Riverside County Code Enforcement	Neighborhood Conference

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Marion Ashley

SUBMITTAL DATE:
October 27, 2009

SUBJECT: FIFTH DISTRICT USE OF COMMUNITY IMPROVEMENT DESIGNATION FUNDS

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the use of Community Improvement Designation Funds to fund the administrative costs associated with the Riverside County Water Task Force in FY 08/09;
2) Approve and direct the auditor controller to make the following budget adjustments;

Decrease Board Designation		
10000-1000100000-320135	Community Improvement	$5,000
Increase Appropriations:		
10000-1000400000-527780	Special Program Expense	$5,000
Increase Appropriations:		
10000-3120100000-510040	Regular Salaries	$5,000
Increase Appropriations:		
10000-3120100000-573400	Intra-Salary/Benefit Reimbursement	$5,000

Departmental Concurrence

BACKGROUND:
The Riverside County Water Task Force is a pro-active, regional forum for the County, water agencies, and other stakeholders to discuss key water-related issues and develop regional solutions. I believe the Water Task Force is an essential vehicle to coordinate our on-going outreach efforts to encourage water conservation, establish retrofitting programs and guide our regional response(s) to key state issues. I encourage the Board to approve this use of Community Improvement Designation Funds.

Marion Ashley
5th District Supervisor

5th Dist.

3.15
AGENDA NO.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Supervisor Marion Ashley

SUBMITTAL DATE:
October 26, 2009

SUBJECT: ADA Pavement Improvement Project Phase 3 - Riverside County Fairgrounds

RECOMMENDED MOTION: That the Board of Supervisors:

1. Accept and award the construction contract to the low bidder, Dateland Construction Company Inc, in the amount of $677,800.00;
2. Authorize the Chairman to sign the contract documents on behalf of the Board;
3. Delegate change order authority to the Assistant CEO/EDA or his designee of the Economic Development Agency in accordance with California Public Contract Code;
4. Authorize the allocation of $275,000 from the Riverside County Palm Desert Finance Authority; and
5. Approve a project budget of $1,077,000.

Departmental Concurrence

BACKGROUND: On September 29, 2009 the Board of Supervisors approved the plans and specifications for the construction of the ADA Pavement Improvement Project Phase 3 at the Riverside County Fairgrounds. The Board also authorized the Clerk of the Board to advertise the Notice Inviting Bids. Five sealed bids were received on October 21, 2009. Upon Agency and County Counsel review of the bids, it is determined that the low bid submitted by Dateland Construction Company Inc. for $677,800 is responsive and complete.

(Background continued on page 2.)

Supervisor Marion Ashley

Prev. Agn. Ref.: 9/29/09 3.8; 6/30/09 3.79	District: 4th	Agenda Number: 3.16

Riv shared/rdacom/dis4/rc fairgrounds/F11a Award Dateland Final

BACKGROUND continued:

Therefore, I recommend that the Board of Supervisors award the contract to the lowest qualified and responsive bidder, Dateland Construction Company Inc for $677,800, approve the project budget, and authorize funds as follows:

Budget	
Construction	$ 677,800
Utility relocation and repairs	$ 75,000
Underground research	$ 25,000
Inspection and permits	$ 25,000
Contingency 20%	$ 160,560
Engineering and construction management	$ 67,458
Special testing	$ 30,000
Memorial plaques	$ 16,182
Total	$1,077,000

The total project budget is $1,077,000, which is over $180,000 below the engineer's estimate. There will be no impact the General Fund as the following 4th District funds will be used for this project:

Amount	Source	Approval Status
$500,000	Community Development Block Grant	Approved - Action Plan 08/09
$275,000	Palm Desert Finance Authority	Staff recommends approval
$302,000	CID	F11 3.79 6/30/09

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 135

FROM: EXECUTIVE OFFICE

SUBMITTAL DATE:
November 3, 2009

SUBJECT: Woodcrest Library Financing – Capital Anticipation Notes Extension

RECOMMENDED MOTION: That the Board of Supervisors approve Resolution 2009-328 providing for the extension of a Certificates of Participation Anticipation Note in an amount not to exceed $6.5 million upon certain terms and conditions.

BACKGROUND: On November 7, 2006, the Board of Supervisors approved the issuance of Certificates of Participation Anticipation Note (CAN's) to facilitate the financing of the Woodcrest Library on an interim basis. The term of the notes was for 18 months, with an extension clause that allowed an additional 18 months upon the approval of the Treasurer. It was anticipated that the CAN's would be taken out through a long term CIP financing in either 2007 or 2008. Unfortunately, due to several factors, most importantly the collapsing economy, the county has been unable to issue any CIP notes to take out the CAN's prior to their expiration of November 10, 2009.

Staff is requesting a 12 month extension of the current CAN's, during which time we anticipate the completion of a current refunding of the 2007B Auction Rate Securities. This refunding provides us with the opportunity to take out the Woodcrest Library CAN's with long term bonds, however the process cannot be completed before the expiration of the current CAN's.

Jerry Norris
Principal Management Analyst

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE 10/26/09
Supplemental Concurrence

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 6.0 mil	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	2009-10

SOURCE OF FUNDS: Capital Anticipation Notes issued by CORAL

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Dean Deines

County Executive Office Signature

☐ Consent ☒ Policy
☐ Consent ☒ Policy

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.8 11/7/06 | **District:** | **Agenda Number:** 3.17

RESOLUTION NO. 2009-328

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE AUTHORIZING CERTAIN MATTERS RELATING TO THE EXTENSION OF A NOT TO EXCEED $6.5 MILLION CERTIFICATES OF PARTICIPATION ANTICIPATION NOTE ISSUED BY THE COUNTY OF RIVERSIDE ASSET LEASING CORPORATION

WHEREAS, the County of Riverside (the "County"), a political subdivision of the State of California, required funds for the acquisition and construction of the Woodcrest Library adjacent to the Woodcrest Fire Station to serve the unincorporated community of Woodcrest (the "Project"); and

WHEREAS, the County has an ongoing program of financing capital improvement projects with the proceeds of certificates of participation lease financings through the County of Riverside Asset Leasing Corporation (the "Corporation"); and

WHEREAS, California Corporations Code Section 5140, et seq., authorizes the Corporation to issue bonds and notes, and such notes are permitted investments for the County Treasury Pool under the County's investment policy, and the Treasurer is authorized to purchase such notes; and

WHEREAS, in November 2006 the Corporation issued a certificates of participation anticipation note in an amount not to exceed $6.5 million (the "Note") that was purchased by the Treasurer and Tax Collector of the County of Riverside (the "Purchaser") for the County Treasury Pool to temporarily finance the costs of acquisition and construction of the Project and the costs of issuance of the Note; and

WHEREAS, the County and the Corporation expect to enter into a certificates of participation lease financing to pay the Note within the next 12 months; and

FORM APPROVED COUNTY COUNSEL
BY: [signature] 12/23/09
DANIELLE A. GARDNER DATE

WHEREAS, the Note matures in November 2009 and must be extended;

NOW, THEREFORE, this Board does find, resolve, determine and order as follows:

Section 1. The County hereby acknowledges and consents to the extension of the Note for the purpose of assisting the County in temporarily financing the acquisition, design, delivery, construction and installation of the Project. The County acknowledges that the extended Note will be in the principal amount of not to exceed $6.5 million, will have a maturity date of 12 months from date of delivery of the amended and restated Note, will be prepayable at any time without penalty and shall bear interest at a rate per annum on outstanding advances thereunder equal to the average rate of return on amounts in the County Treasury Pool, plus 12.5 basis points, the actual rate to be reset monthly as announced by the Purchaser. Interest shall be calculated based on actual days elapsed over 365 or 366 days, as appropriate. The County covenants with the Purchaser that the County will use its best efforts, on or before the date which is 12 months from the date of delivery of the amended and restated Note, to authorize the execution and delivery of certificates of participation and all necessary related documents to effectuate a long term financing of the Project and to retire the Note.

Section 2. The County hereby agrees that if the long term financing of the Project referred to in Section 1 is not accomplished, the County will purchase the Note from the Purchaser not later than the maturity date thereof from amounts, if any, that may be legally available for such purpose.

Section 3. All actions heretofore taken by any officer or officers of the County with respect to the execution, sale, delivery, amendment and restatement of the Note or in connection with or related to any of the agreements referred to herein or the financing program hereby undertaken are hereby approved, confirmed and ratified.

Section 4. The officers of the County are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this Resolution.

Section 5. This Resolution shall take effect immediately.

PASSED and ADOPTED by the Board of Supervisors of the County of Riverside on the _____ day of November, 2009.

_____
Chairman of the Board of Supervisors

(SEAL)

ATTEST:

_____
Clerk of the Board of Supervisors

CERTIFICATE OF CLERK

I, Kecia Harper-Ihem, Clerk of the Board of Supervisors of the County of Riverside, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Supervisors of the County of Riverside duly and regularly held at the regular meeting place thereof on November ___, 2009, of which meeting all of the members of said Board had due notice.

AYES: Supervisors _____

NAYS: Supervisors _____

ABSENT: Supervisors _____

I do hereby further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

I do hereby further certify that an agenda for said meeting was posted at least seventy-two (72) hours before said meeting at 4080 Lemon Street, Riverside, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

WITNESS my hand and the seal of the County of Riverside this ___ day of November, 2009.

_____

Clerk of the Board of Supervisors

[SEAL]

ORDINANCE NO. 510
(AS AMENDED THROUGH 510.7)
AN ORDINANCE OF THE COUNTY OF RIVERSIDE AMENDING ORDINANCE NO. 510 PROVIDING FOR ASSESSMENT APPEALS BOARDS AND HEARING OFFICERS

The Board of Supervisors of the County of Riverside, State of California, do ordain as follows:

Section 1. Five Assessment Appeals Boards are hereby created for the County of Riverside, each consisting of three members to be appointed and to hold office as provided by law.

Section 2. The Boards shall equalize the valuation of taxable property within the County for the purpose of taxation as well as determine issues concerning changes of ownership and new construction.

Section 3. Each member of an Assessment Appeals Board and each assessment hearing officer shall receive the following:

a) A per diem payment at the rate established by a resolution approved by the Board of Supervisors; and

b) Reimbursement for mileage between his or her place of residence and the meeting site of the Board or hearing location; and

c) Reimbursement for overnight lodging for members living in the Blythe/Palo Verde Valley area of Riverside County. The cost of lodging not to exceed the amount designated in Board Policy D-1 (Reimbursement for General Travel).

d) Free parking in County-owned parking facilities.

Section 4. The Board of Supervisors shall appoint the members of the Assessments Appeals Boards pursuant to Section 1622.1 of the Revenue and Taxation Code.

Section 5. The Board of Supervisors shall appoint the members and alternates of the Assessment Appeals Boards, upon the expiration of any term of office or the occurrence of a vacancy on such Boards, pursuant to Section 1623.1 of the Revenue and Taxation Code.

Section 6. Hearing Officers.

A. The Board of Supervisors may appoint assessment hearing officers not to exceed five in number to hear and decide on applications where all the following apply:

1) The applicant is the assessee and has filed an application under Revenue and Taxation Code Section 1603; and
2) The assessed value of the property under consideration, as shown on the current assessment roll, does not exceed five hundred thousand dollars ($500,000); or the property under consideration is a single-family dwelling, condominium or cooperative, or a multiple-family dwelling of four units or less regardless of value; and
3) The applicant has requested that the hearing be held before an assessment hearing officer.

B. A person shall not be eligible for appointment as an Assessment Hearing Officer unless he or she meets the qualifications established in Revenue and Taxation Code Section 1624.05.

C. The decision of an assessment hearing officer on an assessment appeal application constitutes the final administrative decision of the county board of equalization or county assessment appeals board on that application without any further action by the county board of equalization or county assessment appeals board.

This ordinance shall take effect thirty (30) days after its adoption.

Adopted:
510 02/20/1967 (Eff: 03/22/1967
Amended:
510.1 03/25/1968 (Eff: 04/23/1968)
510.2 Item 3.2 10/09/1983 (Eff: 09/08/1983)
510.3 Item 3.2 10/13/1997 (Eff: 11/12/1987)
510.4 Item 3.1 of 04/09/1996 (Eff: 05/09/1996)
510.5 Item 3.17 of 9/15/1998 (Eff: 10/16/1998)
510.6 Item 3.45 of 04/07/2009 (Eff: 05/07/2009)
510.7 Item ___ of 10/27/2009 (Eff: _____)

FORM APPROVED COUNTY COUNSEL
BY DAVID H.K. HUFF 10/21/09 DATE

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Executive Office

SUBMITTAL DATE: October 21, 2009

SUBJECT: Assessment Appeals Stipend and Reimbursement Policy

RECOMMENDED MOTION: That the Board of Supervisors: Introduce and on the successive week adopt Ordinance 510.7, an Ordinance of the County of Riverside Amending Ordinance 510 Providing for Assessment Appeals Boards and Hearing Officers

BACKGROUND: Members of assessment appeals boards provide a vital public service. Their careful and time-consuming review of appeals to property assessments ensures that property owners are charged a fair and lawful property tax. Appeals sessions are all held at the County Administrative Center in downtown Riverside, and typically last one-half to a full day. Therefore, appeals board members incur costs in terms of their time as well as various incidentals like parking, travel, lodging and food. Without reasonable compensation, it is unlikely that the Clerk of the Board could keep these boards fully staffed with qualified individuals.

(Continued on Page 2)

Christopher Hans,
Deputy CEO

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	2009/10

SOURCE OF FUNDS: Department Operating Budget

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Paul McDonnell

FORM APPROVED COUNTY COUNSEL
BY DAVID H.K. HUFF DATE 10/21/09

☒ Policy ☐ Consent
☒ Policy ☐ Consent

Dep't Recomm.:
Per Exec. Ofc.:

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above ordinance is approved as introduced.

Ayes: Tavaglione, Stone and Ashley
Nays: None
Absent: Buster
Date: October 27, 2009
xc: E.O., COB

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

Prev. Agn. Ref.: 3.20 of 9/1/09 | **District:** All | **Agenda Number:** 3.18

BACKGROUND: (Continued)

A survey of other Southern California counties revealed that all but Riverside pay a split rate based on the number of hours served and some provide a mileage reimbursement. Riverside County is unique in that it reimburses for food and hotel expenses. Further, Riverside County and LA County provide the highest stipend amount.

Below is a comparison of compensation packages of appeals boards in Southern California:

	Riverside (proposed)	SBdno	Orange	LA	San Diego
Half-day Stipend	n/a	150	125	150	50
Full-day Stipend	300	200	250	300	100
Mileage	Paid	Paid	None	None	Paid
Hotel	None *	None	None	None	None
Food	None	None	None	None	None
Parking	Free	Free	Free	Free	Free

* Lodging available only if the member lives in the Palo Verde Valley

However, unlike most other counties, Riverside County is a large county and several of its appeals board members commute over 100 miles round trip to hear appeals. Compensating members for the cost of gas and vehicle wear-and-tear will allow the Clerk of the Board to attract and keep qualified individuals from areas of the county outside the downtown Riverside area. San Bernardino County is a similarly large county and it allows mileage reimbursement.

A poll of appeals board chairs uncovered various concerns and suggestions on the topics of meeting schedules, meeting locations, travel, and compensation. Suggested procedural changes were relayed to the Clerk of the Board for consideration. There was not a perfect consensus on compensation. To summarize expressed positions:

- Two chairs thought a $150/$300 split was fair, one chair thought $100/$200 was adequate, and one chair argued strongly that compensation should be $300 regardless of meeting time (she spoke for members with other jobs who set aside a whole day for appeals and forgo a day of pay on their regular job).
- All thought that mileage compensation is fair and reasonable, though one thought the amount could be reduced.
- Those who commuted over 50 miles found the hotel compensation highly important, though they would likely be satisfied with $300/day plus either mileage or lodging compensation.
- Meal compensation was no greater than a minor concern.

The recommended new compensation package is a $300 daily stipend for a session of any length. Additionally, there would be reimbursement available for mileage traveled. There would be no food allowance. There would only be a hotel allowance if an individual commutes from the Palo Verde Valley (greater Blythe). Parking would remain free.

The Clerk of the Board has implemented procedures this year to allow for the addition of one or more hearing officers. Some of the new appeals filed after July 1, 2009 have requested a hearing before an officer rather than a full assessment appeals board. These requests are being processed and the cases will be heard in the spring. The details of meeting dates, times, and location will be settled early in the new calendar year. One officer will hear cases in the South-west County. It has not yet been determined if other hearing officers will be needed.

MEMORANDUM

EXECUTIVE OFFICE, COUNTY OF RIVERSIDE

Bill Luna
County Executive Officer

Jay E. Orr
Assistant County Executive Officer

TO: Kecia Harper-Ihem, COB

FROM: Jay E. Orr, Assistant CEO

DATE: October 27, 2009

RE: **CONTINUANCE**

Please continue the following item to December 8, 2009:

SCRAPE Update on Take-Home Car Policy (3.6 – 9/15/09).

NOTE:
The SCRAPE Update on Early Retirement Impacts will be included in the FY 2009-10 First Quarter Budget Report.

H:\dGRANT\form 11s\continuance.doc

3.19

Robert T. Andersen Administrative Center
4080 Lemon Street • 4th Floor • Riverside, California 92501 • (951) 955-1110 • Fax (951) 955-1105

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY [signature] 10/26/09
SUSANA GARCIA-BOCANEGRA

734

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Community Action Partnership of Riverside County

SUBMITTAL DATE: October 26, 2009

SUBJECT: Budget Adjustment

RECOMMENDED MOTION: That the Board of Supervisors:

Instruct the Auditor Controller to adjust the budget as identified in the attached Schedule A.

BACKGROUND:

On June 2, 2009 (#3.19), the Board of Supervisors adopted Resolution #2009-190 to approve Community Action Partnership of Riverside County's (CAP Riverside) Local Plan for the Department of Energy Weatherization Assistance Program, American Recovery Reinvestment Act of 2009 (DOE-ARRA) and authorized: 1) the Chairman of the Board to sign all subsequent DOE-ARRA Agreements #09C-1830 with the Department of Community Services and Development (CSD), not to exceed $8,000,000; 2) The Purchasing Agent to sign ministerial amendments not to exceed $8,000,000; and 3) The Executive Director of CAP Riverside to sign assurances, exhibits, and reports under the agreement for the DOE-ARRA, and administer the program.

Lois J. Carson
Lois J. Carson, CCAP, Executive Director

(CONTINUED 3 Pages)

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ 3,333,352	**In Current Year Budget:**	No
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	Yes
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	FY 09/10

SOURCE OF FUNDS: 100% Federal

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE
BY: Debra Cournoyer
Debra Cournoyer

County Executive Office Signature

Dep't Recomm.: ☒ Policy ☐ Consent
Per Exec. Ofc.: ☒ Policy ☐ Consent

Prev. Agn. Ref.: 6/2/09 (#3.19), 7/21/09 (#3.7)

District: All

Agenda Number: 3.20

BACKGROUND (Continued):

On June 15, 2009, the Chairman of the Board of Supervisors signed Agreement #09C-1830 and on July 21, 2009 (Item #3.7), the Board authorized the Auditor Controller to adjust the budget for the initial allocation of $470,396 for the term of June 30, 2009 through September 30, 2011.

On October 22, 2009, the Purchasing Agent signed Amendment #1 to Agreement #09C-1830, increasing the allocation from $470,396 to $3,803,748, which reflects the current request for a budget adjustment of $3,333,352.

FINANCIAL IMPACT: No County General Funds will be required.

CONCUR/EXECUTE: Auditor Controller

LJC:MYJ:KA:jb

FROM: Community Action Partnership of Riverside County

DATE: October 26, 2009

SUBJECT: Budget Adjustment

SCHEDULE A

Community Action Partnership of Riverside County
Budget Adjustment
Fiscal Year 2009/2010

INCREASE IN EST. REVENUE:

CAARC-21050-5200200000-767430	Fed ARRA	$ 3,333,352

INCREASE IN APPROPRIATIONS:

CAARC-21050-5200200000-510040	Regular Salaries	$ 209,380.00
CAARC-21050-5200200000-518100	Budgeted Benefits	$ 98,532.00
CAARC-21050-5200200000-520200	Communication Services	$ 22,302.00
CAARC-21050-5200200000-520230	Cellular Phones	$ 2,700.00
CAARC-21050-5200200000-523700	Office Supplies	$ 10,500.00
CAARC-21050-5200200000-523760	Postage-Mailing	$ 5,000.00
CAARC-21050-5200200000-523780	Printed Forms	$ 10,500.00
CAARC-21050-5200200000-524560	Auditing and Accounting	$ 2,500.00
CAARC-21050-5200200000-524700	County Counsel	$ 3,500.00
CAARC-21050-5200200000-525080	Temp Assist Pool Svcs	$ 258,085.00
CAARC-21050-5200200000-526420	Advertising	$ 2,059.00
CAARC-21050-5200200000-527320	Client Education Services	$ 20,000.00
CAARC-21050-5200200000-528920	Car Pool Expense	$ 5,500.00
CAARC-21050-5200200000-529000	Miscellaneous Travel Expense	$ 10,500.00
CAARC-21050-5200200000-530020	Board-Other	$ 2,640,250.00
CAARC-21050-5200200000-537000	Interfund Exp-Leases	$ 29,667.00
CAARC-21050-5200200000-537240	Interfund Exp-Utilities	$ 2,377.00
	TOTAL	**$3,333,352**

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY [signature] 10/5/09
SUSANA GARCIA-BOCANEGRA

Departmental Concurrence

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

5.14

FROM: Community Health Agency/Dept. of Environmental Health

SUBMITTAL DATE: October 1, 2009

SUBJECT: Accept the Grant Agreement with Department of Health and Human Services – Food and Drug Administration, and the Community Health Agency-Department of Environmental Health.

RECOMMENDED MOTION: That the Board of Supervisors:

1) Accept the Grant Number Agreement 1R18FD003839-01 with the Department of Health and Human Services, Food and Drug Administration and the Community Health Agency-Department of Environmental Health for the period of September 20, 2009 through August 31, 2010, for the total amount of $62,500.
2) Direct Auditor-Controller to make the budget adjustments as specified on the attached Schedule A.

BACKGROUND: The Department of Environmental Health would like to continue to increase public awareness through a unique food safety education campaign about the dangers of purchasing and consuming food sold by illegal vendors. Illegal food vendors do not obtain a permit from the Department of Environmental Health and operate openly or covertly in a manner that compromises food safety due to ignorance or disregard for food safety principles. These unauthorized operations jeopardize the public's health; selling food that is held out of safe temperature ranges or that may be adulterated or exposed to vermin.

SVS:gf

Steve Van Stockum, Director

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 62,500	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: 100% reimbursement by Federal Grant

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

BY: Debra Cournoyer

County Executive Office Signature

Dep't Recomm.: ☒ Policy ☐ Consent

Per Exec. Ofc.: ☒ Policy ☐ Consent

Prev. Agn. Ref.: 10/21/08 3.16 | **District:** All | **Agenda Number:** 3.21

Subject: Accept the Grant Agreement with Department of Health and Human Services – Food and Drug Administration, and the Community Health Agency-Department of Environmental Health

BACKGROUND CONTINUATION:

The public is often not aware of the risks that they take in purchasing and consuming food from these vendors. It is the Department's goal to educate the public about the potential risks of food borne illness when they consume food from an unpermitted vendor. This goal will be achieved through a focused public information campaign. The campaign would take a tiered approach, and consist of brochures, posters, informational booths, public presentations, educational materials for children, power point presentations, public service announcements, website tutorials and training, food safety fairs throughout the County, and a video presentation for local cable access. This campaign would be consistent with the principles presented in the ALERT initiative. In addition, the program received the "2009 CCDEH Excellence in Environmental Health" award during the California Conference of Directors of Environmental Health which was held on September 22-24, 2009.

Subject: Approve the Agreement with Department of Health and Human Services – Food and Drug Administration, and the Community Health Agency-Department of Environmental Health

SCHEDULE A
COMMUNITY HEALTH AGENCY
DEPARTMENT OF ENVIRONMENTAL HEALTH

BUDGET ADJUSTMENT
FISCAL YEAR 2009/2010

INCREASE IN APPROPRIATIONS:

10000-4200400000-523680	Office Equip (non-fixed assets)	$ 4,000
10000-4200400000-523760	Postage Mailing	$ 4,000
10000-4200400000-527180	Operational Supplies	$29,500
10000-4200400000-526420	Advertising	$15,000
10000-4200400000-527780	Special Program Expense	$10,000

TOTAL INCREASE IN APPROPRIATION $62,500

INCREASE IN ESTIMATED REVENUE:

10000-4200400000-767220	Fed-Other Operating Grants	$62,500

Notice of Grant Award

RESEARCH PROJECTS
Department of Health and Human Services
Food and Drug Administration

Issue Date: 09/19/2009

Grant Number: 1R18FD003839-01

Principal Investigator(s):
Jean Marie Strey

Project Title: Protecting Our Food - Food Safety Education and Awareness on Illegal Food Vending

Office of Sponsored Programs
RIVERSIDE COUNTY
DEPT. OF ENVIRONMENTAL HEALTH
4065 COUNTY CIRCLE DR., #104
RIVERSIDE, CA 92503

Budget Period: 09/20/2009 – 08/31/2010
Project Period: 09/20/2009 – 08/31/2010

Dear Business Official:

The Food and Drug Administration hereby awards a grant in the amount of $62,500 (see "Award Calculation" in Section I and "Terms and Conditions" in Section III) to RIVERSIDE COUNTY DEPT OF ENV HEALTH in support of the above referenced project. This award is pursuant to the authority of 301(A) AND 317(K)(2) and is subject to the requirements of this statute and regulation and of other referenced, incorporated or attached terms and conditions.

Acceptance of this award including the "Terms and Conditions" is acknowledged by the grantee when funds are drawn down or otherwise obtained from the grant payment system.

If you have any questions about this award, please contact the Grants Management Specialist and the Project Officer listed in the terms and conditions.

Sincerely yours,

Gladys Melendez-Bohler
Grants Management Officer
Office of Acquisitions & Grants Services
Division of Acquisition Support and Grants
Grants & Assistance Team
FOOD AND DRUG ADMINISTRATION

See additional information below

SECTION I – AWARD DATA – 1R18FD003839-01

Award Calculation (U.S. Dollars)

Supplies	$33,500
Other Costs	$4,000
Consortium/Contractual Cost	$25,000
Federal Direct Costs	$62,500
Approved Budget	$62,500
Federal Share	$62,500
TOTAL FEDERAL AWARD AMOUNT	$62,500
AMOUNT OF THIS ACTION (FEDERAL SHARE)	$62,500

SUMMARY TOTALS FOR ALL YEARS		
YR	**THIS AWARD**	**CUMULATIVE TOTALS**
1	62,500	62,500

* Recommended future year total cost support, subject to the availability of funds and satisfactory progress of the project.

Fiscal Information:

CFDA Number:	93.103
EIN:	1956000930B5
Document Number:	RFD003839A
Fiscal Year:	2009

IC	*CAN*	*01*
FD	6990928	$62,500

* Recommended future year total cost support, subject to the availability of funds and satisfactory progress of the project.

FDA Administrative Data:
PCC: / OC: 4141

SECTION II – PAYMENT/HOTLINE INFORMATION – 1R18FD003839-01
PHS policy requires that you be informed that the DHHS Inspector General maintains a toll free telephone number (800-368-5779) for receiving information concerning fraud, waste and abuse under the grants and cooperative agreements. Such reports will be kept confidential and callers may decline to give their names if they choose to remain anonymous.

Payments under this award will be made available through the DHHS Payment Management System (PMS). PMS is administered by the Division of Federal Assistance Financing (DFAF), Office of the Deputy Assistant Secretary, Finance, which will forward instructions for obtaining payments. Inquiries regarding the payment should be directed to:

Division of Federal Assistance Financing
DASP/DASF/OS/DHHS
P.O. Box 6021
Rockville, MD 20852
Telephone Number: 877-614-5533

Grantees are asked to register in the Central Contractor Registration (CCR) database. Information about CCR is available at http://www.grants.gov/applicants/register_ccr.jsp. This registration will be required as electronic grant processing is implemented.

SECTION III – TERMS AND CONDITIONS – 1R18FD003839-01
This award is based on the application submitted to, and as approved by, FDA on the above-title project and is subject to the terms and conditions incorporated either directly or by reference in the following:

a. The grant program legislation and program regulation cited in this Notice of Grant Award.
b. The restrictions on the expenditure of federal funds in appropriations acts to the extent those restrictions are pertinent to the award.
c. 45 CFR Part 74 or 45 CFR Part 92 as applicable.
d. The PHS Grants Policy Statement, including addenda in effect as of the beginning date of the budget period.
e. An annual Financial Status Report (SF-269) is required. An original and two copies of this report must be submitted to the FDA Grants Management Officer within 90 days after the expiration date of the budget period.
f. A Final Program Report, Financial Status Report and Invention Statement must be submitted within 90 days after the expiration date of the project period.
g. This award notice, including the terms and conditions cited below.

Treatment of Program Income:
Additional Costs

SECTION IV – FD Special Terms and Condition – 1R18FD003839-01

INNOVATIVE FOOD DEFENSE PROJECTS STANDARD TERMS AND CONDITIONS

THE EXPANDED AUTHORITIES DO NOT APPLY TO THIS GRANT

Project Period:

All Noncompeting Continuation Applications (Type 5s) for future support are due to the Grants Management Office three (3) months prior to the next budget period start date.

Please note as of October 1, 2006, the HHS Grants Policy Statement (GPS) supersedes in its entirety the above sited PHS GPS, dated April 1, 1994, and addendum dated January 24, 1995.

This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award. This includes any requirements in Parts I and II (available at http://www.hhs.gov/grantsnet/adminis/gpd/index.htm) of the HHS GPS that apply to an award.

Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR parts 74 or 92, directly apply to this award apart from any coverage in the HHS GPS.

Reporting Requirements:

Annual Financial Status Reports (SF-269) are required. An original and one copy of this report must be submitted to the FDA Grants Management Officer ninety days after the end of the budget period.

A Mid year progress report will be required no later than March 31st of each funded year. A year-end progress report will be required no later than July 31st of each funded year. These reports must contain the following information:

a. General progress of the Innovative Food Defense Grant project.
b. Project status in relation to established timeline.
c. Innovative Food Defense Grant project ?point of contact? (POC) to include mailing address, telephone number, and e-mail address.
d. Funding expended and funds remaining for the Innovative Food Defense Grant.

A Final Progress Report, Financial Status Report and Invention Statement must be submitted to FDA Grants Management Officer no later than 90 days after the expiration date of the project period. The Final Program Progress report must contain the following information:

a. Summary of results in relation to specific aims of the Innovative Food Defense Grant project.
b. Full written documentation of the Innovative Food Defense Grant project.
c. Copies of any results as described in the Innovative Food Defense Grant grant application.
d. Analysis and evaluation of the Innovative Food Defense Grant results.

The documentation must be in a form and contain sufficient detail that other State and local Food safety regulatory agencies could reproduce the final project.

FINAL YEAR - This award represents the final year of the competitive segment for this grant.

A final Financial Status Report (FSR) (SF 269), final progress report and a final Invention Statement (HHS568) must be submitted via e-mail to the Grants Management Specialist within 90 days of the expiration date. Copies of the HHS 568 form may be downloaded at: http://grants.nih.gov/grants/forms.htm

The final progress report should include, at a minimum, a summary of progress toward the achievement of the originally stated aims, a list of significant results (positive and/or negative), a list of publications and the grant number. If human subjects were included in the research, the final progress report should also address the following:
? Report on the inclusion of gender and minority study subjects (using the gender and minority Inclusion Enrollment Form as provided in the PHS 2590 and available at http://grants.nih.gov/grants/forms.htm).
? Where appropriate, indicate whether children were involved in the study or how the study was relevant for conditions affecting children

Describe any data, research materials (such as cell lines, DNA probes, animal models), protocols, software, or other information resulting from the research that is available to be shared with other investigators and how it may be accessed.

All of the above must be mailed/e-mailed to:

Gladys M. Bohler, Grants Management Specialist
Food and Drug Administration/OAGS
5630 Fishers Lane, HFA 500; RM 2105
Rockville, MD 20857

AND

Jenny Gabb, Project Officer
Food and Drug Administration, Division of Federal-State Relations
5600 Fishers Lane, HFC-150, Rm. 12-07
Rockville, MD 20857

Substantial Involvement:

Periodic Innovative Food Defense Grant program monitoring will be conducted which may be in the form of telephone conversations, correspondence, e-mail transmissions, etc., between the Principal Investigator and the Project Officer/Grants Management Officer/Grants Management Specialist. Program monitoring may also be in the form of site visits.

Funding Restrictions

Nonallowable costs include, but are not limited to: (1) Purchase of equipment; (2) transportation costs exceeding coach class fares; (3) entertainment; (4) tips; (5) bar charges; (6) personal telephone calls; (7) laundry charges; (8) travel or expenses other than local mileage for local participants; (9) organization dues; (10) honoraria or other payments for the purpose of conferring distinction or communicating respect, esteem or admiration; (11) alterations or renovations; and (12) travel or per diem costs for federal employees.

Special Terms and Conditions:

1. Grantees are required to report any Program Income generated during the Project Period of this grant. Except for royalty income generated from patents and inventions, the amount and disposition of Program Income must be identified on lines 10(q), (r), (s), and (t) of the grantee?s Financial Status

2. Report (SF-269, Rev. 4/88 Long Form). Examples of Program Income include, but are not limited to: fees for services performed during the grant or sub-grant period, proceeds from sale of tangible personal or real property, usage or rental fees, patent or copyright royalties, and proceeds from the sale of products and technology developed under the grant.

3. Any Program Income generated during the Project Period of this grant by the grantee or sub-grantee is subject to the Addition Alternative for Program Income and, therefore, must only be used to further the goals of the project for which this grant was awarded.

Failure to comply with the above stated Standard and Special Terms and Conditions could result in the suspension or termination of this grant project.

Direct inquiries regarding scientific programmatic issues to the official listed below.

Direct inquiries regarding fiscal and/or administrative matters to the grants management specialist listed below.

All formal correspondence/reports regarding the grant should be signed by an authorized institutional official and the Principal Investigator and should be sent to the attention of the grants management specialist, unless otherwise explicitly directed.

STAFF CONTACTS
Grants Management Specialist: Gladys Melendez-bohler
Email: gladys.melendez-bohler@fda.hhs.gov **Phone**: (301) 827-7168 **Fax**: (301) 827-7101

SPREADSHEET SUMMARY
GRANT NUMBER: 1R18FD003839-01

INSTITUTION: RIVERSIDE COUNTY DEPT OF ENV HEALTH

Budget	*Year 1*
Supplies	$33,500
Other Costs	$4,000
Consortium/Contractual Cost	$25,000
TOTAL FEDERAL DC	$62,500
TOTAL FEDERAL F&A	
TOTAL COST	$62,500

Food & Drug Administration	DATE September 14, 2009
	1. CENTER/PROGRAM ORA

2. LIST NUMBER FD-003839-01	3. APPROPRIATION NUMBER ~~28627NFOOD93839~~ 7590600
4. CAN* 6990928	5. PMS CODE* 22390B40
6. OBJECT CLASS 41.41	7. TYPE OF AWARD Non -Research –Supplement

8. GRANT NUMBER	9. Document #	10. EIN #
1 R18-FD003839-01	RFD003839A	195600930B5

Jean Marie Strey
Riverside County Department of Enviornmental Health
4065 County Circle Drive #104
Riverside, California 92503

12. PROJECT PERIOD	13. BUDGET PERIOD
09/20/2008-~~09~~8/31/2010 gmb	~~9/01~~9/20/2009-8/31/2010 gmb

14. APPROVED FOR OBLIGATION

DIRECT: $ 62,500 INDIRECT: $ 0 FEE: $0 (SBIR ONLY) TOTAL COST: $62,500

15. SPECIAL CONDITIONS

CVM Supplement

16. REMARKS

- Please scan the signed document to G. Bohler – gladys.melendez-bohler@fda.hhs.gov
- 301-827-7168 – Telephone
- 301-827-7101 - FAX

17. PROJECT OFFICER (Print name and Sign; note telephone #)	18. CENTER/OFFICE
Jennifer Gabb 301-827-2899 Phone Number:	Funds Available: Soma Bhattacharyya

19. APPROVED BY DIRECTOR, (or individual with Delegated Authority)

Michele Berger, Director, ORA/ORM/DMO

20. APPROVED BY DIRECTOR, OFFICE OF FINANCIAL MANAGEMENT

21. CERTIFICATION OF Chief GRANTS MANAGEMENT OFFICER, OAGS and/or Grants Management Officer

Gladys M. Bohler, Grants Management Officer/Grants Management Specialist

9/17/09

Form FDA 3349 (2/97)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 105

FROM: Community Health Agency/Department of Public Health

SUBMITTAL DATE: October 19, 2009

SUBJECT: Ratify the Agreement #09-11221 between California Department of Public Health and the Riverside County Community Health Agency, Department of Public Health, for Network for a Healthy California Program.

RECOMMENDED MOTION: That the Board of Supervisors:

1) Ratify the Agreement #09-11221 between California Department of Public Health and the Riverside County Community Health Agency, Department of Public Health in the amount of $ 682,997 for the period of October 1, 2009 through September 30, 2010.
2) Authorize the Chairman of the Board to sign six (6) originals of the contract face sheet; and
3) Authorize the Chairman of the Board to sign one (1) original of the Final State Share Budget.

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

Departmental Concurrence

GH:nw

Susan D. Harrington
Susan Harrington, Director of Public Health

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 512,248	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: 100% Federal Funds

Positions To Be Deleted Per A-30 ☒

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Debra Cournoyer

County Executive Office Signature

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: 3.9, 9/4/2007 | **District:** All | **Agenda Number:** 3.22

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

The Department of Public Health, Nutrition Services Branch is a continuing contractor participating in a one-year contract with the Network for a Healthy California Incentive Awards Program (Agreement #09-11221).

The California Department of Public Health, Cancer Prevention and Nutrition Section will match qualifying activities from this funding at 50 cents in Federal matching funds for every dollar of approved State Share activity. The State Share matching dollars must be spent on "qualifying nutrition and physical activity interventions". This funding will be used to collaborate with other programs in Riverside County through partnerships and coalitions to promote nutrition and physical activity. The target population for this program is eligible for participation in the Food Stamp Program.

On September 23, 2009, this Agreement was received from the State of California Department of Public Health and preparation of this Form 11 began.

FINANCIAL INFORMATION: The Department of Public Health, Nutrition Services Branch Network program receives 100% of its funding from the State as a pass through from the Federal government. The Network program year is based on a federal fiscal year (October 1, 2009 – September 30, 2010).

The funding allocation for the county fiscal years is as follows:

Federal and County FY Budget Comparison Table		
Federal Fiscal Year	**FFY '09/10**	
Agreement Amount	$682,997	
County Fiscal Year	**FY '09/10**	**FY '10/11**
Budget Amount	$512,248	$170,749

State of California—Health and Human Services Agency
California Department of Public Health

MARK B HORTON, MD, MSPH
Director

ARNOLD SCHWARZENEGGER
Governor

September 22, 2009

County of Riverside Community Health Agency
4065 County Circle Drive, #204
Riverside, CA 92503
Attention: Nancy Allende, Program Director

Subject: Agreement Number 09-11221

Dear Ms. Allende:

The California Department of Public Health (CDPH) has standardized its contracting procedures and agreement formats. The enclosed agreement references on-line general terms and conditions (GTC or GIA) that are not attached to the agreement. The cited terms may be accessed at this Internet site: http://www.ols.dgs.ca.gov/Standard+Language/default.htm. The enclosed agreement is not binding until signed by both parties and approved by the appropriate state control agency (if required). No services are to be provided prior to approval, as CDPH is not obligated to make any payment prior to final approval. Expeditious handling of this agreement is appreciated.

For inquiries regarding this agreement, please contact Pamela Delapa at (916) 449-5382 and cite the agreement number. Unless otherwise instructed, do not invoice CDPH for services rendered under this agreement until a copy of the fully executed agreement is received.

Required action is noted by each checked/marked item. Return all item(s) to the address identified below:

__X__ Affix a signature to the enclosed agreement copy and each additional face sheet. Two copies must bear original signatures. Return **all** items to CDPH for further processing. A copy of the approved agreement will be distributed to you after it is fully executed. Alterations, in general, are not allowed. Alterations and page replacements, if any, must be pre-approved by CDPH and each visible alteration must be initialed by the person who signs the agreement.

____ **Non-Profit Agreements**: The signed agreements as indicated above must be accompanied by a copy of your organizations 501c(3) Non-profit status letter from the Internal Revenue Service to prove non-profit status.

__X__ **County, City, District, or other local public body Agreements**: The signed agreements as indicated above must be accompanied by a copy of the resolution, order,

motion, or ordinance of the local governing body, which by law has authority to enter into the proposed agreement, authorizing execution of the agreement.

_____ Complete, sign, and return the Payee Data Record (STD 204). Payments cannot be issued without this form.
Go to http://www.ols.dgs.ca.gov/Standard+Language/default.htm to review GTC version that is referenced on the face of the agreement as Exhibit C. Review provision 11 to locate the Contractor Certification Clause (CCC) number (e.g., 1005 or 304, etc.) that applies to the enclosed agreement. Read the cited CCC in its entirety. Sign the first page of the applicable cited Certification. Return the first page of the originally signed Certification to the address noted below. Failure to return the appropriate signed CCC will prohibit CDPH from doing business with your firm.

__X__ **Other: State Share Budget(s)**. Attached to this letter is a copy of the final State Share Budget(s) that has been incorporated into this agreement and made a part hereof by reference in Exhibit E, Additional Provisions, paragraph 1.A. The State Share Budget(s) must be signed by the person with signature authority to sign the Standard Agreement (STD 213) contract pages. Please retain a copy of the signed State Share Budget(s) for your file and **return the original along with the signed STD 213 contract face sheets. This signed State Share budget(s) must be on file at the *Network for a Healthy California* before your contract will be processed further.**

Return all designated materials to the following address:

California Department of Public Health
Network for a Healthy California
ATTENTION: Jill Harden
1616 Capitol Avenue, Suite 74.516
Mail Station 7204
P.O. Box 997377
Sacramento, CA 95899-7377

Direct questions regarding this letter to Jill Harden at (916) 327-8018. Be sure to cite the agreement number in all future correspondence.

Thank you for your attention to this matter.

Sincerely,

Jill Harden
Associate Governmental Program Analyst
Network for a Healthy California

Enclosure(s)

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (CDPH Rev 12/08)

REGISTRATION NUMBER	AGREEMENT NUMBER
	09-11221

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME (Also referred to as CDPH or the State)
California Department of Public Health

CONTRACTOR'S NAME (Also referred to as Contractor)
County of Riverside Community Health Agency

2. The term of this Agreement is: 10/01/2009 through 09/30/2010

3. The maximum amount of this Agreement is: $ 682,997
SIX HUNDRED EIGHTY TWO THOUSAND NINE HUNDRED NINETY SEVEN DOLLARS

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	18 pages
Exhibit B – Budget Detail and Payment Provisions	5 pages
Exhibit B, Attachment I – Budget (Year 1)	1 page
Exhibit C * – General Terms and Conditions	GTC 307
Exhibit D(F) – Special Terms and Conditions (Attached hereto as part of this agreement) [Notwithstanding provision 6 which does not apply to this agreement.]	26 pages
Exhibit E – Additional Provisions	2 pages
Exhibit F – Contractor's Release	1 page
Exhibit G – Travel Reimbursement Information	2 pages
Exhibit H – Information Confidentiality and Security Requirements	3 pages
Exhibit I – Information Systems Security Requirements for Projects (ISO/SR1)	24 pages
Exhibit J – Contractor Equipment Purchased With CDPH Funds	2 pages
Exhibit K – Inventory/Disposition of CDPH-Funded Equipment	2 pages

See Exhibit E, Provision 1 for additional incorporated exhibits.

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at http://www.ols.dgs.ca.gov/Standard+Language.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
County of Riverside Community Health Agency

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Jeff Stone, Chairman of the Board

ADDRESS
4065 County Circle Drive #240, Riverside, CA. 92503

STATE OF CALIFORNIA

AGENCY NAME
California Department of Public Health

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Sandra Winters, Chief, Contracts and Purchasing Services Section

ADDRESS
1501 Capitol Avenue, Suite 71.5178, MS 1802, PO Box 997377
Sacramento, CA 95899-7377

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

California Department of General Services Use Only

☐ Exempt per:

Exhibit A
Scope of Work

1. Service Overview

Contractor agrees to provide to the California Department of Public Health the services described herein:

Contractor will provide nutrition education and physical activity promotion to United States Department of Agriculture (USDA) Supplemental Nutrition Assistance Program Education (SNAP-Ed) eligible families described herein.

2. Service Location

The services shall be performed at applicable facilities in the County of Riverside.

3. Service Hours

The services shall be provided during normal contractor working hours and days.

4. Project Representative

A. The project representatives during the term of this agreement will be:

California Department of Public Health	**County of Riverside Community Health Agency**
CDPH Contract Manager: Jill Harden Telephone: (916) 327-8018 Fax: (916) 449-5414 E-mail: jill.harden@cdph.ca.gov	Project Director: Nancy Allende Telephone: 951 358-5311 Fax: 951 358-5472 E-mail: nallende@riverside.ca.us

B. Direct all inquiries to:

California Department of Public Health	**County of Riverside Community Health Agency**
Network for a Healthy California Attention: *Gilda Carpenter, Chief* 1616 Capitol Avenue, Suite 74.516, MS 7204 P.O. Box 997377, MS 7204 Sacramento, CA 95899-7377 Telephone: 916 449-5409 Fax: (916) 449-5414 E-mail: gilda.carpenter@cdph.ca.gov	Attention: Nancy Allende, Project Coordinator 4065 County Circle Drive Riverside, CA 92501 Telephone: 951 358-5311 Fax: 951 358-5472 E-mail: nallende@riverside.ca.us

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

Exhibit A
Scope of Work

5. Allowable Informal Scope of Work (SOW) Changes

A. Changes and revisions to the SOW contained in the agreement, utilizing the **"allowable cost payment system"**, may be proposed by the Contractor in writing. All requested changes and revisions are subject to the approval of the State. Failure to notify the State of proposed revisions to the SOW may result in an audit finding.

B. The State will respond, in writing, as to the approval or disapproval of all such requests for changes or revisions to the SOW within 30 calendar days of the date the request is received in the program. Should the State fail to respond to the Contractor's request within 30 calendar days of receipt, the Contractor's request shall be deemed approved.

C. The State may also request changes and revisions to the SOW. The State will make a good-faith effort to provide the Contractor 30 calendar days advance written notice of said changes or revisions.

6. Progress Reports

A. The Contractor shall submit one original semi-annual progress report to CDPH in the format prescribed by the State. The progress reports shall describe progress made in completing agreement deliverables, challenges encountered, and solutions proposed.

B. Progress report periods and due dates are:

	Report Period	Due Date
Semiannual	October 1, 2009 – March 31, 2010	04/16/2010
Final	April 1, 2010 – September 30, 2010	09/30/2010

C. If the State does not receive complete and accurate progress reports by the required dates, further payments to the Contractor may be suspended until complete and accurate reports are received.

7. Contractor Requirements

The Contractor shall comply with the guidelines for the development of all education materials as outlined in the Local Incentive Award Program Guidelines Manual. These Guidelines have been incorporated into this agreement and made a part hereof by reference in Exhibit E, Additional Provisions, paragraph 1. In particular, the Contractor shall comply with the following requirements:

A. Submit any news release related to this agreement to the State for review prior to its release.

B. The Contractor agrees to cooperate with the State in data collection related to evaluation of program effectiveness as requested in the manner, format, and timeline prescribed by the State. Data shall include, at a minimum, demographic descriptions of the population served,

Exhibit A
Scope of Work

audience reach, and items to measure program effectiveness. The data shall be submitted in the required form prescribed by the State.

C. The Contractor agrees to cooperate with the State in the review and, when appropriate, the field testing of statewide evaluation instruments and newly developed educational materials.

D. The Contractor shall ensure that the USDA SNAP-Ed is clearly identified as a sponsor or support organization on all materials and products funded by the agreement (electronic, print, audiovisual, media, etc.). The Contractor agrees to abide by the guidelines set for usage of the *Network* logos on any products generated by the Contractor.

E. The Contractor agrees to cooperate with the State by participating in statewide meetings and site visits, as deemed necessary by the State.

8. See the following pages for a detailed description of the services to be performed.

GOAL 1: Improve the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income [≤85% Federal Poverty Level (FPL)] residents of Riverside County.

OBJECTIVE 1 (Infrastructure): Contractor will complete and submit all required reports and forms on or before each deadline and participate in *Network*-sponsored community events and trainings.

Social Ecological Model: ☐ Individual ☐ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities/Ages: See Project Summary

Activities	Responsible Party	Evaluation	Timeframe
1) Semi-Annual Activity Reports online.	AD	Documents completed and submitted to *Network*	10/2009 – 9/2010 April and September
2) Semi-Annual and Final Report, including progress reports, progress report narratives, labeled attachments and Activity Tracking Forms.	AD	Documents completed and submitted to *Network*	10/2009 – 9/2010 April and September
3) Contractors with over $350,000 Federal Share: Conduct Impact Evaluation of an intervention to increase fruit and vegetable consumption. This includes attending regional trainings as appropriate.	AD	Documents completed and submitted to *Network*	10/2009 – 9/2010
4) Participate in ongoing community activities supporting statewide initiatives and provide nutrition education / physical activity promotion resources to local programs, including collaboration with existing University of California-Food Stamp Nutrition Education Program agencies and organizations conducting food stamp outreach when appropriate.	AD, PC, HE, COW	Record of participation in activities	10/2009 – 9/2010
5) Attend *Regional Network* related meetings (e.g., Fruit and Vegetable campaign meetings, etc.) to provide input into planning *Network* regional activities and participate in *Network* regional activities including the educational initiative efforts and Riverside / San Bernardino collaborative meetings (e.g., Desert Sierra Health Network).	AD, PC, HE, COW	Copies of agendas, record of participation	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

Activities	Responsible Party	Evaluation	Timeframe
6) Attend a minimum of three *Network*-sponsored trainings and conferences including: annual *Network* Conference and other *Network*-sponsored regional trainings; school districts or Local Incentive Awardees working with schools also attend the *Network*-sponsored regional Shaping Health as Partners in Education California meetings (spring) and Harvest of the Month (HOTM) Trainings; local health departments also attend annual California Conference of Local Health Department Nutritionists.	AD, PC, HE, COW	Copies of agendas, record of participation	10/2009 – 9/2010
7) Use United States Department of Agriculture guidelines to ensure state share activities are allowable and appropriately documented.	AD, PC, HE, COW	State share budget	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 2 [Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention (CX^3) project]: Contractor will continue to work on outcome of CX^3 pilot project in eligible census tracts of Riverside County.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities/ Ages: See Project Summary

Activities	Responsible Party	Evaluation	Timeframe
1) Document interventions for the cities from the 2006 CX^3 pilot (Corona, Hemet, and Cathedral City) and subsequent survey work in Rubidoux.	AD, PC	Summary report	10/2009 – 9/2010
2) Conduct CX^3 assessment activities in the Coachella neighborhood. Analyze survey results.	AD, PC, RS, HE, COW	Survey results	10/2009 – 9/2010
3) Conduct two to three presentations on the CX^3 findings in Coachella to community agencies, city officials, schools and/or health department staff in the County of Riverside.	AD, RS, PC	Copies of agenda Presentation materials	10/2009 – 9/2010
4) Based on CX^3 findings in Coachella, prioritize identified problem areas, and develop a strategic Scope of Work objective that is *Network* allowable or revise an existing objective to incorporate a nutrition education strategy that addresses one of the community priorities for implementation in Federal Fiscal Year 2011.	AD, PC	Summary of identified problem areas and proposed interventions	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 3 (Process): By September 30, 2010, a minimum of 1,000 Supplemental Nutrition Education Program Education (SNAP-Ed) eligible residents of Riverside County, participating in the Department of Public Social Services (DPSS) Supplemental Nutrition Assistance Program (SNAP) and/or CalWORKs (California Work Opportunity and Responsibility for Kids)/GAIN (Greater Avenue for Independence) Program will receive nutrition education.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: 18 – 59 years of age

Activities	Responsible Party	Evaluation	Timeframe
1) Participate in six to ten events (e.g., National Nutrition Month or statewide campaign promotions) at local SNAP offices to provide nutrition education and physical activity promotion. At least two events will be conducted at each of the three to five SNAP offices participating in the program. Approximately 25 participants will be reached at each event.	PC, HE, COW	Materials Distribution list Photos	10/2009 – 9/2010
2) Collaborate with the local SNAP program to reach participants with *Network* messages. Examples of collaboration may include providing printed materials and purchasing educational materials. A minimum of 100 participants will be reached.	PC, HE, COW	Materials Distribution list	10/2009 – 9/2010
3) Conduct a total of 75 to 100 nutrition education and physical activity promotion classes at local CalWORKs/GAIN offices in Riverside County with new clients entering the Job Club or similar program. At least one to two classes will be conducted each month at each of the five to ten CalWORKs/GAIN offices participating in the program. Classes will be 30-45 minutes and may include a food demonstration and/or taste testing activity. There will be approximately 10-15 participants in each class.	PC, HE, COW	Materials Distribution list Lesson plans / PowerPoint presentation Food demonstration recipes / taste tests	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 4 (Process): By September 30, 2010, reach a minimum of 1,505 people in community events to target low-income families at ≤85% FPL in Riverside County.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: ALL

Activities	Responsible Party	Evaluation	Timeframe
1) Provide nutrition education and physical activity promotion in three to four major community events including health fairs, walks or workshops. Collaborate with agencies such as American Heart Association, American Cancer Society, County of Riverside, Cooperative Extension, and/or Parks and Recreation to promote *Network* messages. A minimum of 175 participants will be reached at each event.	PC, HE, COW	Materials Distribution list Photos	10/2009 – 9/2010
2) Participate in three to four Latino events providing nutrition education and physical activity promotion. Events may include, but are not limited to Mariachi Health and Safety Fair, Bi-National Health Fair, Coachella Valley Flying Doctors Event, Tamale Festival, programs at local faith based organizations and events at local community agencies including retail locations. A minimum of 150 participants will be reached at each event.	PC, HE, COW	Materials Distribution List Photos	10/2009 – 9/2010
3) Participate in three to four African American events providing nutrition education and physical activity promotion. Events may include, but are not limited to Martin Luther King Jr. Walk-A-Thon, Black History Parade and Expo, Juneteenth Celebration, programs at local faith-based organizations and events at local community agencies including retail locations. A minimum of 150 participants will be reached at each event.	PC, HE, COW	Materials Distribution List Photos	10/2009 – 9/2010
4) Set up a booth at least four times at one to two Farmers' Market locations (four to eight events total) and distribute nutrition education pamphlets, play nutrition related games and give away administrative or educational materials. Approximately 20-25 participants will be reached at each event.	PC, HE, COW	Materials Distribution list Photos	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 5 (Process): By September 30, 2010, a minimum of 1,050 people will participate in nutrition education classes targeted to low-income families (≤85% FPL) in Riverside County.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: ALL

Activities	Responsible Party	Evaluation	Timeframe
1) Conduct a minimum of 26 classes providing nutrition education and physical activity promotion. Classes may include cooking demonstrations featuring fruits and vegetables, and/or physical activity demonstrations. There will be approximately 20-25 participants in each class. Classes may be taught in community centers, community based organizations, parks and recreation, preschools, or other organizations which target low income families in Riverside County. Topics may include Get the Facts, Reading food labels, and/or other *Network* approved lesson plans. A minimum of 520 participants total.	PC, HE, COW	Sign-in sheets (on file) Lesson plans / PowerPoint presentation	10/2009 – 9/2010
2) Conduct a minimum of two nutrition education and physical activity promotion classes at each of the two to four eligible senior sites (Office on Aging) in Riverside County participating in the program (four to eight classes minimum). There will be approximately 10 - 15 participants in each class. Topics may include Get the Facts, reading food labels, and/or other *Network* approved lesson plans. A minimum of 40 participants total.	PC, HE, COW	Sign-in sheets (on file) Materials Distribution list Lesson plans / PowerPoint presentation	10/2009 – 9/2010
3) Conduct four to five interactive group classes for children enrolled at each of the four to five Head Start schools (16-25 classes total). Topics may include healthy eating and physical activity promotion and/or other *Network* approved lesson plan. Each class will have approximately 15-20 children. A minimum of 240 children will be reached.	PC, HE, COW	Sign-in sheets (on file) Materials Distribution list Lesson plans	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

Activities	Responsible Party	Evaluation	Timeframe
4) Utilize the HOTM or other *Network* approved program to conduct the impact evaluation series. The impact evaluation class series will have a minimum of five sessions. Nutrition education and educational materials will be provided for students and/or adults, which may feature a fruit or vegetable taste test. A minimum of 50 students and/or adults (250 impressions) will be reached in the five sessions.	PC, HE	Impact Evaluation Plan List of intervention sites Sign-in sheets/ record of attendance (on file)	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 6 (Process): By September 30, 2010, a minimum of 3,250 people will participate in Retail events at qualifying stores in Riverside County.

Social Ecological Model: ☒ Individual ☒Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: ALL

Activities	Responsible Party	Evaluation	Timeframe
1) Contact the Regional Retail Program Specialist and/or participate in statewide retail teleconferences to get retail updates as needed.	HE	Copies of agendas	10/2009 – 9/2010
2) Complete and/or maintain a current county food handling certification (Food Workers' Certification).	HE, COW	Food Handlers' Card (on file)	10/2009 – 9/2010
3) Distribute point of sales materials a minimum of six times per year (every other month) to five to eight retail stores to promote *Network* messages. Will reach approximately 3,000 people total.	PC, HE, COW	Store list Materials Distribution list	10/2009 – 9/2010
4) Plan, promote and implement five to eight retail interventions such as food demonstrations, taste tests, information tables and/or store tours. Will reach approximately 250 people total.	PC, HE, COW	Materials Distribution list Food demonstration recipes / Taste tests Photos Sign-in sheet for store tours (on file)	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 7 (Process): By September 30, 2010, a minimum of 550 parents and/or families of children receiving free or reduced lunch in Riverside County will participate in nutrition education and physical activity promotion events and/or classes.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: ALL

Activities	Responsible Party	Evaluation	Timeframe
1) Select two elementary schools in Riverside Unified School District, two elementary schools in Hemet Unified School District and one school in Nuview Union School District to participate in nutrition education/physical activity promotion events and classes.	PC, HE, COW	List of schools selected	10/2009 – 9/2010
2) Conduct one interactive nutrition education and physical activity promotion class for parents at each of the participating schools (five classes total). Classes are approximately 20 – 30 minutes in length and are conducted in English or Spanish. Topics may include information on grocery shopping, preparing easy nutritious foods, food safety, healthy classroom parties, non-food fundraisers, and/or other nutrition related topic as requested. There will be approximately 10-15 participants in each class. A minimum of 50 parents will be reached.	PC, HE, COW	Sign-in sheets (on file) Lesson plans/ PowerPoint presentations	10/2009 – 9/2010
3) Participate in a minimum of one school event (e.g., Back to School Night, Open House, Walk to School, National Nutrition Month) at each of the selected schools by setting up a booth or a display to provide nutrition education and/or physical activity promotion materials including posters, handouts and/or pamphlets (five events total). A minimum of 100 participants will be reached at each event.	PC, HE, COW	Materials Distribution List Photos	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 8 (Process): By September 30, 2010, a minimum of 2,200 students receiving free or reduced lunch in Riverside County will participate in the HOTM program (minimum of 13,200 impressions).

Social Ecological Model: ☒ Individual ☐ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: Children 5-12 years old

Activities	Responsible Party	Evaluation	Timeframe
1) A minimum of 2,200 students at the same five schools selected for Objective 7 will sample the HOTM fruit or vegetable (taste test or recipe) once a month for five to seven months (11,000 – 15,400 impressions). Students will be encouraged to try the selected fruit or vegetable and they will receive a fun, age appropriate educational material.	PC, HE, COW	Materials Distribution list Taste Test or recipe	10/2009 – 9/2010
2) Conduct a calendar contest at each of the selected schools (five assemblies total). Introduce the calendar contest at school assembles. Utilize contest winners in developing a school calendar with nutrition tips and/or messages. Print and distribute calendars to students, teachers, school administrators, school staff and/or parents. Approximately 2,200 students will be reached at the participating five schools.	PC, HE, COW	Sample Calendar	10/2009 – 9/2010

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GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 9 (Process): By September 30, 2010, a minimum of 30 teachers will receive training and/or materials on the HOTM program to link and support nutrition education messages that promote the consumption of fruits and vegetables, as well as physical activity in the cafeteria, classroom and/or community.

Social Ecological Model: ☒ Individual ☐ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: 18 + years of age

Activities	Responsible Party	Evaluation	Timeframe
1) Provide training to a minimum of seven teachers, at the same five schools selected in Objective 7, on HOTM during their lunch break or other school designated time. Training may include sampling the featured fruits or vegetables to help promote the HOTM program to students. Teachers will be provided with the HOTM schedule listing of fruits and vegetables, the HOTM educator newsletter, and the family newsletter for each student to take home for each month of participation.	PC, HE	List of Training Materials HOTM schedule Taste Test or recipe	10/2009 – 9/2010
2) An additional 23 teachers will be provided with the HOTM schedule listing of fruits and vegetables, the HOTM educator newsletter, and the family newsletter for each student to take home for each month of participation.	PC, HE, COW	Materials Distribution list HOTM schedule	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of Riverside County.

OBJECTIVE 10 (Process): By September 30, 2010, a minimum of 2,475 SNAP-Ed eligible residents of Riverside County will receive nutrition education at the Riverside County Women, Infants, and Children program (WIC) sites.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☐ Institutional/Organizational ☐ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: ALL

Activities	Responsible Party	Evaluation	Timeframe
1) Participate in the World Breastfeeding month celebration activities at a minimum of five to eight WIC sites to promote *Network* messages. Food demonstrations, games and/or educational materials will be given to 75-100 pregnant and/or breastfeeding women at each site for a total reach of 375 – 800 participants.	PC, HE, COW	Materials Distribution List Taste Test or Recipe Photos	8/2010 and 9/2010
2) Annually, new pregnant and/or breastfeeding women entering the WIC program will receive nutrition education information by mail and/or at the WIC site for a total minimum reach of 2,000 women.	PC, COW	Sample mailer / nutrition education information	10/2009 – 9/2010
3) Provide a minimum of 10 nutrition education and physical activity promotion classes to African American women who participate in the Peer Breastfeeding Program. Classes will be held at three to five WIC sites and will reach a minimum of 100 women total.	PC, HE, COW	Sign-in sheets (on file) Materials Distribution List Lesson plan or Outline	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤185% FPL) residents of the County of Riverside.

OBJECTIVE 11 (Process): By September 30, 2010, a minimum of 265 staff and/or partners who provide direct services to SNAP eligible residents in Riverside County will participate in a nutrition education/physical activity promotion training and/or receive nutrition education/physical activity promotion materials.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: 18 + years of age

Activities	Responsible Party	Evaluation	Timeframe
1) Schedule a minimum of one 15-20 minute training events for at least 50-75 Department of Public Health and/or DPSS staff on nutrition education and/or physical activity promotion.	PC, HE	Meeting agendas Sign-in sheets (on file) Lesson plans / PowerPoint presentation	10/2009 – 9/2010
2) Conduct at least one training event for 15-20 Breastfeeding representatives to promote *Network* messages.	PC, HE	Meeting agendas Sign-in sheets (on file) Lesson plans / PowerPoint presentation	10/2009 – 9/2010
3) Conduct at least three nutrition education and physical activity promotion trainings reaching a minimum of 150 WIC staff total from WIC sites throughout Riverside County.	PC, HE	Meeting agendas Sign-in sheets (on file) Lesson plans / PowerPoint presentation	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

Activities	Responsible Party	Evaluation	Timeframe
4) Collaborate with five to ten partners (e.g., Child Care Consortium, Faith Based Organizations, City of Riverside, American Cancer Society, CX^3 partners, etc.) at meetings to provide program updates and/or classes to integrate nutrition education and physical activity promotion into local community programs. Reach a minimum of 50-100 community partners total.	PC, HE	Meeting agendas or minutes	10/2009 – 9/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

GOAL 1: Increase the daily consumption of colorful fruits and vegetables and increase daily physical activity in low-income (≤85% FPL) residents of the County of Riverside.

OBJECTIVE 12 (Process): By September 30, 2010, a sample of SNAP-Ed eligible adults and/or children will report an increase in fruit and vegetable consumption and/or increase in one or more factors related to fruit and vegetable consumption such as knowledge, preference, outcome expectations and/or self efficacy.

Social Ecological Model: ☒ Individual ☒ Interpersonal: Social Groups ☒ Institutional/Organizational ☒ Community

Target Audience: Race/Ethnicities: LATINO, WHITE, and AFRICAN AMERICAN Ages: ALL

Activities	Responsible Party	Evaluation	Timeframe
1) Select survey materials and review evaluation plan with the *Network's* Program Manager and/or Research and Evaluation unit.	PC, HE, COW	Selected survey materials	10/2009 – 12/2009
2) Administer pre-tests to intervention group and control group at target sites such as Temporary Assistance for Needy Families (TANF) offices, housing developments, shelters and/or schools in low-income areas, prior to intervention (A minimum of 50 pre-tests will be required to match post-tests for both the intervention and control group).	PC, HE	Copy of pre-tests List of intervention sites	10/2009 – 2/2010
3) Administer post-tests to intervention group and control group (A minimum of 50 pre-tests will be required to match post-tests for both the intervention and control group).	PC, HE	Copy of post-tests	5/2010 – 6/2010
4) Collect and compare pre- and post-tests and measure the change in fruit and vegetable consumption and/or factors related to fruit and vegetable consumption. Analyze collected data.	PC, HE, AD	Copy of data analysis	5/2010 – 7/2010
5) Write and submit Report to the *Network*.	AD, PC	Copy of final report and data	7/2010

Legend: AD = Administrator; COW = Community Outreach Worker; CX^3 = Communities of Excellence in Nutrition, Physical Activity, and Obesity Prevention; DPSS = Department of Public Social Services; CalWORKs = California Work Opportunity and Responsibility to Kids; GAIN = Greater Avenue for Independence; HOTM = Harvest of the Month; HE = Health Educator; PC = Program Coordinator; *Network* = *Network for a Healthy California*, RS = Research Specialist; SNAP = Supplemental Nutrition Assistance Program; SNAP-Ed = Supplemental Nutrition Assistance Program Education; TANF = Temporary Assistance for Needy Families; WIC = Women, Infants and Children program

Exhibit B
Budget Detail and Payment Provisions

1. Invoicing and Payment

A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the budget(s) attached hereto.

B. Invoices shall include the Agreement Number and shall be submitted not more frequently than quarterly in arrears to:

Jill Harden, Contract Manager
California Department of Public Health
Network for a Healthy California
1616 Capitol Avenue, Suite 74.516
MS 7204
P.O. Box 997377
Sacramento, CA 95899-7377

C. Invoice shall:

1. Be prepared on company letterhead. If invoices are not on produced letterhead invoices, then it must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this agreement.
2. Bear the Contractor's name as shown on the agreement.
3. Identify the billing and/or performance period covered by the invoice.
4. Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by CDPH.

D. Quarterly invoices shall be submitted for payment within 30 days following the end of each calendar quarter in which the work was performed and costs incurred in the performance of the agreement, unless the agreement has reached the expiration or termination date (see paragraph 4, Timely Submission of Final Invoice) or a later or alternate deadline is agreed to in writing by the program contract manager.

E. The State may, at its discretion, choose not to honor any delinquent invoice if the Contractor fails to obtain prior written State approval of an alternate invoice submission deadline.

2. Budget Contingency Clause

A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

Exhibit B
Budget Detail and Payment Provisions

3. **Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. **Timely Submission of Final Invoice**

A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding.

B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.

C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a **"Contractor's Release (Exhibit F)"** acknowledging submission of the final invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this agreement.

5. **Allowable Line Item Shifts**

A. Subject to the prior review and approval of the State, line item shifts of up to fifteen percent (15%) of the annual agreement total, not to exceed a maximum of one hundred thousand ($100,000) annually are allowed, so long as the annual agreement total neither increases nor decreases.

The $100,000 maximum limit shall be assessed annually and automatically adjusted by the State in accordance with cost-of-living indexes. Said adjustments shall not require a formal agreement amendment. The State shall annually inform the Contractor in writing of the adjusted maximum.

B. Line item shifts meeting the criteria shall not require a formal agreement amendment.

C. The Contractor shall adhere to State requirements regarding the process to follow in requesting approval to make line item shifts.

D. Line item shifts may be proposed/ requested by either the State or the Contractor.

Exhibit B
Budget Detail and Payment Provisions

6. Expense Allowability / Fiscal Documentation

A. Invoices, received from a Contractor and accepted and/or submitted for payment by the State, shall not be deemed evidence of allowable agreement costs.

B. Contractor shall maintain for review and audit and supply to CDPH upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.

C. If the allowability or appropriateness of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

D. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable travel and per diem expenses and required documentation, see Exhibit G entitled, "Travel Reimbursement Information".

E. Costs and/or expenses deemed unallowable are subject to recovery by CDPH. See provision 7 in this exhibit entitled, "Recovery of Overpayments" for more information.

7. Recovery of Overpayments

A. Contractor agrees that claims based upon a contractual agreement or an audit finding and/or an auditing finding that is appealed and upheld, will be recovered by the State and/or Federal Government by one of the following options:

1) Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for repayment;

2) A repayment schedule which is agreeable to both the State and the Contractor.

B. The State reserves the right to select which option will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.

C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average or the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after Contractor's receipt of the State's demand for repayment.

D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

Exhibit B
Budget Detail and Payment Provisions

8. Contractor's State Share Requirements

A. The contractor shall contribute qualifying network nutrition education contributions from its own State Share resources to the extent of the Contractor's State Share as detailed in the State Share Budgets signed and approved as final by the contractor. These State Share Budgets have been incorporated into this agreement and made a part hereof by reference in Exhibit E, Additional Provisions, paragraph 1.A. The Contractor's State Share must be from a public, non-Federal source.* The Contractor's State Share cannot be used to match another Federal program. In addition, the qualifying nutrition education intervention must target Supplemental Nutrition Assistance Program Education (SNAP-Ed) recipients and/or other similar households living at not higher than 185 percent of the Federal Poverty Level *or* for school districts and other education agencies, interventions must target low-resource schools, defined as those with 50% of students or more eligible for free or reduced-price school meals.

*Exception: Indian Tribal Organizations can use federal grant funds that are designated as an allowable source of State Share dollars directed toward nutrition education.

B. The Contractor is responsible for maintaining verifiable records of all State Share contributions. The Contractor shall submit quarterly, State Share reports documenting State Share contributions. The State Share documentation report shall be submitted in a form and format prescribed by the State.

C. The Contractor shall return any funds necessary to repay the State for any Federal audit exceptions resulting in the disallowance of agreement funds in which the Contractor has not complied with the requirements of this agreement and applicable Federal regulations.

D. The Contractor agrees to match each Federal Share dollar with two dollars of State Share contributions as detailed in the State Share Budgets. The State Share Budgets represent the minimum support the contractor agrees to provide in exchange for the payments received. Any changes to the Contractor's State Share Budgets as referenced in Exhibit E, Additional Provisions, paragraph 1.A. may be proposed by the Contractor. All changes are subject to prior written approval by the State. Changes to State Share Budgets do not require a formal amendment.

9. Revenue

A. This provision supersedes and replaces provision 6 entitled, "Income Restrictions" appearing in Special Terms and Conditions Exhibit D(F).

B. If the Contractor realizes a profit from the sale of nutrition education materials (videos, literature, etc. paid with agreement dollars), it must report the amount to the State as Contractor income on the SF-269 form. The Contractor shall make the SF-269 form available to the State on request. The Contractor shall place any income, fees, or reimbursements accruing to or received by the Contractor for services rendered under this agreement into a separate identifiable account. Revenues generated by the Contractor as a result of this State agreement must be utilized to meet identified, agreed upon, program-related needs of the Contractor, or must be returned to the State. Any revenues accruing to the Contractor, based on services supported in whole or in part by the State pursuant to this agreement, shall be used to defray costs incurred by this project to measurably expand the program or improve the quality of services detailed in this agreement, and must be approved

Exhibit B
Budget Detail and Payment Provisions

in writing by the State. Adequate documentation of the use of these funds shall be maintained.

10. Advance Payment

No advance payment is allowed under this agreement.

Exhibit B Attachment I
BUDGET

Personnel		$339,692
Fringe Benefits (44.5% of Personnel)		$151,163
Operating Expenses		$ 62,500
Equipment		$ 2,950
Travel		$ 17,728
Subcontracts		$ 0
Other Costs		$ 59,878
Indirect Costs (10% of Total Personnel and Fringe)		$ 49,086
	Total	**$ 682,997**

Special Terms and Conditions

(For federally funded service contracts or agreements and grant agreements)

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Public Health" and "CDPH" shall have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount, agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

Index of Special Terms and Conditions

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1. Federal Equal Opportunity Requirements

(Applicable to all federally funded agreements entered into by the California Department of Public Health (CDPH) formerly known as California Department of Health Services (CDHS).)

a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or CDPH, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.

c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.

e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal

Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or CDPH may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by CDPH, the Contractor may request in writing to CDPH, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from CDPH under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for nonrepresented state employees as stipulated in CDPH's Travel Reimbursement Information Exhibit. If the DPA rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to DPA rates may be approved by CDPH upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from CDPH. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

3. Procurement Rules

(Applicable to all agreements in which equipment, property, commodities and/or supplies are furnished by CDPH or expenses for said items are reimbursed with state or federal funds.)

a. **Equipment definitions**

Wherever the term equipment /property is used, the following definitions shall apply:

(1) **Major equipment/property**: A tangible or intangible item having a base unit cost of **$5,000 or more** with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.

(2) **Minor equipment/property**: A tangible item having a base unit cost of **less than $5,000** with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement.

b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such purchases for performance under this Agreement.

(1) Equipment purchases shall not exceed $50,000 annually.

To secure equipment above the annual maximum limit of $50,000, the Contractor shall make arrangements through the appropriate CDPH Program Contract Manager, to have all remaining equipment purchased through CDPH's Purchasing Unit. The cost of equipment purchased by or through CDPH shall be deducted from the funds available in this Agreement. Contractor shall submit to the CDPH Program Contract Manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with CDPH. The equipment will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the CDPH Program Contract Manager, in writing, of an alternate delivery address.

(2) All equipment purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.

(3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:

(a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.

(b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.

(c) Procurements shall be conducted in a manner that provides for all of the following:

[1] Avoid purchasing unnecessary or duplicate items.

[2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.

[3] Take positive steps to utilize small and veteran owned businesses.

d. Unless waived or otherwise stipulated in writing by CDPH, prior written authorization from the appropriate CDPH Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of $5,000 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by CDPH, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.

e. In special circumstances, determined by CDPH (e.g., when CDPH has a need to monitor certain purchases, etc.), CDPH may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. CDPH reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that CDPH determines to be unnecessary in carrying out performance under this Agreement.

f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.

g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor

invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.

h. CDPH may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

4. Equipment Ownership / Inventory / Disposition

(Applicable to agreements in which equipment and/or property is furnished by CDPH and/or when said items are purchased or reimbursed with state or federal funds.)

a. Wherever the terms equipment and/or property are used in Provision 4, the definitions in Provision 3, Paragraph a, shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement shall be considered state equipment and the property of CDPH.

(1) CDPH requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by CDPH or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the CDPH Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by CDPH's Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with CDPH Funds) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager.

(2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the CDPH Program Contract Manager using a form or format designated by CDPH's Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of CDPH-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager. Contractor shall:

(a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).

(b) Submit the inventory report to CDPH according to the instructions appearing on the inventory form or issued by the CDPH Program Contract Manager.

(c) Contact the CDPH Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by CDPH's Asset Management Unit.

b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.

c. Unless otherwise stipulated, CDPH shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.

d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.

(1) In administering this provision, CDPH may require the Contractor and/or Subcontractor to repair or replace, to CDPH's satisfaction, any damaged, lost or stolen state equipment and/or property. Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the CDPH Program Contract Manager.

e. Unless otherwise stipulated by the program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, shall only be used for performance of this Agreement or another CDPH agreement.

f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the CDPH Program Contract Manager and shall, at that time, query CDPH as to the requirements, including the manner and method, of returning state equipment and/or property to CDPH. Final disposition of equipment and/or property shall be at CDPH expense and according to CDPH instructions. Equipment and/or property disposition instructions shall be issued by CDPH immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, CDPH may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different CDPH agreement.

g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under this Agreement.)

(1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to CDPH and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to CDPH.

(2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.

(3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.

(4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

Automobile Liability Insurance

(a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of $1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, to the Contractor and/or Subcontractor.

(b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the CDPH Program Contract Manager. The certificate of insurance shall identify the CDPH contract or agreement number for which the insurance applies.

(c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to CDPH.

(d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.

(e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:

[1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Public Health (CDPH)).

[2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.

[3] The insurance carrier shall notify CDPH, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.

(f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by CDPH, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.

(g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, CDPH may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing $5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding $5,000, the Contractor shall obtain at least three bids or justify a sole source award.

(1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.

(2) The State may identify the information needed to fulfill this requirement.

(3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:

(a) A local governmental entity or the federal government,
(b) A State college or university from any State,
(c) A Joint Powers Authority,
(d) An auxiliary organization of a California State University or a California community college,
(e) A foundation organized to support the Board of Governors of the California Community Colleges,
(f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
(g) Entities of any type that will provide subvention aid or direct services to the public,
(h) Entities and/or service types identified as exempt from advertising in State Contracting Manual 5.80. View this publication at the following Internet address:

http://www.ols.dgs.ca.gov/Contract+Manual/Chapters4through6.htm.

b. CDPH reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.

(1) Upon receipt of a written notice from CDPH requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by CDPH.

c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of $5,000 or more are subject to the prior review and written approval of CDPH. CDPH may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by CDPH.

d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDPH, make copies available for approval, inspection, or audit.

e. CDPH assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.

f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.

g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.

h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"(*Subcontractor Name*) agrees to maintain and preserve, until three years after termination of (*Agreement Number*) and final payment from CDPH to the Contractor, to permit CDPH or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."

i. Unless otherwise stipulated in writing by CDPH, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.

j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, and 31 or other numbered provisions herein that deemed applicable.

6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to CDPH, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by CDPH under this Agreement.

7. Audit and Record Retention

(Applicable to agreements in excess of $10,000.)

a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.

b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.

c. Contractor agrees that CDPH, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896).

d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.

   (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

   (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.

e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.

f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

g. The Contractor shall, if applicable, comply with the Single Audit Act and the audit reporting requirements set forth in OMB Circular A-133.

8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.

c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

d. CDPH has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

10. Intellectual Property Rights

a. Ownership

(1) Except where CDPH has agreed in a signed writing to accept a license, CDPH shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.

(2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.

(a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing

those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.

(3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of CDPH's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of CDPH's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of CDPH. **Except as otherwise set forth herein, neither the Contractor nor CDPH shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to CDPH, Contractor agrees to abide by all license and confidentiality restrictions applicable to CDPH in the third-party's license agreement.

(4) Contractor agrees to cooperate with CDPH in establishing or maintaining CDPH's exclusive rights in the Intellectual Property, and in assuring CDPH's sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to CDPH all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or CDPH and which result directly or indirectly from this Agreement or any subcontract.

(5) Contractor further agrees to assist and cooperate with CDPH in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce CDPH's Intellectual Property rights and interests.

b. Retained Rights / License Rights

(1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to CDPH, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.

(2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of CDPH or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

(1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such

person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to CDPH to any work product made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.

(2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, shall include CDPH's notice of copyright, which shall read in 3mm or larger typeface: "© *[Enter Current Year e.g., 2007, etc.]*, Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to CDPH a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to CDPH, without additional compensation, all its right, title and interest in and to such inventions and to assist CDPH in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining CDPH's prior written approval; and (ii) granting to or obtaining for CDPH, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon the these terms is unattainable, and CDPH determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to CDPH.

f. Warranties

(1) Contractor represents and warrants that:

(a) It is free to enter into and fully perform this Agreement.

(b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.

(c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.

(d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.

(e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.

(f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to CDPH in this Agreement.

(g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

(h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

(2) CDPH MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

g. Intellectual Property Indemnity

(1) Contractor shall indemnify, defend and hold harmless CDPH and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of CDPH's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. CDPH reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against CDPH.

(2) Should any Intellectual Property licensed by the Contractor to CDPH under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve CDPH's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to CDPH. CDPH shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for CDPH to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, CDPH shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

(3) Contractor agrees that damages alone would be inadequate to compensate CDPH for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges

CDPH would suffer irreparable harm in the event of such breach and agrees CDPH shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Federal Funding

In any agreement funded in whole or in part by the federal government, CDPH may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

i. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

11. Air or Water Pollution Requirements

Any federally funded agreement and/or subcontract in excess of $100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5.

a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

12. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior CDPH approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

13. Confidentiality of Information

a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.

b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.

c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the CDPH Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.

d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than CDPH without prior written authorization from the CDPH Program Contract Manager, except if disclosure is required by State or Federal law.

e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

f. As deemed applicable by CDPH, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

14. Documents, Publications and Written Reports

(Applicable to agreements over $5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds $5,000.

15. Dispute Resolution Process

a. A Contractor grievance exists whenever there is a dispute arising from CDPH's action in the administration of an agreement. If there is a dispute or grievance between the Contractor and CDPH, the Contractor must seek resolution using the procedure outlined below.

(1) The Contractor should first informally discuss the problem with the CDPH Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.

(2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.

b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5, commencing with Section 251, California Code of Regulations.)

c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations,

and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.

d. Unless otherwise stipulated in writing by CDPH, all dispute, grievance and/or appeal correspondence shall be directed to the CDPH Program Contract Manager.

e. There are organizational differences within CDPH's funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the CDPH Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

16. Financial and Compliance Audit Requirements

a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.

b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code section 38030).

c. The Contractor, as indicated below, agrees to obtain one of the following audits:

(1) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives **$25,000 or more** from any State agency under a direct service contract or agreement; the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**

(2) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives **less than $25,000** per year from any State agency under a direct service contract or agreement, the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**

(3) If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends $500,000 or more in Federal awards, the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:

(a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or

(b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.

(4) If the Contractor submits to CDPH a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended $500,000 or more in federal funds for the year covered by the audit report.

d. Two copies of the audit report shall be delivered to the CDPH program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the CDPH Program Contract Manager shall forward the audit report to CDPH's Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.

e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The CDPH program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.

f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.

g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.

h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.

i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.

j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.

k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

   The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued Standards for *Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

17. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

18. Novation Requirements

If the Contractor proposes any novation agreement, CDPH shall act upon the proposal within 60 days after receipt of the written proposal. CDPH may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, CDPH will initiate an amendment to this Agreement to formally implement the approved proposal.

19. Debarment and Suspension Certification

(Applicable to all agreements funded in part or whole with federal funds.)

a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 7 CFR Part 3017, 45 CFR 76, 40 CFR 32 or 34 CFR 85.

b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and

(4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.

(5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.

(6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the CDPH Program Contract Manager.

d. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.

e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the CDPH may terminate this Agreement for cause or default.

20. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.

b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.

c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.

d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

21. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, CDPH shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

22. Payment Withholds

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, CDPH may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or $3,000 whichever is greater, until CDPH receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

23. Performance Evaluation

(Not applicable to grant agreements.)

CDPH may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with CDPH. Negative performance evaluations may be considered by CDPH prior to making future contract awards.

24. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

25. Four-Digit Date Compliance

(Applicable to agreements in which Information Technology (IT) services are provided to DHCS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

26. Prohibited Use of State Funds for Software

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition. operation or maintenance of computer software in violation of copyright laws.

27. Use of Small, Minority Owned and Women's Businesses

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

28. Alien Ineligibility Certification

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

29. Union Organizing

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.

b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.

c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.

d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

30. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, CDPH sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.

b. As used herein, fringe benefits do not include:

(1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
(2) Director's and executive committee member's fees.
(3) Incentive awards and/or bonus incentive pay.
(4) Allowances for off-site pay.
(5) Location allowances.
(6) Hardship pay.
(7) Cost-of-living differentials

c. Specific allowable fringe benefits include:

(1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.

d. To be an allowable fringe benefit, the cost must meet the following criteria:

(1) Be necessary and reasonable for the performance of the Agreement.
(2) Be determined in accordance with generally accepted accounting principles.
(3) Be consistent with policies that apply uniformly to all activities of the Contractor.

e. Contractor agrees that all fringe benefits shall be at actual cost.

f. Earned/Accrued Compensation

(1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods

prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.

(2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.

(3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to CDPH, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

31. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of $100,000 per Section 1352 of the 31, U.S.C.)

a. Certification and Disclosure Requirements

(1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds $100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.

(2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.

(3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:

(a) A cumulative increase of $25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;

(b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or

(c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.

(4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding $100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.

(5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to CDPH Program Contract Manager.

b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

Attachment 1

STATE OF CALIFORNIA
CALIFORNIA DEPARTMENT OF PUBLIC HEALTH

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of $100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Name of Contractor	Printed Name of Person Signing for Contractor
Contract / Grant Number	Signature of Person Signing for Contractor
Date	Title

After execution by or on behalf of Contractor, please return to:

California Department of Public Health

CDPH reserves the right to notifiy the contractor in writing of an alternate submission address.

Attachment 2

CERTIFICATION REGARDING LOBBYING

Approved by OMB
0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

1. Type of Federal Action:	2. Status of Federal Action:	3. Report Type:
[ ] a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	[ ] a. bid/offer/application b. *initial award* c. post-award	[ ] a. initial filing b. material change For Material Change Only: Year _____ quarter _____ date of last report _____.

4. Name and Address of Reporting Entity:	5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:
☐ Prime ☐ Subawardee Tier ___, if known: Congressional District, If known:	Congressional District, If known:
6. Federal Department/Agency	7. Federal Program Name/Description: CDFA Number, if applicable: _____
8. Federal Action Number, if known:	9. Award Amount, if known: $
10.a. Name and Address of Lobbying Registrant *(If individual, last name, first name, MI)*:	b. Individuals Performing Services *(including address if different from 10a.* *(Last name, First name, MI):*
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. required disclosure shall be subject to a not more than $100,000 for each such failure.	Signature: _____ Print Name: _____ Title: Telephone No.: Date:

Federal Use Only

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Standard Form-LLL (Rev. 7-97)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.

6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.

7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."

9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

    (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).

11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

Exhibit E
Additional Provisions

1. **Additional Incorporated Exhibits**

   A. The following documents and any subsequent updates are not attached, but are incorporated herein and made a part hereof by this reference. These documents may be updated periodically by CDPH, as required by program directives. CDPH shall provide the Contractor with copies of said documents and any periodic updates thereto, under separate cover. CDPH will maintain on file, all documents referenced herein and any subsequent updates.

      1) State Share Budget(s) (signed and approved as final by the Contractor)
      2) Local Incentive Award Program Guidelines Manual
      3) *Network for a Healthy California* Program Letters and any revisions thereto.
      4) United States Department of Agriculture State Supplemental Nutrition Assistance Program Education (SNAP-Ed) Plan Guidance

2. **Cancellation / Termination**

   A. This agreement may be cancelled by CDPH or Contractor **without cause** upon 30 calendar days advance written notice to the other party.

   B. CDPH reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if CDPH substantially fails to perform its responsibilities as provided herein.

   C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.

   D. Agreement termination or cancellation shall be effective as of the date indicated in CDPH's notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.

   E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.

   F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

3. **Avoidance of Conflicts of Interest by Contractor**

   A. CDPH intends to avoid any real or apparent conflict of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, CDPH reserves the right to determine, at its sole discretion, whether any information, assertion, or claim received from any source indicates the existence of a real or apparent conflict of interest; and, if a conflict is found to exist, to require the Contractor to submit additional information or a plan for resolving the conflict, subject to prior CDPH review and approval.

Exhibit E
Additional Provisions

B. Conflicts of interest include, but are not limited to:

1) An instance where the Contractor or any of its subcontractors, or any employee, officer, or director of the Contractor or any subcontractor has an interest, financial or otherwise, whereby the use or disclosure of information obtained while performing services under the agreement would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the agreement.

2) An instance where the Contractor's or any subcontractor's employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

C. If CDPH is or becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information or to resolve the conflict. A Contractor with a suspected conflict of interest under this agreement will have five (5) working days from the date of notification of the conflict by CDPH to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by CDPH and cannot be resolved to the satisfaction of CDPH, the conflict will be grounds for terminating the agreement. CDPH may, at its discretion upon receipt of a written request from the Contractor, authorize an extension of the timeline indicated herein.

4. **Freeze Exemptions**
(Applicable only to local government agencies.)

A. Contractor agrees that any hiring freeze adopted during the term of this agreement shall not be applied to the positions funded, in whole or part, by this agreement.

B. Contractor agrees not to implement any personnel policy, which may adversely affect performance or the positions funded, in whole or part, by this agreement.

C. Contractor agrees that any travel freeze or travel limitation policy adopted during the term of this agreement shall not restrict travel funded, in whole or part, by this agreement.

D. Contractor agrees that any purchasing freeze or purchase limitation policy adopted during the term of this agreement shall not restrict or limit purchases funded, in whole or part, by this agreement.

Exhibit F

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to **contract number** 09-11221 entered into between the California Department of Public Health (CDPH) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via **invoice number(s)** _____, in the **amount(s) of $** _____ and **dated** _____
If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a minimum of 0% unless otherwise specified in writing of post consumer material, as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether it meets the requirements of Public Contract Code Section 12209. Contractor specifies that printer or duplication cartridges offered or sold to the State comply with the requirements of Section 12156(e).

Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by CDPH or purchased with or reimbursed by contract funds)

Unless CDPH has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another CDPH agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to CDPH, at CDPH's expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING IT TO THE FINAL INVOICE

Contractor's Legal Name (as on contract): _____

Signature of Contractor or Official Designee: _____ Date: _____

Printed Name/Title of Person Signing: _____

Distribution: Accounting (Original) Program

Travel Reimbursement Information

(Mileage Decrease Effective 1/1/09)

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract. The terms "contract" and/or "subcontract" have the same meaning as "grantee" and/or "subgrantee" where applicable.

   a. Reimbursement for travel and/or per diem shall be at the rates established for nonrepresented/excluded state employees. Exceptions to Department of Personnel Administration (DPA) lodging rates may be approved by *the California Department of Public Health (CDPH)* upon the receipt of a statement on/with an invoice indicating that such rates are not available.

   b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract *or* subcontract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of assignments. Headquarters may be individually established for each traveler and approved verbally or in writing by the program funding the agreement. Verbal approval shall be followed up in writing or email.

   c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on Page 2 of this exhibit to determine the reimbursement allowance. All lodging reimbursement claims must be supported by a receipt*. If a contractor does not or cannot present receipts, lodging expenses will not be reimbursed.

      (1) Lodging (with receipts*):

Travel Location / Area	Reimbursement Rate
Statewide (excluding the counties identified below)	$ 84.00 plus tax
Counties of Los Angeles and San Diego	$110.00 plus tax
Counties of Alameda, San Francisco, San Mateo, and Santa Clara	$140.00 plus tax

      Reimbursement for actual lodging expenses that exceed the above amounts may be allowed with the advance approval of the Deputy Director of the California Department of *Public* Health *(CDPH)* or his or her designee. Receipts are required.

      *Receipts from Internet lodging reservation services such as Priceline.com which require prepayment for that service, ARE NOT ACCEPTABLE LODGING RECEIPTS and are not reimbursable without a valid lodging receipt from a lodging establishment.

      (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the contractor will be reimbursed actual amounts spent up to the maximum for each full 24-hour period of travel.

Meal / Expense	Reimbursement Rate
Breakfast	$ 6.00
Lunch	$ 10.00
Dinner	$ 18.00
Incidental expenses	$ 6.00

   d. Out-of-state travel may only be reimbursed if such travel is necessitated by the scope or statement of work and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors/subcontractors must have prior CDPH written or verbal approval. Verbal approval shall be confirmed in writing (email or memo).

   e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on Page 2 of this exhibit.

   f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.

2. If any of the reimbursement rates stated herein is changed by DPA, no formal contract amendment will be required to incorporate the new rates. However, CDPH shall inform the contractor, in writing, of the revised travel reimbursement rates and the applicable effective date of any rate change.

   At CDPH's discretion, changes or revisions made by CDPH to this exhibit, excluding travel reimbursement policies established by DPA may be applied retroactively to any agreement to which a Travel Reimbursement Information exhibit is attached, incorporated by reference, or applied by CDPH program policy. Changes to the travel reimbursement rates stated herein may not be applied earlier than the date a rate change is approved by DPA.

3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.

4. **Note on use of autos:** If a contractor uses his/her or a company car for transportation, the rate of reimbursement will be **55 cents** maximum per mile. If a contractor uses his/her or a company car "in lieu of" airfare, the air coach fare will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the State. Gasoline and routine automobile repair expenses are not reimbursable.

5. The contractor is required to furnish details surrounding each period of travel. Travel expense reimbursement detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc. Reimbursement for travel expenses may be withheld pending receipt of adequate travel documentation.

6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

Per Diem Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Trip begins at or before 6 a.m. and ends at or after 9 a.m.	Breakfast may be claimed.
Less than 24 hours	Trip begins at or before 4 p.m. and ends at or after 7 p.m.	Dinner may be claimed.
*Contractor may **not** claim lunch or incidentals on one-day trips. When trips are **less than 24 hours** and there's no overnight stay, meals claimed are taxable.*		
24 hours	Trip begins at or before 6 a.m.	Breakfast may be claimed.
24 hours	Trip begins at or before 11 a.m.	Lunch may be claimed.
24 hours	Trip begins at or before 5 p.m.	Dinner may be claimed.
More than 24 hours	Trip ends at or after 8 a.m.	Breakfast may be claimed.
More than 24 hours	Trip ends at or after 2 p.m.	Lunch may be claimed.
More than 24 hours	Trip ends at or after 7 p.m.	Dinner may be claimed.
Contractor may ***not*** claim meals provided by the State, meals included in hotel expenses or conference fees, meals included in transportation costs such as airline tickets, or meals that are otherwise provided. Snacks and continental breakfasts such as rolls, juice, and coffee are not considered to be meals.		

Exhibit H
Information Confidentiality and Security Requirements

1. **Definitions**. For purposes of this Exhibit, the following definitions shall apply:

   A. **Public Information:** Information that is not exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.

   B. **Confidential Information:** Information that is exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.

   C. **Sensitive Information:** Information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive Information may be either Public Information or Confidential Information. It is information that requires a higher than normal assurance of accuracy and completeness. Thus, the key factor for Sensitive Information is that of integrity. Typically, Sensitive Information includes records of agency financial transactions and regulatory actions.

   D. **Personal Information:** Information that identifies or describes an individual, including, but not limited to, their name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. **It is CDPH's policy to consider all information about individuals private unless such information is determined to be a public record.**

2. **Nondisclosure**. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure any Personal Information, Sensitive Information, or Confidential Information (hereinafter identified as PSCI), except for statistical information not identifying any such person.

3. The Contractor and its employees, agents, or subcontractors shall not use any PSCI for any purpose other than carrying out the Contractor's obligations under this Agreement.

4. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the CDPH Program Contract Manager all requests for disclosure of any PSCI not emanating from the person who is the subject of PSCI.

5. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the person who is the subject of PSCI, any PSCI to anyone other than CDPH without prior written authorization from the CDPH Program Contract Manager, except if disclosure is required by State or Federal law.

6. The Contractor shall observe the following requirements:

   A. **Safeguards**. The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PSCI, including electronic PSCI that it creates, receives, maintains, uses, or transmits on behalf of CDPH. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, including at a minimum, the safeguards set forth in Exhibit I, the SR1 CDPH-ISO Project Requirements.

Exhibit H
Information Confidentiality and Security Requirements

B. ***Security Officer.*** The Contractor shall designate a Security Officer to oversee its data security program who will be responsible for carrying out its privacy and security programs and for communicating on security matters with CDPH.

C. ***Training.*** The Contractor shall provide training on its data privacy and security policies at its own expense, to all its employees who assist in the performance of functions or activities on behalf of CDPH under this Agreement and use or disclose PSCI.

1) The Contractor shall require each employee who receives data privacy and security training to sign a certification, indicating the employee's name and the date on which the training was completed.

2) The Contractor shall retain each employee's written certifications for CDPH inspection for a period of three years following contract termination.

D. ***Discovery and Notification of Breach.*** The Contractor shall notify CDPH **immediately by telephone call plus email or fax** upon the discovery of breach of security of PSCI in computerized form if the PSCI was, or is reasonably believed to have been, acquired by an unauthorized person, **or within twenty-four (24) hours by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized use or disclosure of PSCI in violation of this Agreement, this provision, the law, or potential loss of confidential data affecting this Agreement. Notification shall be provided to CDPH Program Contract Manager, the CDPH Privacy Officer and the CDPH Chief Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PSCI, notification shall be provided by calling the CDPH I.T. Service Desk. Contractor shall take:

1) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and

2) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

E. ***Investigation of Breach.*** The Contractor shall immediately investigate such security incident, breach, or unauthorized use or disclosure of PSCI and within seventy-two (72) hours of the discovery, shall notify the CDPH Program Contract Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer of:

1) What data elements were involved and the extent of the data involved in the breach,

2) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PSCI,

3) A description of where the PSCI is believed to have been improperly transmitted, sent, or utilized,

4) A description of the probable causes of the improper use or disclosure; and

5) Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered.

F. ***Written Report.*** The Contractor shall provide a written report of the investigation to the CDPH Program Contract Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

Exhibit H
Information Confidentiality and Security Requirements

G. ***Notification of Individuals***. The Contractor shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The CDPH Program Contract Manager, the CDPH Privacy Officer, and the CDPH Chief Information Security Officer shall approve the time, manner and content of any such notifications.

H. ***Affect on lower tier transactions.*** The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, regardless of whether they are for the acquisition of services, goods, or commodities. The Contractor shall incorporate the contents of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

7. **Contact Information**. To direct communications to the above referenced CDPH staff, the Contractor shall initiate contact as indicated herein. CDPH reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

CDPH Program Contract Manager	**CDPH Privacy Officer**	**CDPH Chief Information Security Officer**
See the Scope of Work exhibit for Program Contract Manager	Privacy Officer Privacy Office, c/o Office of Legal Services California Department of Public Health P.O. Box 997377, MS 0506 Sacramento, CA 95899-7377 Email: privacy@cdph.ca.gov Telephone: (877) 421-9634	Chief Information Security Officer Information Security Office California Department of Public Health P.O. Box 997413, MS 6302 Sacramento, CA 95899-7413 Email: cdphiso@cdph.ca.gov Telephone: IT Service Desk (916) 440-7000 or (800) 579-0874

Exhibit I



INFORMATION SECURITY OFFICE

Information Systems Security Requirements for Projects (ISO/SR1)

Version 3.9

October 2008

Revision History

Doc No. / Rev No.	Revision Date	Revised By	Description of Revision / Change
S19 / R1.5	1/10/2007	A. Lancashire CDHS	Reformatting changes
SR1 / R1.0	9/12/2007	M. Serapio DHCS, B. Kelsey CDPH	Updated to address new best practices (previous version had dependencies to best practices from pre-SOA), fill existing regulatory gaps, remove vendor dependencies, reword language to make applicable to COTS/MOTS applications, and re-designated document number and name.
SR1/v1.5	9/14/2007	I. Sanford DHCS	Various grammatical and definition changes. Clarification of terms and responsibilities.
SR1/v2.0	9/21/2007	I. Sanford DHCS	Post team review updates
SR1/v2.1	10/17/2007	J. Cleveland CDPH	2nd team review comments/changes
SR1/V2.2	10/21/2007	J. Cleveland CDPH	Added Admin User ID and password section from Ian Sanford and Data Query section from Brett Kelsey.
SR1/V2.3	10/22/2007	J. Cleveland CDPH	Modifications to Admin User ID and password section and Data Query section.
SR1/V3.0	10/25/2007	J. Cleveland CDPH	Minor grammatical changes, removal of dynamic web links, and added COTS language in C.8.
SR1/V3.5	10/26/2007	J. Cleveland CDPH	Addition of Sections A.13, A.14, B.12, B.13, B.14, B.15, and B.16 for the purpose of covering Privacy, when used in conjunction with BAAs.
SR1/V3.6	12/24/2007	J. Cleveland CDPH	Edits based on feedback from project management personnel.
SR1/V3.7	1/03/2008	J. Cleveland CDPH	Edits based on final review of ISO office.
SR1/V3.8	06/01/2008	E. Lemke CDPH	Minor grammatical changes and minor format changes.
SR1/V3.9	10/31/2008	A. Begliomini CDPH	Added Privileged Account Management and Service Account Management sections. Addess Project Security Approvals, Applications Security Approvals, and System Roles and Relationships sections from Scott Wright. Added minimum password age in password policy. Minor format changes. Added table of contents.

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Type: **ISO Requirements**	
Issued: **October 31, 2008**	*Doc Number:* **SR1 v3.9**
Revised:	
Title: **Information Systems Security Requirements for Projects**	

IMPORTANT NOTE: If an exemption from any SR1 requirement is required, the SR1 Exemption Form in Appendix A must be filled out by the Project Manager or Contract Manager.

I. Purpose

This document provides the minimum security requirements, mandated by the Information Security Office (ISO) from projects governed and/or subject to the policies and standards of the California Department of Public Health (CDPH). Projects that intend to deploy systems/applications into the Department's system infrastructure or will utilize Department information system services are also subject to these minimum security requirements.

This document is intended to assist the Department and its service customers in understanding the criteria the Department will use when evaluating and certifying the system design and security features and protocols used by project solutions utilizing Department services. The security requirements herewith will also be used in conjunction with the Department ISO's compliance review program of its information system services consumers.

This document will serve as a universal set of requirements which must be met regardless of physical hosting location or entities providing operations and maintenance responsibility. These requirements do not serve any specific project nor do they prescribe any specific implementation technology.

II. Scope of Requirements

The information security requirements herein are organized in five categories (sections) and address at a minimum:

- Administrative/Management Safeguards
- Technical and Operational Safeguards
- Solution Architecture
- Documentation of Solution
- ISO Notifications and Approvals

III. Contact

Chief Information Security Officer
California Department of Public Health
Information Security Office
1615 Capitol Avenue
Sacramento, Ca 95814

IV. Information Systems Security Requirements

A. Administrative / Management Safeguards

1. Workforce Confidentiality Statement

All persons working with Department information must sign a Security and Confidentiality statement. The statement must include at a minimum; General Use, Security and Privacy safeguards, Unacceptable Use, Audit, and Enforcement policies. (Contact the ISO for the current version of the Security & Confidentiality form in use.)

The statement must be signed by the Project member prior to being granted access to the Department's information. The statement must be renewed annually.

2. Access Authorization

Project/Program must implement and document clear rules and processes for vetting and granting authorizations; and procedures for the supervision of workforce members who work with Department information or in locations where it might be accessed.

3. Access Authorization Maintenance

On at least a semi-annual basis, Project/Program will review and remove all authorizations for individuals who have left the department, transferred to another unit, or assumed new job duties within the Department.

4. Information System Activity Review

Project/Program must implement and document procedures to regularly review records of information system activity, such as audit logs, access reports, and security incident tracking reports.

5. Periodic System Security Review

All systems shall allow for periodic system security reviews that provide assurance that management, operations, personnel, and technical controls are functioning effectively and providing adequate levels of protection.

The reviews may include technical tools and security procedures such as virus scanners, vulnerability assessment products (which look for known security problems, configuration errors, and the installation of the latest hardware/software "patches"), and penetration testing.

6. Periodic System Log Review

All systems processing and/or storing Department information shall have a method or procedure in place to create and review system logs for unauthorized access. Logs may

be stored within the system or on a centralized logging server or service, and shall be maintained for a minimum of three years.

7. Business Impact Analysis

Project/Program will conduct annually a Business Impact Analysis of the application to determine the Maximum Acceptable Outage (MAO), cost of lost functionality, system component dependencies, business function dependencies, and business partner dependencies.

8. Change Control

All systems processing and/or storing Department information must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity, and availability of information.

For those systems running within the Department's environment and/or are consuming Department services, those systems shall comply with Department of Technology Services (DTS) and Department standards for change control process and procedures.

9. Incident Response

Project/Program will establish procedures for responding to an emergency or other occurrence (e.g., fire, vandalism, system failure, and natural disaster) that damages systems that contain electronic protected health information.

The emergency response procedures shall be added to the existing Operational Recovery Plan (ORP). The ORP shall address what to do if a computer system and/or the information files are violated, lost, damaged, or inaccessible.

10. Disaster Recovery

Project/Program will establish procedures that allow facility access in support of restoration of lost information under the ORP and emergency mode operations plan in the event of an emergency.

The restoration/recovery support procedures shall be added to the existing Operational Recovery Plan (ORP) to restore any loss of information and assure continuity of computing operations for support of the application and information.

Recovery procedures shall be developed using the appropriate template from the Department's ORP.

11. Emergency Mode Operation Plan

Project/Program will establish an Emergency Mode Operation Plan (EMO) to enable continuation of critical business processes for protection of the security of electronic

protected health information while operating in emergency mode. This plan shall be added to the existing ORP.

12. Periodic System Recovery Testing

All systems, as part of a new or existing project, shall allow for periodic system recovery testing. The period between tests should be defined as part of the project and be consistent with relevant department disaster recovery standards. Such testing should provide assurances that plans (Incident Response, Disaster Recovery, Emergency Mode Operation, and Data Backup) and controls (management, operations, personnel, and technical) are functioning effectively and providing adequate levels of protection during an incident, disaster, or breach.

13. Supervision of Data

Protected Health Information (PHI) in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, or office. Unattended means that information is not being observed by an employee authorized to access the information. Department PHI in paper form shall not be left unattended at any time in vehicles or planes and shall not be contained in checked-in baggage on commercial airplanes.

14. Escorting Visitors

Visitors to areas where Department PHI is contained shall be escorted and Department PHI shall be kept out of sight while visitors are in the area.

B. Technical and Operational Safeguards

1. System Security Compliance

All Project systems shall comply with applicable Department security policies and requirements, as specified in the State Administrative Manual (SAM), Health Administrative Manual (HAM), HIPAA, Privacy Act, and any other applicable state or federal regulation. All security safeguards and precautions shall be subject to the approval of the Department ISO.

2. Virus Protection

All systems shall install and actively use comprehensive third-party virus protection software, and routinely update such software when updates are released. All security safeguards and precautions shall be subject to the approval of the Department ISO.

3. Patch Management

All systems shall install and actively use comprehensive third-party patch management program and routinely update system and application software when updates are released. All security safeguards and precautions shall be subject to the approval of the Department ISO.

4. Encrypted Electronic Transmissions

All information transmissions that contain confidential information must be encrypted end-to-end using an industry-recognized encryption standard. The electronic transport must utilize Secure Socket Layer (SSL) and Department information and confidential information shall be encrypted at the minimum of 128 bit AES (Advanced Encryption Standard) or 3DES (Triple Data Encryption Standard) if AES is unavailable. Equivalent or stronger algorithms may be used upon approval of the Department ISO.

5. Encrypted Data Storage

All confidential information must be encrypted when stored using a Department approved encryption standard. Confidential information shall be encrypted at the minimum of 128 bit AES (Advanced Encryption Standard) or 3DES (Triple Data Encryption Standard) if AES is unavailable. Equivalent or stronger algorithms may be used upon approval of the Department ISO.

6. Workstation / Laptop Encryption

All workstations and laptops that process and/or store Department information must be encrypted with a Department approved solution or a solution using a vendor product specified on the Department of General Services (DGS) California Strategic Sourced Initiative (CSSI) website.

7. Removable Media Encryption

All electronic files that contain Department information must be encrypted when stored on any removable media type device (i.e. USB thumb drives, floppies, CD/DVD, tape backup, etc.) with a Department approved solution or a solution using a vendor product specified on the Department of General Services (DGS) California Strategic Sourced Initiative (CSSI) website.

8. Secure Connectivity

All transmission and data-links between the information and application/system and DBMS and the DTS Wide Area Network (WAN) shall be secure between transmission systems as required by regulation, policy or standard and as prescribed for the given application/system.

9. Intrusion Detection and Prevention

All systems that are accessible via the Internet, are critical, or contain ePHI (electronic Protected Health Information) shall install and actively use a Department approved comprehensive third-party real-time host based intrusion detection and prevention program that reports security events directly to the Department ISO. All security safeguards and precautions shall be subject to the approval of Department ISO.

10. Minimum Data Downloads

In accordance with the principle of need-to-know, only the minimum amount of information required to perform necessary business functions should be copied or downloaded.

11. Data Destruction

All Department information must be wiped from systems when the information is no longer necessary. The wipe method must conform to Department of Defense (DoD) and Department standards for information destruction. Once information has been destroyed, the Department contract manager must be notified. If an agency or other entity is unable to destroy media in accordance with Department standards and provide notification, the media must be returned to the Department after usage for destruction in an approved manner.

12. Confidential Destruction

Department PHI in paper form must be disposed of through confidential means, such as cross cut shredding and pulverizing.

13. Removal of Data

Department PHI in either electronic or paper form shall not be removed from Department premises or from the premises of an authorized vendor or contractor without the written permission of the Department ISO.

14. Faxing of Confidential Information

Facsimile transmissions containing PHI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers must be verified before sending.

15. Mailing of Confidential Information

Department PHI shall only be mailed using secure methods. Large volume mailings of Department PHI must be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a Department approved solution or a solution using a vendor product specified on the Department of General Services (DGS) California Strategic Sourced Initiative (CSSI) website.

C. Solution Architecture

1. System Security Compliance

The system shall comply with all applicable Department security policies and requirements, as well as those specified in the State Administrative Manual (SAM), Health Administrative Manual (HAM), HIPAA, Privacy Act, and any other applicable state or federal regulation. All security safeguards and precautions shall be subject to the approval of the Department ISO.

2. Warning Banner

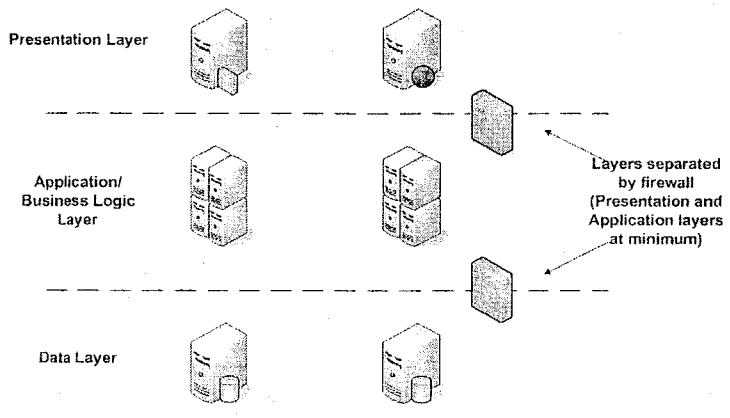
All systems containing Department information shall display a login warning banner stating that information is confidential, activity is logged, and system use is for business purposes only. User shall be directed to log off the system if they do not agree with these requirements.

The following warning banner shall be used for all access points (e.g., desktops, laptops, web applications, mainframe applications, servers and network devices):

> ***WARNING: This is a State of California computer system that is for official use by authorized users and is subject to being monitored and/or restricted at any time. Unauthorized or improper use of this system may result in administrative disciplinary action and/or civil and criminal penalties. By continuing to use this system you indicate your awareness of and consent to these terms and conditions of use.***
>
> ***LOG OFF IMMEDIATELY, if you do not agree to the conditions stated in this warning.***

3. Layered Application Design

Application must be able to be segmented into a layered application design separating at a minimum the Presentation, Application/Business Logic, and Data Access Logic, and Data Persistence/Database layers.



4. Separation of Layers

The Presentation, Application/Business Logic, and Data Access Logic layer must be separated physically by a firewall regardless of physical implementation.

Vendor-provided commercial off-the-shelf (COTS) packages or components where physical separation of layers is not possible requires ISO approval.

5. Business Logic Layer Communication

Any system request made to the Business logic layer must be authenticated.

6. Data Access Logic Layer Design

The Data Access Logic Layer may take the form of stored procedures, database API (Application Programming Interface), Data Access Objects/Components, Data Access Middleware, Shared Data Services, or Secure Web Service.

7. Data Access Logic Layer Communication

Any system request made to the Data Access logic layer must be authenticated and authorized.

8. Data Persistence/Database Layer Isolation

No direct access to the Data Persistence/Database layer will be permitted, except through the Data Access logic layer.

All calls to the Data Persistence/Database layer will be made through the Data Access logic layer as a trusted sub-system that utilizes a single database access account to all transactions.

Vendor-provided commercial off-the-shelf (COTS) packages or components where physical separation of Data Access Logic layer from Data Persistence/Database layer is not possible require ISO approval.

9. User Input Validation

All user input must be validated. The system must manage client input controls from server side to the extent possible. All third-party client side input controls must be documented and approved by the Department ISO.

10. Data Input Validation

All user information input must be validated before being committed to the database or other application information repository.

11. Data Queries

All Data queries (including In-line SQL calls) will not be allowed from the Presentation or the Business Logic layers unless validated for appropriate use of query language and validated for appropriate quantity/quality of data input. All data queries solution must be approved by the Department ISO.

Database table names and column names must not be exposed. Applications must use an alias for every table and column.

Dynamic SQL will not be permitted from the Presentation Layer without prior approval from the Department ISO.

12. Username/Password Based Authentication

When usernames and passwords are going to be used as the method for system authentication the following for each must be met:

- Username requirements:
  - Usernames are unique and are traceable to an individual worker.
  - Usernames are NOT to be shared and never hard-coded into system logic.

- Password requirements:
  - Are not to be shared.
  - Must be 8 characters or more in length.
  - Must NOT be a word found in the dictionary, regardless of language.
  - Passwords must be encrypted using irreversible industry-accepted strong encryption.
  - Must be changed at least every 60 days.
  - Must NOT be the same as any of the previous 10 passwords.
  - Must be changed immediately if revealed or compromised.
  - Must be composed of characters from at least three of the following four groups from the standard keyboard:
    - Upper case letters (A-Z);
    - Lower case letters (a-z);
    - Arabic numerals (0 through 9); and
    - Non-alphanumeric characters (punctuation symbols).
  - Accounts must be locked after 3 failed logon attempts.
  - Account lock-out reset timers must be set for a minimum of 15 minutes.

13. Privileged Accounts Management

- Privileged Account Authorization
  A privileged account is an account that allows an individual to perform maintenance on an operating system or application (e.g. create/remove users, install applications, create/modify databases). Privileged accounts require the approval of the individual's manager, the ISO, and must include a business justification stating why privileged access is required and what it will be used for.

Individuals granted privileged accounts must have already signed the Security and Confidentiality Acknowledgement Statement. Privileged accounts must be unique and associated with the individual for whom the account is authorized. The use of shared privileged accounts (e.g. Administrator) is strictly prohibited.

- Username requirements
  - Must be unique and are traceable to an individual person.
  - Must NOT be shared.
  - Must never be hard-coded into system logic.
  - Must NOT be the same across different zones (e.g. Web Zone, Internal network, and Test Labs / Environments).
  - The default built-in Administrator account must be renamed and disabled.
  - The naming convention for privileged accounts must not make it obvious that usernames belong to privileged accounts.
  - If a generic privileged account is created:
    - It must only be used in an Emergency.
    - It is NOT to be used for routine maintenance.
    - The password storage and management process for generic privileged accounts must be approved by the Department ISO.

- Password requirements
  - Must not be the same as any of the previous 10 passwords.
  - Must not to be shared.
  - Must NOT be the same across different zones (e.g. Web Zone, Internal network, and Test Labs / Environments).
  - Must be 12 characters or more in length.
  - Must NOT be a word found in the dictionary, regardless of language.
  - Password must NOT be stored in clear text.
  - Must be changed at least every 60 days.
  - Must be changed immediately if revealed, or compromised.
  - Must be changed immediately upon the termination or transfer of an employee with knowledge of the password.
  - Passwords must be encrypted using industry accepted, irreversible strong encryption.
  - Accounts must be locked after 3 failed logon attempts.
  - Account lock-out timers must be set for at least 60 minutes.
  - Must be comprised of characters from at least three of the following four groups from the standard keyboard:
    - Upper case letters (A-Z);
    - Lower case letters (a-z);
    - Arabic numerals (0 through 9);
    - Non-alphanumeric characters (punctuation symbols).

- Restrictions for Privileged Accounts
  - Holders of privileged accounts must restrict the use of their account privileges to activities that are part of their job and that require privileged access.
  - Holders of privileged accounts must never share their access and password with other individuals.

14. Service Accounts Management

- Service Account Authorization
  In situations where it is necessary to use a service account, which is an account used to run a service and whose password is known by multiple individuals, the account request will be approved by the manager of the Project/Program requesting the account and by the ISO. Requirements, stating the need for a service account, will be documented in the request. A service account password is shared among the individuals authorized to access the account, and is subject to controls as stated in the password requirements in this document.

- Restrictions for Service Accounts
  - Sharing passwords via email is prohibited, unless the body of the email itself is encrypted using strong encryption.
  - When users are no longer authorized to access an existing service account, the service account password must be changed.

15. Role - Based Access

Any system deployed during, or as a result of a project, shall provide secure role-based access for authorization utilizing the principle of least privilege at all layers/tiers.

16. User / Entity Authentication Logging

The system must log success and failures of user authentication at all layers as well as log all user transactions at the database layer as required by regulation, policy or standard and as prescribed for the given application/system. This logging shall be included for all user privilege levels including but not limited to systems administrators. This requirement applies to systems that process, store, and/or interface with PII (Personal Identifiable Information) and/or confidential information.

17. Automatic System Session Expiration

The system must provide an automatic timeout of user sessions after 20 minutes of inactivity.

18. Automatic System Lock-out and Reporting

The system must provide an automatic lock-out of users and a means to audit a minimum of 3 failed log-in attempts. The means of providing audit information must be approved by the Department ISO.

19. Role-based Access to Audit Functions and Data

All systems/applications will implement role-based access to auditing functions and audit trail information utilizing the principle of least privilege.

20. Secure Online Access to Audit Functions

All systems / applications will implement a secure online interface to Audit Capabilities and Reporting by way of application programming interface (API) or network service (or Web Service); to allow Department ISO to view logs, auditing procedures, and audit reporting.

21. Audit Trails

This requirement delineates the (minimum) log information that audit trails should record for any system that contains or is involved in the transmission of confidential information. The information listed below should be available on every system running a production environment. Not only will this information assist with problem resolution efforts and system restore operations, it will also be invaluable to system penetration attack investigations, fraud investigations, etc.

The system must record (at minimum) the following events and any other events deemed appropriate by the Department ISO:

Transaction Types

- Any and all administrative changes to the system (i.e. administrative password changes (forgotten password resets), system variables, network configuration changes, disk subsystem modifications, etc).
- Logon failures.
- Logons during non-business hours.
- Program or file access denial.
- Addition, deletion, or modification of users or program access privileges.
- Changes in file access restrictions.
- Database addition, deletion, or modification.
- Copy of files before and after read and write changes.
- Transaction issued.

Individual audit trail records shall contain the information needed to associate each query transaction to its initiator and relevant business purpose. Individual audit trail records should capture at a minimum the following:

Minimum Audit Trail Record Content

- Date and Time Stamp.
- Unique Username of Transaction Initiator.
- Transaction Recorded.
- Success or Failure of Transaction Recorded.
- Relevant business process or application component involved.
- Data captured (if any).

Audit Trail logs shall be maintained at minimum for three years after the occurrence or a set period of time determined by the Department ISO that would not hinder a detailed forensic investigation of the occurrence. The Department ISO has final approval authority.

22. Application Security Controls

For any application which accesses confidential data, the following technical controls shall be present, unless an exception is granted by ISO:

- Shall use *least privileged accounts* to execute code and to access databases.
- User access rights shall be authenticated and authorized on entry to each application tier.
- All user input shall be validated as well as all validating parameters passed to all public web service methods.
- Do not expose information that is not required, as such information can potentially open doors that might lead to new vulnerabilities.
- If a web application fails, it shall not leave sensitive data unprotected or expose any details in error messages presented to the user. Any exceptions shall be logged or emailed to the appropriate team member.
- Any sensitive data stored in session, cookies, disk files etc., shall be encrypted. Any sensitive data passed between tiers shall be encrypted.
- Applications shall be protected from the Internet by a front-end web application, firewall, gateway, and proxy of a type approved by the ISO, which shall be included in the documented system design.
- Post back Universal Resource Locators (URLs) shall not contain unencrypted record identifiers or database keys.
- Post back URLs shall not include query strings.

D. Documentation of Solution

1. System Configuration

As part of each project, assigned staff will document and maintain a full inventory of the major hardware, software, and communications platforms in use; system configurations; all applications/components with descriptions encompassing the solution; and a description of the solution's security design features and user access control mechanisms. Project/Program will ensure a custodian(s) is assigned to each application/component.

2. Data In Use Classifications

Project/Program will document and maintain information classification matrix of all information elements accessed and/or processed by solution.

The matrix should identify at a minimum:

- Information element.
- Information classification/sensitivity.
- Relevant function/process or where is it used.
- System and database or where is it stored.

3. System Roles and Relationships

Project shall document the following roles and ensure everyone understands their role, and complies with all applicable regulations including the SAM.

- The designated owner of the system
- The designated custodian(s) of the system
- The users of the system
- The security administrator for the system
- Outside entities sending or receiving data to system

Project shall document the organizational structure and relationships between these roles.

4. Audit Method Documentation

Project/Program will document the solution's auditing features and provide samples of audit reporting.

5. Retention of Documentation

The system/application administrators will retain documentation, including audit and activity logs, for a minimum of three years (up to seven years) from the date of its creation or the date it was last in effect, whichever is later.

E. ISO Notifications and Approvals

1. Security Compliance Notification

As part of each project, assigned staff will document how proposed solution meets or addresses the requirements specified in this document and must be submitted to the Department ISO prior to taking custody of Department owned information.

2. Notification of Changes to Solution

Once a project is approved as final by the Department ISO, no changes will be made to the project scope, documentation, systems or components without a change approval by the Department ISO.

3. Notification of Breach or Compromise

The system/application administrators shall immediately and in writing report to the Department ISO any and all breaches or compromises of system and/or information security, and shall take such remedial steps as may be necessary to restore security and repair damage, if any.

In the event of a breach or compromise of system and/or information security, the Department ISO may require a system/application security audit. The Department ISO shall review the recommendations from the security audit, and make final decisions on the steps necessary to restore security and repair damage.

The system/application administrators shall properly implement any and all recommendations of the security audit, as approved by the Department ISO.

4. Project Security Approvals

Projects shall ensure checkpoints throughout the SDLC which verify security requirements are being met. This shall be incorporated in the project plan along with identification of necessary resources, timelines, and costs to address these requirements. An ISO representative should be involved throughout the SDLC to ensure this occurs.

For reportable FSR's, Office of Information Security and Privacy Protection (OISPP) requires submission of the *Questionnaire for Information Security and Privacy Components in Feasibility Study Reports and Project-Related Documents*. See http://www.oispp.ca.gov/government/documents/docs/Info_Sec_and_Priv_Components_FSR-Questionnaire.doc. The response to this document shall be approved by the ISO prior to submission.

Projects shall ensure all applicable security requirements and deliverables are included in the project plan, and that ISO approvals are obtained, where required. This includes those listed in the following section, and any covered by other sections of this document. ISO shall be given reasonable time to review and comment on these deliverables.

5. Application Security Approvals

At a minimum, for any application which accesses confidential data, the following documented ISO approvals shall be obtained at the appropriate project phases, and before the application is moved to production.

- ISO approval of a dated, detailed design document. This design shall include network layout including specific firewall port requirements, server hosting locations, operating systems, databases, data exchange interfaces, and points of authentication/authorization. The project shall not move beyond the design phase until there is an ISO approved design.
- ISO approval of any non-standard development tools, e.g. programming languages or toolkits.
- ISO approval of a plan for an independent security code review which addresses at minimum the current Open Web Application Security Project (OWASP) top ten application vulnerabilities, where applicable. ISO shall approve any findings of that code review not being corrected. ISO recommends the security code review be carried out during the development process rather than only at the end.
- ISO approval of a plan for security code reviews of future maintenance code changes, which addresses at minimum the current OWASP top ten application vulnerabilities, where applicable.
- ISO approval of a plan for an independent automated security vulnerability assessment of the application, and approval of the findings of that assessment. The assessment shall assess the OWASP top ten risks at minimum, as applicable.

Independent as indicated above is defined as organizationally separate from those developing or configuration the application. The independence and skill level of the entities being utilized shall be approved by ISO.

Application code and infrastructure is subject to ISO audit, and shall match the approved detailed design.

F. Appendix A – SR1 Exemption Form

REF	Security Requirement	Exemption (Yes, No, or N/A)	Business Justification
A	**Administrative / Management Safeguards**		
1	Workforce Confidentiality Statement		
2	Access Authorization		
3	Access Authorization Maintenance		
4	Information System Activity Review		
4	Periodic System Security Review		
6	Periodic System Log Review		
7	Business Impact Analysis		
8	Change Control		
9	Incident Response		
10	Disaster Recovery		
11	Emergency Mode Operation Plan		
12	Periodic System Recovery Testing		
13	Supervision of Data		
14	Escorting Visitors		
B	**Technical and Operational Safeguards**		
1	System Security Compliance		
2	Virus Protection		
3	Patch Management		
4	Encrypted Electronic Transmissions		
5	Encrypted Data Storage		
6	Workstation / Laptop Encryption		
7	Removable Media Encryption		
8	Secure Connectivity		
9	Intrusion Detection and Prevention		
10	Minimum Data Downloads		
11	Data Destruction		
12	Confidential Destruction		
13	Removal of Data		
14	Faxing of Confidential Information		
15	Mailing of Confidential Information		
C	**Solution Architecture**		
1	System Security Compliance		
2	Access Point Warning Banner		
3	Layered Application Design		
4	Separation of Layers		

REF	Security Requirement	Exemption (Yes, No, or N/A)	Business Justification
5	Business Logic Layer Communication		
6	Data Access Logic Layer Design		
7	Data Access Logic Layer Communication		
8	Data Persistence/Database Layer Isolation		
9	User Input Validation		
10	Data Input Validation		
11	Data Queries		
12	Username/Password Based Authentication		
13	Privileged Accounts Management		
14	Service Accounts Management		
15	Role - Based Access		
16	User / Entity Authentication Logging		
17	Automatic System Session Expiration		
18	Automatic System Lock-out and Reporting		
19	Role-based Access to Audit Functions and Data		
20	Secure Online Access to Audit Functions		
21	Audit Trails		
22	Application Security Controls		
D	**Documentation of Solution**		
1	System Configuration		
2	Data In Use Classifications		
3	System Roles and Relationships		
4	Audit Method Documentation		
5	Retention of Documentation		
E	**ISO Notifications**		
1	Security Compliance Notification		
2	Notification of Changes to Solution		
3	Notification of Breach or Compromise		
4	Project Security Approvals		
5	Application Security Approvals		

Exhibit J

CONTRACTOR EQUIPMENT PURCHASED WITH CDPH FUNDS

Current Contract Number: 09-11231

Previous Contract Number (if applicable): 06-55107

Contractor's Name: County of Riverside Community Health Agency

Contractor's Complete Address: 4065 County Circle Drive Riverside, CA 92501

Contractor's Contact Person: Nancy Allende, RD

Contact's Telephone Number: 951 358-5889

Date Current Contract Expires: 9/30/2010

CDPH Program Name: Network for a Healthy California

CDPH Program Contract Manager: Jill Harden

CDPH Program Address: MS 7204, PO Box 997377 Sacramento, CA 95899-7377

CDPH Program Contract Manager's Telephone Number: 916 327-8018

Date of this Report:

(THIS IS NOT A BUDGET FORM)

STATE/ CDPH PROPERTY TAG (If motor vehicle, list license number.)	QUANTITY	ITEM DESCRIPTION 1. Include manufacturer's name, model number, type, size, and/or capacity. 2. If motor vehicle, list year, make, model number, type of vehicle (van, sedan, pick-up, etc.) 3. If van, include passenger capacity.	UNIT COST PER ITEM (Before Tax)	CDPH PURCHASE ORDER (STD 65) NUMBER	DATE PURCHASED	MAJOR/MINOR EQUIPMENT SERIAL NUMBER (If motor vehicle, list VIN number.)	*OPTIONAL PROGRAM USE ONLY*
			$				
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INSTRUCTIONS FOR CDPH 1203
(Please read carefully.)

The information on this form will be used by the California Department of Public Health (CDPH) Asset Management (AM) to tag contract equipment and/or property (see definitions A, and B) which is purchased with CDPH funds and is used to conduct state business under this contract. After the Standard Agreement has been approved and each time state/CDPH equipment and/or property has been received, the CDPH Program Contract Manager is responsible for obtaining the information from the Contractor and submitting this form to CDPH AM. The CDPH Program Contract Manager is responsible for ensuring the information is complete and accurate. (See *Health Administrative Manual (HAM),* Section 2-1060 and Section 9-2310.)

Upon receipt of this form from the CDPH Program Contract Manager, AM will fill in the first column with the assigned state/ CDPH property tag, if applicable, for each item (See definitions A and B). AM will return the original form to the CDPH Program Contract Manager, along with the appropriate property tags. The CDPH Program Contract Manager will then forward the property tags and the original form to the Contractor and retain one copy until the termination of this contract. The Contractor should place property tags in plain sight and, to the extent possible, on the item's front left-hand corner. The manufacturer's brand name and model number are not to be covered by the property tags.

1. If the item was shipped via the CDPH warehouse and was issued a state/CDPH property tag by warehouse staff, fill in the assigned property tag. If the item was shipped directly to the Contractor, leave the first column blank.

2. Provide the quantity, description, purchase date, base unit cost, and serial number (if applicable) for each item of:

   A. **Major Equipment:**

   - Tangible item having a base unit cost of $5,000 or more and a life expectancy of one (1) year or more.
   - Intangible item having a base unit cost of $5,000 or more and a life expectancy of one (1) year or more (e.g., software, video).

   These items are issued green numbered state/ CDPH property tags.

   B. Minor Equipment/Property: Specific tangible items with a life expectancy of one (1) year or more that have a base unit cost less than $5,000. **These items are issued green unnumbered "BLANK" state/ CDPH property tags** with the exception of the following, which are issued numbered tags: Personal Digital Assistant (PDA), PDA/cell phone combination (Blackberries), laptops, desktop personal computers, LAN servers, routers, and switches. NOTE: It is CDPH policy not to tag modular furniture. (See your Federal rules, if applicable.)

3. Provide the CDPH Purchase Order (STD 65) number if the items were purchased by CDPH. (See HAM, Section 2-1050.1.)

4. If a vehicle is being reported, provide the Vehicle Identification Number (VIN) and the vehicle license number to CDPH Vehicle Services. (See HAM, Section 2-10050.)

5. If all items being reported do not fit on one form, make copies and write the number of pages being sent in the upper right-hand corner (e.g., "Page 1 of 3.") The CDPH Program Contract Manager should retain one copy and send the original to: California Department of Public Health, Asset Management, MS 1801, P.O. Box 997377, 1501 Capitol Avenue, Sacramento, CA 95899-7377.

6. Property tags that have been lost or destroyed must be replaced. Replacement property tags can be obtained by contacting AM at (916) 650-0124.

7. Use the version on the CDPH Intranet forms site. The CDPH 1203 consists of one page for completion and one page with information and instructions.

Exhibit K

INVENTORY/DISPOSITION OF CDPH-FUNDED EQUIPMENT

Current Contract Number: 09-11221

Previous Contract Number (if applicable): 06-55107

Contractor's Name: County of Riverside Community Health Agency

Contractor's Complete Address: 4065 County Circle Drive Riverside, CA 92501

Contractor's Contact Person: Nancy Allende, RD

Contact's Telephone Number: 951 358-5889

Date Current Contract Expires: 9/30/2010

CDPH Program Name: Network for a Healthy California

CDPH Program Contract Manager: Jill Harden

CDPH Program Address: MS 7204, PO Box 997377 Sacramento, CA 95899-377

CDPH Program Contract Manager's Telephone Number: 916 327-8018

Date of this Report:

(THIS IS NOT A BUDGET FORM)

STATE/ CDPH PROPERTY TAG (If motor vehicle, list license number.)	QUANTITY	ITEM DESCRIPTION 1. Include manufacturer's name, model number, type, size, and/or capacity. 2. If motor vehicle, list year, make, model number, type of vehicle (van, sedan, pick-up, etc.) 3. If van, include passenger capacity.	UNIT COST PER ITEM (Before Tax)	CDPH ASSET MGMT. USE ONLY CDPH Document (DISPOSAL) Number	ORIGINAL PURCHASE DATE	MAJOR/MINOR EQUIPMENT SERIAL NUMBER (If motor vehicle, list VIN number.)	*OPTIONAL— PROGRAM USE ONLY*
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INSTRUCTIONS FOR CDPH 1204
(Please read carefully.)

The information on this form will be used by the California Department of Public Health (CDPH) Asset Management (AM) to; (a) conduct an inventory of CDPH equipment and/or property (see definitions A, and B) in the possession of the Contractor and/or Subcontractors, and (b) dispose of these same items. Report all items, regardless of the items' ages, per number 1 below, purchased with CDPH funds and used to conduct state business under this contract. (See *Health Administrative Manual (HAM),* Section 2-1060 and Section 9-2310.)

The CDPH Program Contract Manager is responsible for obtaining information from the Contractor for this form. The CDPH Program Contract Manager is responsible for the accuracy and completeness of the information and for submitting it to AM.

Inventory: List all CDPH tagged equipment and/or property on this form and submit it within 30 days prior to the three-year anniversary of the contract's effective date, if applicable. **The inventory should be based on previously submitted CDPH 1203s**, "Contractor Equipment Purchased with CDPH Funds." AM will contact the CDPH Program Contract Manager if there are any discrepancies. (See HAM, Section 2-1040.1.)

Disposal: *(Definition: Trade in, sell, junk, salvage, donate, or transfer; also, items lost, stolen, or destroyed (as by fire).)* The CDPH 1204 should be completed, along with a "Property Survey Report" (STD. 152) or a "Property Transfer Report" (STD. 158), whenever items need to be disposed of; (a) during the term of this contract and (b) 30 calendar days before the termination of this contract. After receipt of this form, the AM will contact the CDPH Program Contract Manager to arrange for the appropriate disposal/transfer of the items. (See HAM, Section 2-1050.4.)

1. List the state/ CDPH property tag, quantity, description, purchase date, base unit cost, and serial number (if applicable) for each item of;

   A. Major Equipment: **(These items were issued green numbered state/ CDPH property tags.)**
   - Tangible item having a base unit cost of $5,000 or more and a life expectancy of one (1) year or more.
   - Intangible item having a base unit cost of $5,000 or more and a life expectancy of one (1) year or more (e.g., software, video.)

   B. Minor Equipment/Property:

   Specific tangible items with a life expectancy of one (1) year or more that have a base unit cost less than $5,000. The minor equipment and/or property items were issued green unnumbered "BLANK" state/ CDPH property tags with the exception of the following, which are issued numbered tags: Personal Digital Assistant (PDA), PDA/cell phone combination (Blackberries), laptops, desktop personal computers, LAN servers, routers and switches.

2. If a vehicle is being reported, provide the Vehicle Identification Number (VIN) and the vehicle license number to CDPH Vehicle Services. (See HAM, Section 2-10050.)

3. If all items being reported do not fit on one page, make copies and write the number of pages being sent in the upper right-hand corner (e.g. "Page 1 of 3.")

4. The CDPH Program Contract Manager should retain one copy and send the original to: California Department of Public Health, Asset Management, MS1801, P.O. Box 997377, 1501 Capitol Avenue, Sacramento, CA 95899-7377.

5. Use the version on the CDPH Intranet forms site. The CDPH 1204 consists of one page for completion and one page with information and instructions.

For more information on completing this form, call AM at (916) 650-0124.

714

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Community Health Agency/Department of Public Health

SUBMITTAL DATE: October 14, 2009

SUBJECT: Approval of the Agreement between the Riverside County Community Health Agency and the BP West Coast Products for the Childhood Asthma Program.

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve the Agreement between the Riverside County Community Health Agency and the BP West Coast Products in the amount of $349,836 for the performance period of January 1, 2010 through December 31, 2010;
2) Authorize the Chairperson of the Board to sign four (4) originals of the Agreement on behalf of the County; and
3) Direct the Auditor-Controller to adjust the FY 09/10 budget as detailed in Schedule A

BACKGROUND: The BP West Coast Products has awarded the Department of Public Health funding in the amount of $349,836 from January 1, 2010 through December 31, 2010. The total award will be split over FY 09/10 ($174,918) and FY 10/11($174,918). The funding allows for expansion of the Childhood Asthma Program services to the families of Western Riverside County. Asthmatic children, ages 0-18, and their parents will receive in-home asthma education, environmental assessments to reduce allergens/irritants, and instruction on medication delivery devices. Past program accomplishments have resulted in improved quality of life for asthmatic children and their families.

Susan D. Harrington

Susan Harrington, Director
Department of Public Health

GH:ce

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 174,918	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: 100% funded by BP West Coast Products

Positions To Be Deleted Per A-30 ☒

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

BY: Debra Cournoyer

County Executive Office Signature Debra Cournoyer

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: [signature] 10/20/09
SUSANA GARCIA-BOCANEGRA

Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

Dep't Recomm.:	Per Exec. Ofc.:
☐ Consent	☐ Consent
☒ Policy	☒ Policy

Prev. Agn. Ref.: | **District:** 4 & 5 | **Agenda Number:** 3.23

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Form 11
Community Health Agency
CHA – BP West Coast Products/AQMD

SCHEDULE A
Community Health Agency
Department Of Public Health

Budget Adjustment
Fiscal Year 2009/2010

INCREASE IN APPROPRIATIONS:

10000-4200100000- 510040	Regular Salaries	89,992
10000-4200100000- 518100	Budgeted Benefits	41,016
10000-4200100000- 523700	Office Supplies	375
10000-4200100000- 522860	Medical-Dental Supplies	8,500
10000-4200100000- 523780	Printed Forms	250
10000-4200100000- 520330	Communication Services	2,409
10000-4200100000- 527840	Training-Education/Tuition	500
10000-4200100000- 523760	Postage-Mailing	100
10000-4200100000- 529040	Private Mileage Reimbursement	2,624
10000-4200100000- 527780	Special Program Expense	1,250
10000-4200100000- 526700	Rents/Lease Buildings	12, 000
10000-4200100000- 524500	Administrative Support-Direct	15,902
		$174,918

INCREASE IN ESTIMATED REVENUE:

10000-4200100000- 774500	Health Services	$174,918

PUBLIC BENEFITS OVERSIGHT COMMITTEE
GRANT AWARD AGREEMENT

Riverside County Department of Public Health

A. PURPOSE OF GRANTEE

Riverside County (GRANTEE or Riverside County) is a political subdivision of the State of California.

B. PURPOSE OF AWARD

BP West Coast Products, LLC ("BP" or "GRANTOR") hereby grants an award to GRANTEE, for the purposes set forth in Attachment I. The March 2005 Settlement Agreement between the South Coast Air Quality Management District ("AQMD") and BP specifies that BP will fund a public benefit program that addresses conditions caused or exacerbated by the health effects of air pollution, or results in air pollution prevention or reduction. The community benefit programs are to be selected by a Public Benefits Oversight Committee (the "Oversight Committee"), as established by the Settlement Agreement. Funds are paid by BP to the recipients selected by the Oversight Committee. GRANTEE was selected by the Oversight Committee to receive funding under the terms and conditions set forth in this Agreement.

C. AMOUNT OF AWARD/PERFORMANCE SCHEDULE

The amount of the award and the time for performance of activities shall be as set forth in Attachment I.

D. CONDITIONS OF AWARD

GRANTEE agrees to accept the award only under the following conditions:

1. Compliance with Activities. GRANTEE shall perform the activities set forth and described in Attachment I.

2. Written Budget and Status Reports. GRANTEE has provided a Budget for this grant program, incorporated herein as Attachment II. GRANTEE shall also provide the Oversight Committee written budget and status reports as specified in Attachment I.

3. Management of Award. GRANTEE shall manage the award funds as follows: (a) all award funds shall be segregated, (2) all disbursements shall be accounted for, and (3) a budget report shall be prepared and submitted as specified in this Agreement.

4. Identification of GRANTOR as Sponsor. GRANTEE shall ensure that GRANTOR and AQMD are clearly identified as sponsor or support organization on all outreach or promotional material, presentations, advertising, and training or education materials, funded by this grant.

5. Expenditure of Funds. GRANTEE shall expend the funds only for the purposes described in Attachment I. Any funds not expended as contracted for or committed during the term of the grant period, as described in Attachment I, must be returned to GRANTOR within thirty (30) days of the grant's termination date. If GRANTEE obtains the permission of the Oversight Committee, GRANTEE may modify the budget items as changes in circumstances dictate. GRANTEE shall not use the grant funds for participation or intervention in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office or for carrying on propaganda, or otherwise attempting to influence legislation or for participation in any political initiative, referendum or voter registration drive.

6. Grantee's Status as a Qualified Charitable Contribution Recipient. This grant is specifically conditioned upon GRANTEE's status as a government entity, qualified to receive deductible charitable contributions under Internal Revenue Code Section 170(c)(1) and related IRS Regulation Section 1.170A-9(d). GRANTEE warrants and represents that GRANTEE is exempt from Federal income tax under section 115 of the Internal Revenue Code, therefore, no tax determination letter is required. GRANTEE shall immediately notify GRANTOR in writing of any change or potential change in GRANTEE's status as qualified to receive deductible charitable contributions.

7. Return of Funds. GRANTEE shall return to GRANTOR any unexpended funds granted to it by GRANTOR if (i) GRANTOR, upon recommendation by the Oversight Committee, determines that GRANTEE has not performed in accordance with the terms of this Agreement or the GRANTEE's grant program or budget approved by GRANTOR or (ii) the grant subject to this Agreement, or this Agreement itself, expires or terminates or is terminated or deemed or rendered void for any reason.

8. Records, Audit, Site Visits. GRANTEE shall be responsible for maintaining adequate financial records of this grant program. GRANTOR reserves the right, upon written notice, to review GRANTEE's books and records relating to the expenditure of any funds provided by GRANTOR.

9. No Further Obligations by GRANTOR. This grant is made with the understanding that GRANTOR has no obligation to provide other or additional support or grants to GRANTEE.

10. Travel, Conferences, and Food Expenses. GRANTEE will not use grant funds to pay for travel, conferences, or food expenses, unless specifically set forth in Attachment I.

11. Licensing and Credentials. GRANTEE hereby agrees to maintain or requires others to maintain, in full force and effect, all required governmental or professional licenses and credentials for itself, its facilities, and for its employees and all other persons engaged in work in conjunction with this award.

12. Management and Organizational Changes. GRANTEE hereby agrees to provide immediate written notice to GRANTOR if significant changes or events occur during the term of this award that could potentially affect the outcome of this award, including, without limitation, changes in GRANTEE's management personnel or losses of funding.

E. GENERAL PROVISIONS

1. Independent Contractors. The parties to this Agreement are independent contractors, and neither shall be deemed to be the employee or the agent of the other.

2. Applicable Law. This Agreement shall be governed by the applicable laws of the State of California.

3. No Assignment. This Agreement shall be void if assigned. Neither party shall subcontract its obligations under this Agreement, except upon prior written consent of the other party.

4. Amendments. This Agreement shall not be amended except by written agreement by the parties' duly authorized representatives.

5. Entire Agreement. This Agreement is the entire Agreement between the parties and supersedes any prior agreements, representations or warranties with respect to the subject matter hereof.

6. Notices. Any notices, written budgets or status reports required to be submitted by the GRANTEE shall be sent to the Oversight Committee, as follows:

BP/AQMD Public Benefits Oversight Committee
c/o Jean Ospital, Health Effects Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Any notices or approvals required from the Oversight Committee or GRANTOR shall be sent to the GRANTEE as follows:

Riverside County Department of Public Health,
Health Education
c/o Consuela T. Edmond, CHA Program
Coordinator II – Childhood Asthma Program
4065 County Circle Drive
Los Angeles, CA 92503
(951) 358-4977
cedmond@co.riverside.ca.us

Either GRANTOR or GRANTEE may change the address for notification by informing the other party in writing.

7. Indemnification. GRANTEE agrees to hold harmless and indemnify GRANTOR, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, cost, lawsuits, demands, judgments, legal fees or any other expenses which GRANTOR, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay by reason of any injury or property damage arising from the negligent or intentional conduct or omission of GRANTEE, its employees, its subcontracts, or its agents in the performance of this Agreement.

GRANTOR:	GRANTEE:
BP West Coast Products, LLC	Riverside County Department of Public Health
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

ATTACHMENT I

STATEMENT OF WORK

BP/AQMD PUBLIC BENEFITS OVERSIGHT COMMITTEE GRANT AWARD TERMS AND CONDITIONS

Riverside County Department of Public Health

1. ACTIVITIES TO BE FUNDED BY AWARD:

The monies from this award will be used by GRANTEE, the Riverside County Department of Public Health (DOPH) Childhood Asthma Program (CAP), to provide case management and education services to asthmatic children and their families residing in Western Riverside County to address ethnic disparities in asthma incidence, prevalence, mortality and potential factors contributing to those disparities, including access to health care, obesity, environmental exposures, and education.

Project Goals

CAP will reduce the impact of asthma and improve the quality of life for parents and children affected by asthma, ages 0-18, and living in Western Riverside County.

Specific project goals include:

- Enroll 200 children with the following characteristics: (1) have a persistent asthma diagnosis; (2) between the ages of 0 to 18 years; and 3) reside within Western Riverside County (one year from grant implementation date).
- Provide telephone or clinic consultation for 100 parents of children with a mild or intermittent asthma diagnosis.
- Eliminate or reduce asthma triggers in the homes of 150 children with asthma (one year from grant implementation date)
- Increase parents' confidence in managing their child's asthma in 50% of enrolled families (one year from grant implementation date)
- Demonstrate a decrease of asthma-related emergency room visits and/or asthma hospitalizations and/or improvement of asthma symptoms in 50% of the children enrolled in CAP (one year from grant implementation date)

Services To Be Provided

The Riverside County Department of Public Health (DOPH) Childhood Asthma Program (CAP) will provide case management and education services to asthmatic children and their families residing in Western Riverside County. A case manager will provide home visits to each family enrolled in the program. Services provided during the home visit include asthma education, instruction, demonstration and observation of the proper use of asthma medications and aids (as prescribed by the

family's physician). Additionally, an in-home environmental assessment for asthma triggers (pet dander, mold, dust mites, etc.) will be conducted. A trigger reduction plan will be provided for parents to assist them in the reduction and/or elimination of irritants. Parents will also receive information on outdoor air pollutants and their impact on persons affected with asthma. Asthma aids, such as peak flow meters, spacers, mattress casings and pillow case covers will be provided at no charge to enrolled clients. Each client will receive a minimum of one home visit by a trained case manager who is culturally and linguistically competent. After each home visit, the case manager will provide follow up phone calls and additional home visits as required to ensure that the child's asthma is under control. For those families who are uninsured, the case manager will provide referrals for health coverage enrollment assistance through DOPH, Catholic Charities and other agencies providing services.

Referrals for the program will be generated through community collaboration, outreach and provider presentations. The case manager will be housed at a DOPH satellite building and will be available to educate, enroll and schedule home visits for patients referred by clinic staff and other sources of referrals.

CAP seeks to lessen the impact of asthma on children and their families as demonstrated through reductions in asthma symptoms, emergency room visits, hospitalizations and environmental triggers. The intended outcome of reduced asthma episodes will be measured by self-reporting through follow-up calls to parents of the affected children. Additionally, data gathered from hospital and emergency department reports will be utilized to measure the impact of the program.

The intended outcomes of reduced asthma episodes, reduced asthma-related emergency room visits, reduced asthma-related hospitalizations, improvement of asthma symptoms and parents' confidence level will be measured by comparing results of a pre-program survey with those of a post-program survey. The parents of the children enrolled in the program will provide answers to questions designed to measure the above-mentioned indicators on pre-post surveys. The surveys will be analyzed by a Research Analyst with the DOPH's Epidemiology and Program Evaluation Branch to determine if an individual enrolled in the program experienced an improvement in any or all of the indicators.

Referrals to the program will be generated from established partnerships in the target area, such as Catholic Charities, JFK Memorial Hospital, Desert Sands Unified School District, Desert Regional Medical Center, private physicians, and a vast network of coalition partners. Additionally, staff will promote the program through participation in community events, presentations, school activities, and targeted outreach.

2. AMOUNT OF AWARD AND SCHEDULE OF PAYMENTS:

The amount of award is $349,836 payable within 30 days of execution of the agreement.

3. TERM OF GRANT AWARD:

Grant funds are to be applied to expenses incurred and paid for the period of one year from the date that the agreement is executed. This term may be extended if the Oversight Committee, based on documentation provided by Grantee, determines that the project or program funded by this grant has successfully met its goals.

Any such extension may only be by way of a mutual written agreement of the parties that the parties execute and deliver separate and apart from this Agreement. Therefore, there is no guarantee or assurance of any kind that such an extension will in fact occur and any such extension is in any event subject beforehand to a recommendation from the Oversight Committee in accordance with the foregoing provisions of this paragraph 3.

4. IMPLEMENTATION ACTIVITIES

CAP staff will network with physicians, medical groups, school nurses and other organizations to solicit referrals for enrollment into CAP. Upon referral receipt, case worker will schedule home visit or educational session. Case worker will enroll client into the program, provide asthma education, medication use demonstration and provide asthma aids.

A case manager will conduct in-home environmental assessments to identify potential triggers of asthma for children ages 0-18. Case manager will educate and assist the family in reducing and removing asthma triggers and devise a trigger reduction plan. Eligible parents will be referred to the Healthy Homes Program. Case worker will call parents after home visit, and administer a short survey to determine trigger reduction efforts, and record results.

Parents will be provided with information on the importance of Asthma Action Plans (AAPs) and encouraged to have their care provider complete an AAP to share with their school and other caretakers. Follow-up calls will be conducted to ensure the child's asthma is under control and to provide additional information as necessary. Short surveys will be administered.

A case manager will inform families of the importance of Asthma Action Plans and will work with the child's physician and school to facilitate use of the plan. Parents will be encouraged to schedule regular medical visits for their child. For families without insurance, case worker will refer families to Catholic Charities, DOPH or other organizations providing application assistance for health coverage. Program surveys will be administered to determine frequency of ER visits, hospitalizations and asthma symptoms.

Objectives and Task Activities

Major Objectives	Tasks-Activities	Time Line	Performance Measure and/or Deliverables
1. One year from project implementation, CAP staff will enroll 200 clients with the following characteristics: 1) has a current persistent asthma diagnosis; 2) between the ages of 0 to 18 years; and 3) resides within Western Riverside County.	1a. Network with physicians, medical groups, school nurses and other organizations to solicit referrals for enrollment into CAP. 1 b. Upon referral receipt, case worker will schedule home visit or educational session. 1c. Case worker will enroll client into the program, provide asthma education, medication use demonstration and provide asthma aids.	1a. From implementation through term of the grant. 1b. Within 3 days of receipt of referral. 1c. Through term of the grant.	1a. Presentation/Collaboration Log. 1b. Referral and Assignment Logs. 1c. CAP Enrollment Database. Progress Report.
2. Provide telephone consultation or asthma classes for 100 parents of children with a mild or intermittent asthma diagnosis.	2a. Referrals or calls from parents or children who do not have persistent asthma will receive Asthma 101 information via phone calls or through on site clinic consultation. 2b. Parents will receive Asthma 101 information at a group setting per requests by school nurses, daycare centers, clinic staff , etc.	2a. From implementation through term of the grant. 2b. From implementation through term of the grant.	2a. Referral/Assignment Log/Database. 2b. Presentation/Collaboration Log.
3. One year from project implementation, CAP will assist parents in elimination or reduction of asthma triggers in the homes of a minimum of 150 school-aged children with asthma.	3a. Case manager will conduct in-home environmental assessments to identify potential triggers of asthma for children ages 0-18. 3b. Case manager will educate and assist the family in reducing and removing asthma triggers and devise a trigger reduction plan. Parents will receive information on outdoor environmental triggers. 3c. Case worker will call parents after home visit, and administer a short survey to determine trigger reduction efforts, and record results.	3a. From implementation through term of the grant. 3b. At time of enrollment; home visit. 3c. 2 weeks post home visit.	3a. Enrollment Database, case files. 3b. Enrollment Database, case files. 3c. Enrollment Database, case files. Progress Report.
4. One year from project implementation, CAP will increase parents' confidence in managing their child's asthma in 50% of enrolled families.	3a. Parents will be provided with information on the importance of Asthma Action Plans (AAPs) and encouraged to have their care provider complete an AAP to share with their school and other caretakers. 3b. Follow-up calls will be conducted to ensure the child's asthma is under control and to provide additional information as necessary. Short surveys will be administered.	3a. At time of enrollment; home visit. 3b. 2 weeks; 3 months, and 6 months post enrollment.	3a. Enrollment Database, case files. 3b. Case files, enrollment database.
5. One year from project implementation, at least 50% of enrollees will demonstrate a decrease of asthma hospitalizations and/or asthma-related emergency room visits and/or improvement of asthma symptoms.	43a. Case manager will inform families of the importance of Asthma Action Plans, and will work with the child's physician and school to facilitate use of the plan. 4b. Parents will be encouraged to schedule regular medical visits for their child. For families without insurance, case worker will refer families to Catholic Charities, DOPH or other organizations providing application assistance for health coverage 4c. Provide program surveys to determine frequency of ER visits, hospitalizations and asthma symptoms.	4a. From implementation through term of the grant. 4b. At intake, 3 months and 6 months post enrollment. 4c. At intake, 3months and 6 months post enrollment.	4a. Case file notes, Enrollment Database. 4b. Referral log, case files. 4c. Results recorded in Enrollment Database. Progress Report.

5. BUDGET AND STATUS REPORTS

GRANTEE shall provide the Oversight Committee with periodic written status reports. Such reports shall include: (1) summaries of activities conducted during the grant period; (2) outcomes summarizing the operations and impact of the program in each participating community; and (3) a budget report and accounting for all disbursements. The due dates for such written reports are as follows:

Status & Budget Reports	Provided Quarterly (first Report due three months from the date that the agreement is executed)
Final Status & Budget Report	Due 12 months after the date that the agreement is executed

The summary report shall include an analysis of health improvements based on the following expected program outcomes:

Expected Program Outcomes

CAP will reduce the impact of asthma and improve the quality of life for parents and children affected by asthma, ages 0-18, and living in Western Riverside County.

CAP will also strive to diminish the health disparities for ethnic children affected by asthma. The home-visitation model will bring needed services to many families for whom transportation is an issue. Additionally, CAP case managers encourage parents to schedule regular medical visits for children with asthma, as opposed to episodic treatment. Parents are also encouraged to have their pediatrician complete an Asthma Action Plan (AAP), which outlines steps to take during asthma symptoms. Once completed, parents are encouraged to share the AAPs with schools and other caretakers to properly manage and avoid episodes.

For children with a mild to intermittent asthma diagnosis, the parents will receive asthma education either by telephone consultation or on site at the request of clinic staff. CAP staff will provide case management and education to children with a persistent asthma diagnosis and their parents. Case managers will conduct home visits (approximately one hour) to each family enrolled in the program, and instruct, demonstrate and observe the proper use of asthma medications, as prescribed by the family's physician. Each client will receive a minimum of one home visit by appropriately trained staff who are culturally and linguistically competent.

During the home visit, case managers will conduct in-home environmental assessments to identify potential triggers of asthma for each child. Parents will receive education on asthma triggers and be provided with a list of techniques to eliminate or reduce asthma triggers. Should the initial environmental assessment

determine a smoker in the home, the family will be referred to the Department of Public Health's (DOPH) Tobacco Control Project for smoking cessation classes. Additionally, families will be alerted to the other outdoor environmental triggers to include air pollutants, wildfire smoke, pollen, etc. The trained case managers will, when appropriate, inform families of the link between obesity and asthma and refer families to the DOPH's Nutrition Branch for counseling as needed.

After each home visit, case managers will provide 15 to 20 minute follow up phone calls and/or additional home visits as required to assure that the child's asthma is under control. At 2 weeks, the case manager will call to check on the status of the child's symptoms, as well as determine trigger reduction status. Additionally, short surveys will be administered at 3 months and 6 months to ascertain decrease in emergency department visits, parents' confidence level, reduction of symptoms, and medication usage and other pertinent information.

The intended outcomes of reduced asthma episodes, reduced asthma-related emergency room visits, reduced asthma-related hospitalizations, improvement of asthma symptoms and parents' confidence level will be measured by comparing results of a pre-program survey with those of a post-program survey. The parents of the children enrolled in the program will provide answers to questions designed to measure the above-mentioned indicators on pre-post surveys. The surveys will be analyzed by a Research Analyst from the DOPH's Epidemiology and Program Evaluation Branch to determine if an individual enrolled in the program experienced an improvement in any or all of the indicators.

Referrals to the program will be generated from established partnerships in the target community, such as Riverside County Unified School District, Perris Unified School District, Inland Empire Health Plan, DOPH's Family Care Centers, Supplemental Nutrition Program for Women, Infants and Children (WIC), private physicians, and a vast network of coalition partners. Additionally, staff will promote the program through participation in community events, presentations, school activities, and targeted outreach.

Evaluation:

The CAP evaluation plan consists of four components. Three of the four components provide outcome-level measurements and the fourth is designed to evaluate internal processes. The three outcome components are designed to measure improvement of individual enrollees, overall program effectiveness, and community impact. The fourth component is a set of process measurements which are designed to provide immediate programmatic feedback that will allow for monitoring activities and effective progress reporting.

Outcomes for Individuals:

The intended outcomes of reduced asthma episodes, reduced asthma-related emergency room visits, reduced asthma-related hospitalizations, and improvement of asthma symptoms will be measured by comparing results of a pre-program survey with those of a post-program survey. The parents of the children enrolled in the program will provide answers to questions designed to measure the above-mentioned indicators on pre-post surveys. The surveys will be analyzed by a Research Specialist with the Department of Public Health Epidemiology and Program Evaluation Branch to determine if an individual enrolled in the program experienced an improvement in any or all of the indicators.

Outcomes for Overall Program Effectiveness:

To evaluate the effectiveness of the program overall, the arithmetic means of asthma episodes, emergency room visits, and hospitalizations from the pre-program surveys will be compared to the arithmetic means of the same indicators from the post-program survey. A lower mean will indicate improvement. A statistical test that measures the difference of means will be performed on each indicator to determine level of significance of the change.

Outcomes for the Impact on the Community:

Historical hospital discharge data provided by the Office of Statewide Health Planning and Development (OSHPD) will be analyzed by zip code and by year to determine a trend of asthma hospitalization rates for each zip code in Western Riverside County (WRC) and an aggregate rate for the WRC as a whole. The OSHPD asthma hospitalization data that corresponds to the program year of this grant will be analyzed and compared to the historical trend for evidence of impact both at the zip code level and at the ERC level. A lower rate indicates success.

Process Evaluation:

The CHA Program Coordinator will continuously evaluate the program's effectiveness and methods through a review of monthly statistical reports on program activities and process evaluation measures. Additionally, quarterly reports on statistical data will be compiled from the program's database by a Research Analyst from the Department's Epidemiology and Program Evaluation Branch. Compiled reports will be submitted promptly to the AQMD as required. Process-level measurements will come from the following sources:

- Follow up phone calls to enrolled parents of at 2 weeks, 3 months and 6 months
- Number of Asthma Action Plans given to parents
- Parents' level of confidence in the management of child's asthma
- Number of clients enrolled: initial intake, follow-up data, home visit summaries
- Environmental assessments: assessments tool information, triggers found, etc.

6. **EXPENDITURE OF FUNDS:**

Under federal tax law, all of the grant funds must be expended for charitable, educational, scientific or religious purposes. This grant is made only for the purposes described in this Attachment. The grant funds may not be used for any other purpose without prior written approval from the Oversight Committee.

ATTACHMENT II

BP/AQMD PUBLIC BENEFITS OVERSIGHT COMMITTEE
GRANT AWARD TERMS AND CONDITIONS

PROJECT BUDGET
Riverside County Department of Public Health

Detailed Budget for Period: 12 months

	Annual Salary Rate	Total FTE	Budget
PERSONNEL:			
Public Health Program Coordinator II	$69,662	0.5	$34,831
Nursing Education Instructor	$83,056	0.5	$41,528
Licensed Vocational Nurse	$39,504	1	$39,504
Health Education Assistant II	$45,963	1	$45,963
Research Specialist	$44,787	0.05	$2,239
Office Assistant III	$31,839	0.5	$15,920
PERSONNEL SUB-TOTAL:		**3.55**	**$179,985**
BENEFITS @45%			**$80,993**
Bilingual Pay			**$1,040**
TOTAL PERSONNEL AND BENEFITS			**$262,018**
OTHER OPERATING EXPENSES			
Supplies - Office			$750
Supplies - Medical			$17,000
Printing			$500
Postage/Mailing			$200
Communications Services (Cell phones, etc)			$4,817
Promotional Items			$2,000
Training			$1,000
Co. Veh./Priv.Mileage Reimb @ .55mile			$5,248
Advertising			$500
Rents/Lease Buildings			$24,000
Other Services Support:			
Equipment - Office Non Fixed			$0
TOTAL OPERATING EXPENSE:			**$56,015**
Indirect Costs @ 10%			**$31,803**
GRAND TOTAL:			**$349,836**

701

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency

SUBMITTAL DATE: July 7, 2009

SUBJECT: Fourth Amendment to Revenue Lease – Riverside Centre, Riverside

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Fourth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County.

BACKGROUND: Aklufi & Wysocki have occupied Suite 610 at Riverside Centre, 3403 Tenth Street, since July 31, 1987. Pursuant to the terms of their Lease Agreement they have exercised their option to extend their lease for an additional three years commencing on October 1, 2009. This Form 11 and Fourth Amendment to Lease represents this renewal.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	**Current F.Y. Total Cost:**	$-0-	**In Current Year Budget:**	N/A
	Current F.Y. Net County Cost:	$-0-	**Budget Adjustment:**	N/A
	Annual Net County Cost:	$-0-	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: Revenue Lease

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 7-16-09
SYNTHIA M. GUNZEL DATE
Departmental Concurrence

☒ Policy ☐ Consent — Dep't Recomm.:

☑ Policy ☐ Consent — Per Exec. Ofc.:

Prev. Agn. Ref.: N/A | **District:** 2 | **Agenda Number:** 3.24

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

Lessor:	County of Riverside Economic Development Agency 3133 Mission Inn Avenue Riverside, California 92507
Premises Location:	Riverside Centre 3403 Tenth Street, Suite 610 Riverside, California 92501
Size:	1,868 square feet
Term:	Three years commencing October 1, 2009
Rent:	$ 2.35 per sq. ft. $ 4,389.80 per month $ 52,677.60 per year
Rental Adjustments:	Three percent - (3%)
Utilities:	Provided by Lessor
Custodial Services:	Provided by Lessor
Maintenance:	Provided by Lessor
Parking:	Three (3) reserved parking spaces at prevailing rate

The attached Fourth Amendment has been reviewed and approved by County Counsel as to legal form.

FOURTH AMENDMENT TO LEASE
3403 Tenth Street, Suite 610, Riverside, California

This Fourth Amendment to Riverside Centre Office Lease ("Fourth Amendment") is made as of September, 2009, by and between the **COUNTY OF RIVERSIDE,** a political subdivision of the State of California ("County"), and **AKLUFI AND WYSOCKI**, a California general partnership ("Lessee").

1. Recitals.

a. Lessee (previously referred to as "Tenant") and Bank of Montreal ("Landlord") entered into that certain Riverside Centre Office Lease dated July 31, 1987 (the "Original Lease"), pursuant to which Lessee leased a portion of the 6th floor of that certain building located at 3403 Tenth Street, Suite 610, Riverside, CA (the "Building"), as more particularly shown on Exhibit "A", attached hereto and made a part hereof.

b. The Original Lease has been amended by:

i. That certain First Amendment of Riverside Centre Lease dated October 1, 1993, by and between CPR/Riverside Centre Associates and Tenant (the "First Amendment").

ii. That certain Second Amendment of Riverside Centre Lease dated December 14, 1998, by and between CPR/Riverside Centre Associates and Tenant (the "Second Amendment").

iii. That certain Third Amendment of Riverside Centre Lease dated July 24, 2006, by and between Riverside Centre Associates and Tenant (the "Third Amendment").

c. The Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

d. County is the successor in interest to Riverside Centre Associates under the Lease.

e. The term of the Lease, as heretofore amended, will expire September 30, 2009. County and Lessee desire to further amend the Lease to extend the term of the Lease, to modify the monthly rental payments and to otherwise modify the terms and conditions of the Lease as set forth in this Fourth Amendment.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

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///

///

ORIGINAL

2. Capitalized Terms; Fourth Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this Fourth Amendment.

3. Extension of Term. The Term of this Lease is hereby extended three (3) years. The extended term will commence on October 1, 2009, and will expire on September 30, 2012 ("Extended Term"). September 30, 2012, shall hereafter be the "Expiration Date".

4. Option to Extend. Lessee shall have the option to extend the term of this Lease one (1) year. Option shall be exercised by Lessee providing County of its election thereof, in writing, not later than sixty (60) days prior to the expiration of the extended term of this Lease.

5. Rent During Extended Term. Lessee shall pay to County the monthly sums as rent for the Leased premises during the term of this Lease as indicated below:

Amount	Year
$4,389.80	10/1/09 – 9/30/10
$4,521.49	10/1/10 – 9/30/11
$4,657.15	10/1/11 – 9/30/12

6. Operating Expenses. Paragraph 6, Subparagraph 6.01 of the Original Lease Agreement and any amendments of this subsection heretofore is hereby deleted in its entirety and shall no longer be in force or effect.

7. Amendment of Allocated Number of Parking Spaces. Paragraph 8 of the Third Amendment to the Lease is hereby amended as follows: During the Extended Term, Lessee shall be entitled to a total of three (3) reserved parking spaces in the Building's parking facility ("Allocated Number of Parking Spaces"). Lessee's use of the Allocated Number of Parking Spaces shall be subject to the terms and conditions of the Lease, including this Fourth Amendment. Lessee shall pay a monthly parking charge for each parking space, commencing on October 1, 2009, at the prevailing monthly rate.

///
///
///

5. This Fourth Amendment to Lease shall not be binding or consummated until its approval by the Board of Supervisors of Riverside County.

Dated: Sept. 10, 2009

AKLUFI AND WYSOCKI, a California general partnership

By: _____
Joseph S. Aklufi, General Partner

By: _____
David L. Wysocki, General Partner

COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Deputy County Counsel

TW:ra
070209
RV431
12.402

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

713

FROM: Economic Development Agency

SUBMITTAL DATE: October 15, 2009

SUBJECT: Community Development Block Grant-Recovery (CDBG-R) Program - Substantial Amendment to the 2008-2009 One-Year Action Plan of the 2004-2009 Five Year Consolidated Plan

RECOMMENDED MOTION: That the Board of Supervisors amend the CDBG-R Substantial Amendment to the 2008-2009 One-Year Action Plan by the following actions:

1. Add New Project "Mid-County Senior Services Center" $900,000
2. Remove Project "Kay Ceniceros Senior Center" $900,000

BACKGROUND: The U.S. Department of Housing and Urban Development (HUD) requires that all substantial amendments to the Five-Year Consolidated Plan and the One-Year Action Plan be approved by the Board of Supervisors. All new activities added to the One-Year Action Plan as well as any significant increases in funding to an existing project will be considered substantial amendments.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 900,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	08-09

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Community Development Block Grant (Recovery) Funds - U.S. Department of Housing and Urban Development

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Jennifer L. Sargent

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☑ Policy

Departmental Concurrence

Prev. Agn. Ref.: 3.33 of 6/2/09 | **District:** All | **Agenda Number:** 3.25

EDA-0018FF11
Form 11 (Rev 06/2003)

BACKGROUND: (Continued)

Pursuant to 24 CFR 91.105, and the CDBG-R regulations, the Economic Development Agency published a 9-day public notice notifying the public of the proposed amendment.

The Kay Ceniceros Senior Center was selected as one of the original projects to receive CDBG-R funding. However, due to the importance of having this project implemented and completed in a timely manner, work was begun in July 2009; this was prior to the final approval of the CDBG-R grant agreement with HUD, which was not effective until August 18, 2009. Consequently, the regular allocation of 3rd District CDBG funds are being used for the project costs.

A new eligible project, the Mid-County Senior Services Center, has been selected to replace the Kay Ceniceros Senior Center project for the CDBG-R funds. Staff recommends approval of the new project as described in Attachment "A."

Financial:

The use of CDBG-R funding for the Mid-County Senior Services Center will have no impact upon the General Fund.

ATTACHMENT A

(1) Activity Name: **Mid-County Senior Service Center (CDBG-R 1-Amended)**
749 South State Street, Hemet, CA 92543
$900,000 CDBG-R Funding

(2) Activity Narrative: **In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:**

- **Preserving and creating jobs and promoting economic recovery;**
- **Assisting those most impacted by the recession;**
- **Providing investment needed to increase economic efficiency;**
- **Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;**
- **Minimizing or avoiding reductions in essential services; or**
- **Fostering energy independence.**

RESPONSE: The County of Riverside is proposing to amend the CDBG-R Substantial Amendment by adding a new project: Mid-County Senior Service. The County will utilize $900,000 of CDBG-R funds to pay for costs associated with the development of this new 13,248 square foot facility located in the City of Hemet. The new facility, to be located in an existing commercial building, will replace the existing 8,000 square foot Hemet Senior Services Center. The existing Center can no longer provide adequate and functional space for the essential services needed by seniors in the mid-county region.

The project includes the conversion and renovation of a vacant, 13,248 square foot, County-owned commercial building (former *Smart and Final*). This renovated facility will provide space for employment, counseling, referral, and veterans' services. The reconfigured interior will include conference and meeting rooms, waiting areas, offices, storage space, restrooms, activities areas, a break room, as well as electrical and plumbing improvements. The exterior of the building will be redesigned to provide a modern façade. Other exterior improvements include parking, vehicular and pedestrian flow, landscaping, outdoor activities, drainage, signage, and other improvements. Further, the modernization and renovations to the structure will incorporate energy efficiency and water conservation measure where practical.

This project has been selected for CDBG-R funding because this project can be started and completed expeditiously; it is anticipated that the contract for construction of these improvements can be awarded in December 2009. The mid-county region of Riverside County was particularly hard hit by the foreclosure crisis. The resulting downturn and excessive unemployment rates in the construction industry has had a tremendously adverse impact upon the region's economy. Moderate to large construction project are eagerly sought in this region to mitigate this devastating economic impact.

Furthermore, the mid-county region has a large senior population. The economic downturn has adversely impacted the retirement assets of many seniors, thereby affecting their livelihoods and standards of living. The expanded and improved services provided by the Senior Service Center will assist seniors and enable them to be self-sufficient and better adapt to these economic conditions.

(3) Jobs Created: **(Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs).**

RESPONSE: It is anticipated that these construction activities will result in the creation of at least twenty-five (25) temporary construction jobs. According to the operator of the Senior Center, the new facility will allow for the retention of fifteen (15) full-time staff and fifteen volunteers. It is also expected that additional services providers will locate to the Center. This could result in the retention or creation of an additional five-to-ten (5-10) full-time positions. In addition, the project will create jobs in various construction related trades including surveying, materials testing, and inspection.

It is estimated that the new Senior Service Center will allow for a ten-to-fifteen percent (10-15%) increase in the number of seniors utilizing the Center. This equates to an increase of 200-300 seniors per year.

(4) Additional Activity Information: **(A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)**

RESPONSE: The renovation and modernization of the facility to house the Senior Service Center will incorporate various energy-saving upgrades including insulation, weatherization, lighting, and water conserving plumbing improvements. In addition, the landscaping will incorporate water conserving measure.

(5) Responsible Organization:

Riverside County Economic Development Agency
1325 Spruce Street, Suite 400, Riverside, CA 92507
Natalia Brown, Regional Manager, 3rd District
(951) 955-8916 FAX (951) 955-9505 FAX
nataliabrown@rivcoeda.org

730

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency

SUBMITTAL DATE:
October 13, 2009

SUBJECT: Proposition 1A Securitization Program – County Libraries

RECOMMENDED MOTION: That the Board approve Resolution 2009-326 approving the form of and authorizing the execution and delivery of a Purchase and Sale Agreement and related documents with respect to the sale of the seller's Proposition 1A Receivable from the state; and directing the authorizing certain other actions in connection therewith.

BACKGROUND: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concurs.

BACKGROUND: (Commences on page 2.)

Dan Martinez for
Robert Field
Assistant County Executive Officer/EDA

Departmental Concurrence

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Jennifer L. Sargent

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.:

District:

Agenda Number: 3.26

DM:SM:NJ:al
S:\Cultural Services\Library\Form 11s\Prop 1A.doc 9656

EDA-001a-F11

BACKGROUND: The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest (set at 2%) by June 30, 2013.

The legislature approved SB67 on October 14, 2009 and the governor signed it into law October 19, 2009. SB 67 provides a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism.

Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide Riverside County with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from the County). The purchase price paid to Riverside County will equal 100% of the amount of the property tax reduction. All transaction costs and interest will be paid by the State of California. The County will have no obligation on the bonds and no credit exposure to the State.

If the County sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the County's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The County's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the County if the State does not make the Proposition 1A Repayment.

731

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency

SUBMITTAL DATE: October 19, 2009

SUBJECT: Southwest Justice Center Cogeneration Plant Repairs

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve a sole source award to Endurant Energy LLC, of Anaheim, California to determine cause of engine failures and rebuild the engines for the amount of $412,000, and authorize the Chairman to execute the agreement on behalf of the County; and

2. Authorize the Assistant County Executive Officer/EDA to administer the agreement in accordance with applicable Board policies.

BACKGROUND: In 2006, a cogeneration plant which included two 16 cylinder Waukesha natural gas engines was installed to provide power to the chiller plant at the Southwest Justice Center Campus.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 412,000	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: The County's Boiler and Machinery insurance subject to a $10,000 deductible amount; the deductible to be paid by the Department.

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

Robert Howdyshell, Director
PURCHASING & FLEET SERVICES

Departmental Concurrence

☒ Policy ☐ Consent

☒ Policy ☐ Consent

Dep't Recomm.:

Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 3 | **Agenda Number:** 3.27

BACKGROUND: (Continued)

The natural gas powered cogeneration plant yields significant cost savings by replacing demand for electric power with the less expensive and cleaner natural gas fuel source. The County received a $900,000 rebate from its partnership with Southern California Edison and The Gas Company.

In March and June of 2008, the cogeneration system experienced two separate engine failures. Unless this plant is repaired, the County must return the rebate to the Energy Partnership. The County has received assurance from its insurance carrier, Alliant Insurance Services, that these catastrophic failures are covered events, and the County will be reimbursed for repair cost above the policy's $10,000 deductible.

Endurant Energy LLC has been chosen by the Economic Development Agency and Risk Management to rebuild the two Waukesha engines due to their proven track record and expertise with Waukesha engines and correcting inoperable cogeneration plants.

Endurant Energy's work scope will include rebuilding both Waukesha engines, reviewing cogeneration plant design, providing design recommendations, re-commissioning the engines and plant, and determining the root cause of the catastrophic engine failures.

The information gathered will assist Risk Management in securing the reimbursement through the County's insurance carrier.

RIVERSIDE COUNTY
Economic Development Agency

MEMORANDUM

ECONOMIC DEVELOPMENT AGENCY

Robert Field
Assistant County Executive Officer/EDA

TO: **PURCHASING AGENT**

FROM: Robert Field, Assistant County Executive Officer/ EDA

DATE: **October 15, 2009**

SUBJECT: Sole Source Procurement; Request for Endurant Energy LLC

The below information is provided to request approval for a sole source purchase. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested:

Service Affecting: Southwest Justice Center Cogeneration Plant Operations Repair

Supplier being requested:

Endurant Energy LLC

Alternative suppliers that can or might be able to provide supply/service:

This supplier has been chosen to perform rebuilding of two natural gas 16 cylinders Waukesha Engines due to their proven expertise with rehabilitating failed Cogeneration Plants and rebuilding Waukesha Engines is vital to those plants. Endurant Energy is to rebuild both Waukesha Engines onsite and once they are back in service is to review the design, then witness the operation of the plant and both engines to determine the root cause of the catastrophic failure for subrogation purposes, and provide an evaluation and assessment with recommendations. The manufacture factory representative Valley Power Systems in California cannot rebuild the natural gas engines on site. The costs for them to make the repairs were extremely high and they required both engines to be removed to their factory for entire breakdown, attempt to determine root cause analysis, rebuild then return to site and reinstall.

Extent of market search conducted:

I (Nancy Cano) contacted North Hefley with Endurant Energy based upon a trusted referral that used Endurant to resolve similar issues. North has expertise in the field of Cogeneration Plants and the Waukesha Engines that power those plants.

P.O. Box 1180♦ Riverside, CA 92502 ♦ Tel: (951) 955-8916 ♦ Fax: (951) 955-6686

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

The repair work is critical to the County of Riverside's effort to meet the requirements agreed upon between the County of Riverside, Southern California Edison and Gas Companies as part of the existing Energy Efficiency Partnership Program.
The terms of the contract with the energy partnership program requires that the plant be repaired or the County of Riverside must return the rebate monies of $900,000 back to the Partnership. Endurant Energy can rebuild both natural gas engines onsite when Valley Power Systems could not.

Reasons why my department requires these unique features and what benefit will accrue to the county:

The Cogeneration Plant has been down for approximately one year five months. The installing Contractor, Southland Industries, has been unable to determine the source of the failures. Therefore, the County of Riverside requests that Endurant Energy be approved to perform the required repairs onsite and complete a full evaluation of the entire system.

We met with Endurant Energy as related to catastrophic failures of our Waukesha engines at Southwest Justice Center. There, Kent Livingston with County Risk Management reviewed this site with EDA/Facilities Management and Endurant Energy. Kent Livingston who possesses special experience in complex diesel engines like the natural gas Waukesha engine models we have decided that Endurant Energy had the required expertise to assist the County of Riverside with these repairs. It was approved by the County of Riverside Insurance Carrier Alliance Insurance Services to have Endurant Energy repair the Waukesha Engines at this location.

Price Reasonableness:
$412,000.00

Does moving forward on this product or service further obligate the county to future similar contractual arrangements?
No.

Department Head Signature **Date**

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

10/22/09

Purchasing Agent **Date**

C: Nancy Cano, PM

P.O. Box 1180♦ Riverside, CA 92502 ♦ Tel: (951) 955-8916 ♦ Fax: (951) 955-6686

634

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency

SUBMITTAL DATE: August 17, 2009

SUBJECT: Seventh Amendment to Lease – Community Health Agency, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Seventh Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and

2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as set forth in Schedule A.

BACKGROUND: On September 1, 1990, the county entered into a lease for the Community Health Agency (CHA) at 9415 Mission Boulevard in Riverside, to accommodate the agency's Jurupa Family Health Center and Women, Infant, and Children's (WIC) program. Due to the increase in service demands for health care and other public health services the facility no longer meets the department's location and space requirements. On July 15, 2008, the Board of Supervisors approved an "In-Principle" form 11 to secure a build to suit leased facility of increased size for CHA.

(Continued)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY S Bocanegra 10/15/09
SUSANA GARCIA-BOCANEGRA

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$154,015	**In Current Year Budget:**	No
	Current F.Y. Net County Cost:	$61,606	**Budget Adjustment:**	Yes
	Annual Net County Cost:	$63,400	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: Revenue 60%, General Fund 40%

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel DATE 9-31-09
SYNTHIA M. GUNZEL

Amended Hamilton Director of Public Health

Departmental Concurrence

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☑ Policy

Prev. Agn. Ref.: 8/7/90, 3.34; 8/2/94, 3.31; 11/29/94, 3.22; 10/17/95, 3.13; 6/8/99, 3.7; 3/23/05, 3.11; 7/15/08, 3.16

District: 2

Agenda Number: 3.28

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

(Continued)

BACKGROUND:

However, this project was placed on hold due to budget constraints and reorganization of Community Health Agency's reduced staff. In an effort to assist Community Health in moving forward and achieving their goals, the Real Estate Division has assisted the department by negotiating the following lease terms: a lease renewal for three (3) years, at a reduced rate of $1.15 per square feet, as compared to the existing rate of $1.30 per square feet. This results in an overall rental reduction of 13%. The rental reduction will assist the department with an overall cost savings of $52K for the full term of the lease. The reduced rate provides the Department with valuable resources to assist in funding this and other programs in an efficient and cost effective manner.

Location:	9415 Mission Boulevard, Suites I, J, K, and O-S Riverside, California	
Lessor:	John P. and Margie Oostdam 1970 N. Warren Road San Jacinto, California 92582	
Size:	Approximately 9,600 square feet	
Term:	Three (3) years, October 1, 2008 through September 30, 2011.	
Rent:	Current $ 1.30 per sq. ft. $ 12,510 per month $150,120 per year	New $ 1.15 per sq. ft. $ 11,040.00 per month $132,480.00 per year
Cost Savings:	Rent Reduction: Savings Per Month: Savings Per Year: Savings Per Lease Term:	13% $1,470.00 $17,640.00 $52,920.00
Annual Adjustment:	Three percent (3%) on each anniversary date, October 1st.	
Utilities:	County pays phone and electric. Lessor to pay all other utilities.	
Interior/Exterior Maintenance:	Provided by Lessor.	

(Continued)

BACKGROUND:

Custodial:	County	
Market Data:	5961 Mission Boulevard, Riverside	$1.88 per sq. ft.
	2300 Market Street, Riverside	$2.28 per sq. ft.

The attached Seventh Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this Seventh Amendment to Lease will be fully funded through CHA's budget. CHA has budgeted for these costs in FY 2009/10; however, Economic Development Agency (EDA) requires a budget adjustment to its FY 2009/10 budget to cover related transactional costs with the property owner. While EDA will front the costs for this amendment with the property owner, CHA will reimburse EDA for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	$135,072
10000-7200600000-529540 – Utilities	$13,824
10000-7200400000-572500 – Intra – Leases	($135,072)
10000-7200600000-573800 – Intra - Utilities	($13,824)

Exhibit A

Community Health Agency Lease Cost Analysis for FY 2009/10
9415 Mission Boulevard, Suites I, J ,K, and O-S, Riverside, California

Current Square Feet Occupied:

Office:		9,600	SQFT		
Cost per Square Foot:	$	1.15			
Lease Cost per Month (July 1, 2009 - September 30, 2009)			$ 11,040		
(Annual Insrease @ 3% (Commencing October 1, 2009)				$	33,120
Cost per Square Foot:	$	1.18			
Lease Cost per Month (October 1, 2009 - June 30, 2010)			$ 11,328		
				$	101,952
Total Estimated Lease Cost for FY 2009/10				$	135,072

Estimated Utility Costs:

Utility Cost per Square Foot	$	0.12			
Estimated Utility Costs (July 1, 2009 - June 30, 2010)			$ 13,824		
Total Estimated Utility Cost for FY 2009/10				$	13,824
Tenant Improvement Costs for Expansion Space:				$	-
RCIT Improvements:				$	-
EDA Lease Management Fee (Based @ 3.79%)				$	5,119
Total Estimated Lease Cost FY 2009/10				$	154,015
Current County Cost at 40%:				$	61,606

Exhibit B

Community Health Agency Lease Cost Analysis for FY 2010/11
9415 Mission Boulevard, Suites I, J ,K, and O-S, Riverside, California

Current Square Feet Occupied:

Office:		9,600	SQFT		
Cost per Square Foot:	$	1.18			
Lease Cost per Month (July 1, 2010 - September 30, 2010)			$ 11,328		
(Annual Insrease @ 3% (Commencing October 1, 2009)				$	33,984
Cost per Square Foot:	$	1.22			
Lease Cost per Month (October 1, 2010 - June 30, 2011)			$ 11,712		
				$	105,408
Estimated Lease Cost FY 2010/11				$	139,392

Estimated Utility Costs:

Utility Cost per Square Foot	$	0.12			
Estimated Utility Costs (July 1, 2010 - June 30, 2011)				$	13,824
EDA Lease Management Fee (Based @ 3.79%)				$	5,283
Total Estimated Lease Cost FY 2010/11				$	158,499
Annual Net County Cost at 40%:				$	63,400

Edward Walsh Office on Aging 9/2/09

513

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency

SUBMITTAL DATE: August 6, 2009

SUBJECT: Sixth Amendment to Lease - Department of Office on Aging, Palm Desert

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Sixth Amendment to Lease and authorize the Chairman of the Board to execute the same on behalf of the County; and

2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as set out on Schedule A.

BACKGROUND: This Sixth Amendment to Lease represents a request from Office on Aging to extend the lease for its office located at 73750 Catalina Way, in Palm Desert, commencing August 1, 2009, through July 31, 2011. Office on Aging has occupied this facility since 1996, providing a retired senior volunteer program and a senior employment/placement service to senior citizens living in the desert area. The facility is also utilized for administrative purposes.

(Continued)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: [signature] 10/1/09
SUSANA GARCIA-BOCANEGRA

Robert Field,
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$18,001	**In Current Year Budget:**	No
	Current F.Y. Net County Cost:	$ -0-	**Budget Adjustment:**	Yes
	Annual Net County Cost:	$ -0-	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: RSVP 30%; Title III 60%; Title V 10%

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION: APPROVE

BY: [signature] Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 8-20-09
SYNTHIA M. GUNZEL DATE

Departmental Concurrence

☐ Consent ☒ Policy — Dep't Recomm.:
☐ Consent ☑ Policy — Per Exec. Ofc.:

Prev. Agn. Ref.: 1/8/02, 3.20; 7/29/03, 327; 6/7/05, 3.11; 7/31/07, 3.41; 12/16/08 3.25;

District: 4

Agenda Number: 3.29

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

(Continued)

BACKGROUND:

The facility continues to meet the requirements of the department. In an effort to provide cost savings for the department, The Real Estate Division has negotiated a two (2) year lease term commitment with no additional increases over the next two (2) years.

Location:	73-750 Catalina Way Palm Desert, California 92260	
Lessor:	Cove Communities Senior Association 73-750 Catalina Way Palm Desert, California 92660	
Size:	Approximately 1,325 square feet	
Term:	Two (2) years, August 1, 2009, through July 31, 2011.	
Rent:	Current $ 1.19 per sq. ft. $ 1,576.75 per month $18,921.00 per year	New $ 1.19 per sq. ft. $ 1,576.75 per month $18,921.00 per year
Rent Adjustments:	None	
Utilities:	County pays phone	
Lessor:	Pays all other utilities.	
Interior/Exterior Maintenance:	Provided by Lessor.	
Market Data:	73-710 Fred Waring Drive Alessandro Drive, Palm Desert 73-555 San Gorgonio Way, Palm Desert, CA	$1.67 $1.33

The attached Sixth Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this Sixth Amendment to Lease will be fully funded through Office on Aging budget. Office on Aging has budgeted for these costs in FY 2009/10; however, EDA requires a budget adjustment to its FY 2009/10 budget to cover related transactional costs with the property owner. While EDA will front the costs for this amendment with the property owner, Office on Aging will reimburse EDA for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 - Rent/Lease Buildings	$17,344
10000-7200400000-572500 - Intra – Leases	($17,344)

Exhibit A

Department of Office on Aging Lease Cost Analysis for FY 2009/10
73-750 Catalina Way, Palm Desert, California

Current Square Feet Occupied:

Office:		1,325	SQFT		
Cost per Square Foot:	$	1.19			
Lease Cost per Month (August 1, 2009 - June 30, 2010)			$ 1,576		
Total Estimated Lease Cost for FY 2009/10				**$**	**17,344**

Estimated Utility Costs:

Utility Cost per Square Foot	$	-			
Estimated Utility Costs (August 1, 2009 - July 31, 2010)			$ -		
Total Estimated Utility Cost for FY 2009/10				**$**	**-**
FM Lease Management Fee (Based @ 3.79%)				**$**	**657**
Total Estimated Lease Cost FY 2009/10:				$	18,001

Exhibit B

Department of Office on Aging Lease Cost Analysis for FY 2010/11
73-750 Catalina Way, Palm Desert, California

Current Square Feet Occupied:

Office:		1,325	SQFT		
Cost per Square Foot:	$	1.19			
Lease Cost per Month (July 1, 2010 - June 30, 2011)			$ 1,576		
Total Estimated Lease Cost for FY 2010/11				**$**	**18,921**

Estimated Utility Costs:

Utility Cost per Square Foot	$	-			
Estimated Utility Costs (August 1, 2010 - July 31, 2011)			$ -		
Total Estimated Utility Cost for FY 2010/11				**$**	**-**
FM Lease Management Fee (Based @ 3.79%)				**$**	**717**
Total Estimated Lease Cost FY 2010/11:				$	19,638

SIXTH AMENDMENT TO LEASE
(Department of Office on Aging,
73-750 Catalina Way, Palm Desert, California)

This SIXTH AMENDMENT TO Cove Communities Senior Association Lease ("Sixth Amendment") is made as of _____, 2009, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **COVE COMMUNITIES SENIOR ASSOCIATION**, a California Corporation ("Lessor").

1. Recitals.

a. **COVE COMMUNITIES SENIOR ASSOCIATION, a California Corporation,** Lessor, and **COUNTY OF RIVERSIDE**, County, hereby agree to amend that certain Lease dated August 26, 1996 (the "original Lease") pertaining to the premises located within that certain building located at 73-750 Catalina Way, Palm Desert, California, as more particularly shown on Exhibit "A", attached to the Lease as follows:

b. The Original Lease has been amended by:

i. That certain First Amendment of Cove Communities Senior Association Lease dated January 8, 2002, by and between County of Riverside and Cove Communities Senior Association (the "First Amendment").

ii. That certain Second Amendment of Cove Communities Senior Association Lease dated July 29, 2003, by and between County of Riverside and Cove Communities Senior Association (the "Second Amendment").

iii. That certain Third Amendment of Cove Communities Senior Association Lease dated May 2, 2005, by and between County of Riverside and Cove Communities Senior Association (the "Third Amendment").

iv. That certain Fourth Amendment of Cove Communities Senior Association Lease dated July 31, 2007, by and between County of Riverside and Cove Communities Senior Association (the "Fourth Amendment").

v. That certain Fifth Amendment of Cove Communities Senior Association Lease dated December 16, 2008, by and between County of Riverside and Cove Communities Senior Association (the "Fifth Amendment").

c. The Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

d. The term of the Lease, as heretofore amended, will expire July 31, 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

2. **Capitalized Terms: Sixth Amendment to Prevail.** Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Sixth Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this Sixth Amendment.

3. **Extension of Term.** The Term of this Lease is hereby extended two (2) years. The extended term will commence on August 1, 2009 and will expire on July 31, 2011 ("Extended Term"). July 31, 2011 shall hereafter be the "Expiration Date".

4. **Rent During Extended Term.** County shall pay to Lessor the monthly sums as rent for the Leased premises during the term of this Lease as indicated below:

Amount	Year
$1,576.75	08/01/09 – 07/31/11

5. All other provisions of the Lease remain the same.

6. This Sixth Amendment to Lease shall not be binding or consummated until its approval by the County's Board of Supervisors.

Dated: _____

COVE COMMUNITIES SENIOR ASSOCIATION
a California Corporation

By: _____
Peter Rittenhouse, Executive Director

COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman
Board of Supervisors

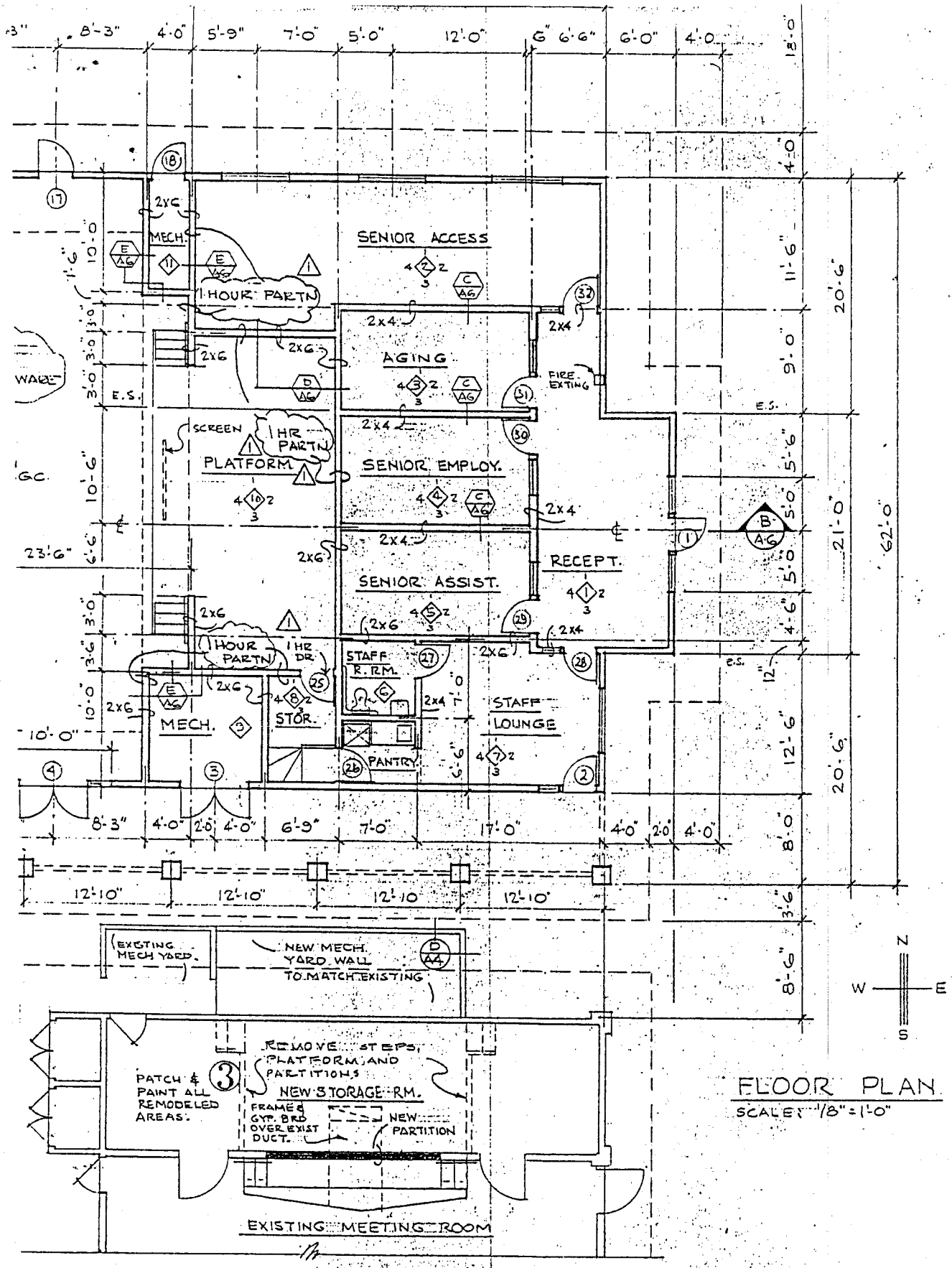
ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: _____
Synthia M. Gunzel
Deputy County Counsel

CC:ra
072709
PD004
12.239



FLOOR PLAN

SCALE: 1/8" = 1'-0"

TING BUILDING RENOVATIONS

EXHIBIT "A"

Probation Department
Sally A. Beavan
Chief Deputy Administrator
9-15-09

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

514

FROM: Economic Development Agency

SUBMITTAL DATE:
August 24, 2009

SUBJECT: Second Amendment to Lease – Probation Department, Perris

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County; and

2. Authorize the Auditor-Controller to adjust Economic Development Agency's FY 2009/10 budget as set out in Schedule A.

BACKGROUND: (Commences on Page 2)

FORM APPROVED COUNTY COUNSEL
BY: SYNTHIA M. GUNZEL DATE 9-14-09

Reviewed by
CIP TEAM
Christopher Hans

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY 10/1/09
SUSANA GARCIA-BOCANEGRA

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$120,886	**In Current Year Budget:**	No
	Current F.Y. Net County Cost:	$ 27,803	**Budget Adjustment:**	Yes
	Annual Net County Cost:	$ 48,432	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: State 52%; Federal 22%; General Fund 23%; Other 3%

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

☒ Policy ☐ Consent — Dep't Recomm.:

☑ Policy ☐ Consent — Per Exec. Ofc.:

Prev. Agn. Ref.: 8/27/2002 3.35; 5/6/2008 3.9

District: 5

Agenda Number: 3.30

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

On August 27, 2002, the County of Riverside entered into a lease agreement (as amended May 6, 2008) for the Probation Department in the City of Perris. The Probation Department facility is located at 2560 North Perris Blvd., Building N-1. This Second Amendment to Lease will extend the Lease for a period of five (5) years effective as of December 1, 2009. The Economic Development Agency (EDA), Real Estate Division, has renegotiated the rent from $1.45 per square foot to $1.37 per square foot, which equates to a 5.9% savings in rent for the department. In addition, the annual increase has been renegotiated from 5% to 3%.

Lessor:	Perris Investment Trust 26371 Avery Parkway, Unit B Mission Viejo, California 92692
Premises Location:	2560 North Perris Boulevard, Building N-1 Perris, California 92570
Size:	Approximately 11,200 square feet
Term:	Five (5) year extension effective as of December 1, 2009

Rent:	Current	New
	$ 1.45 per square foot	$ 1.37 per square foot
	$ 16,232.30 per month	$ 15,344.00 per month
	$ 194,787.60 per year	$ 184,128.00 per year

Rental Adjustments:		
	Year 1	$15,344.00
	Year 2	$15,804.32
	Year 3	$16,278.44
	Year 4	$16,929.58
	Year 5	$17,606.76

Utilities:	County pays electric.

The attached Second Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully funded through the Probation's department budget. Probation has budgeted these costs in FY 2009/10; however, EDA requires a budget adjustment to its FY 2009/10 budget to cover related transactional costs with the property owners. While EDA will front the costs for this Second Amendment to Lease with the property owners, the Probation Department will reimburse EDA for all associated lease costs.

Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	$107,408
10000-7200600000-529540 – Utilities	$ 9,408
10000-7200400000-572500 – Intra Leases	($107,408)
10000-7200600000-573800 – Intra Utilities	($ 9,408)

Exhibit A

Probation Lease Cost Analysis for FY 2009/10
2560 North Perris Boulevard, Building N-1, Perris, California

Current Square Feet Occupied:

Office:		11,200	SQFT		
Cost per Square Foot:	$	1.37			
Lease Cost per Month (December 1, 2009 - June 30, 2010)			$ 15,344		
Total Estimated Lease Cost for FY 2009/10				**$**	**107,408** ✓

Estimated Utility Costs:

Utility Cost per Square Foot	$	0.12			
Estimated Utility Costs (December 1, 2009 - June 30, 2010)			$ 9,408		
Total Estimated Utility Cost for FY 2009/10				**$**	**9,408** ✓
EDA Lease Management Fee (Based @ 3.79%)				**$**	**4,070** ✓
Total Estimated Lease Cost FY 2009/10:				$	120,886
Current Net County Cost @ 23%				$	27,803

Exhibit B

Probation Lease Cost Analysis for FY 2010/11
2560 North Perris Boulevard, Building N-1, Perris, California

Current Square Feet Occupied:

Office:		11,200	SQFT		
Cost per Square Foot:	$	1.37			
Lease Cost per Month (July 1, 2010 -November 30, 2010)			$ 15,344		
Total Estimated Lease Cost for FY 2010/11				$	**76,720**
Cost per Square Foot:	$	1.41			
Lease Cost per Month (December 1, 2010 - June 30, 2011)			$ 15,804		
Total Estimated Lease Cost for FY 2010/11				$	**110,630**

Estimated Utility Costs:

Utility Cost per Square Foot	$	0.12			
Estimated Utility Costs (July 1, 2010 -June 30, 2011)			$ 16,128		
Total Estimated Utility Cost for FY 2010/11				$	**16,128**
EDA Lease Management Fee (Based @ 3.79%)				$	**7,100**
Total Estimated Lease Cost FY 2010/11:				$	210,578
Annual Net County Cost @ 23%				$	48,432

SECOND AMENDMENT TO LEASE
Probation Department
2560 N. Perris Boulevard, Building N-1, Perris, California

This SECOND AMENDMENT to Lease ("Second Amendment") is made as of _____, 2009, by and between the **COUNTY OF RIVERSIDE,** a political subdivision of the State of California, herein called ("County"), and **PERRIS INVESTMENT TRUST,** herein called ("Lessor").

WITNESSETH:

Whereas, Lessor and County entered into that certain Lease dated August 27, 2002 (the "Original Lease") pursuant to which County leased the premises located at 2560 N. Perris Boulevard, Building N-1, Perris, California ("Leased Premises"), as more particularly described on Exhibit "A," attached hereto and made a part hereof.

Whereas, the Original Lease has been amended by that certain First Amendment of Lease dated May 6, 2008, by and between Lessor and County (the "First Amendment").

Whereas, the Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease."

Whereas, the term of the Lease, as heretofore amended, will expire November 30, 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease, to modify the monthly rental payments and to otherwise modify the terms and conditions of the Lease as set forth in this Second Amendment.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Capitalized Terms; Second Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Second Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains the same and in full force and effect except to the extent amended by this Second Amendment.

2. Extension of Term. The Term of this Lease is hereby extended five (5) years ("Extended Term"). The Extended Term will commence on December 1, 2009, and will expire on November 30, 2014 ("Expiration Date").

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///

///

3. Rent During Extended Term.

a. Section 5.1 of the Original Lease and Section 2.0 of the First Amendment are hereby amended by the following: County shall pay to the Lessor the monthly sums as rent for the Leased Premises during the Extended Term of this Lease as indicated below:

Amount	Year
$15,344.00	12/1/2009-11/30/2010
$15,804.32	12/1/2010-11/30/2011
$16,278.44	12/1/2011-11/30/2012
$16,929.58	12/1/2012-11/30/2013
$17,606.76	12/1/2013-11/30/2014

b. As set forth in Section 3(a) herein, Section 5.2 of the Original Lease, is hereby amended as follows: The monthly rental shall be increased on each anniversary of this Lease by an amount equal to three percent (3%) during year one, two and three of the Extended Term. The monthly rental shall be increased by four percent (4%) in year four and five of the Extended Term.

4. Improvements by Lessor. Lessor, at its expense, shall provide the following tenant improvements:

(a) Paint interview and training rooms

(b) Install kick plates to designated doors

///
///
///

5. This Second Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors.

Dated: _____

PERRIS INVESTMENT TRUST

By: _____
Natasha Radwan, Trustee

COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman
Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Deputy County Counsel

MTra
082409
PR023
12.655

562

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Agency Development, Real Estate Division

SUBMITTAL DATE: July 10, 2009

SUBJECT: Second Amendment to Lease – Department of Mental Health, Perris

RECOMMENDED MOTION: That the Board of Supervisors approve the attached Second Amendment to Lease and authorize the Chairman of the Board to execute same on behalf of the County.

BACKGROUND: On January 13, 2009, a lease agreement was executed by the Assistant County Executive Officer of the Economic Development Agency for a six (6) month extension for the Department of Mental Health (DOMH) facility located at 1688 North Perris Boulevard, in Perris. This Second Amendment to lease will extend the lease twelve (12) months until June 8, 2010.

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	**Current F.Y. Total Cost:**	$150,652	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ -0-	**Budget Adjustment:**	No
	Annual Net County Cost:	$ -0-	**For Fiscal Year:**	2009/10

SOURCE OF FUNDS: 47.40% Medi-cal; 51.39% State; .65% Grants/MOU; .56% 3rd Party

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL
BY: SYNTHIA M. GUNZEL DATE 7/13/09

MARIA T. MABEY, ASST DIRECTOR
RIVERSIDE COUNTY DMH

Dep't. ☐ Consent ☐ Policy

Per Exec. Ofc.: ☒ Consent ☑ Policy

Prev. Agn. Ref.: 6/23/1998, 3.23 | **District:** 5 | **Agenda Number:** 3.31

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

(Continued)

BACKGROUND:

This facility continues to meet the needs of the department. To assist the department and County with its overall objective of reducing lease costs, the Economic Development Agency (EDA), Real Estate Division, has negotiated the following terms: A one year lease extension, eliminating the annual increase of 3%, and a tenant improvement allowance in the amount of $1,500.00. Since there is no annual increase the department has saved approximately $4,366.44 for the current lease term. Combined together with the tenant improvement allowance the department will achieve a cost savings in the approximate amount of $5,866.44 per the extended term.

Lessor:	Coudures Family Limited Partnership c/o 1st Commercial Real Group Inc. 1688 North Perris Boulevard, Suite F4 Perris, California 92571
Premises Location:	1688 North Perris Boulevard Suites L7 through L11 Perris, California 92571
Size:	Approximately 8,640 Square feet
Term:	Effective as of June 9, 2009 and terminating June 8, 2010

Rent:	Current	New
	$ 1.79 per square feet	$ 1.79 per square feet
	$ 15,128.93 per month	$ 15,128.93 per month
	$181,547.16 per year	$181,547.16 per year

Savings per lease term by negotiating the elimination of the 3% annual increase and the addition of the Tenant Improvement Allowance resulted in a cost saving for the Department of $5,866.44 for the current lease term.

Annual Increase:	$0
Utilities:	County pays phone and electric. Landlord pays for gas and refuse.
Custodial Services:	Landlord
Maintenance:	Landlord

(Continued)

BACKGROUND:

Improvements:	Landlord to provide a tenant improvement allowance in the amount of $1,500. This improvement allowance will provide for new carpet in lobby, fresh paint in lobby, a new door for janitors closet and a door lock for room 135.	
Market Data:	2055 N. Perris Boulevard	$1.84 per square feet
	764 W. Ramona Express way	$1.85 per square feet
RCIT Costs:	None	

The attached Second Amendment to Lease has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this Second Amendment to Lease will be fully reimbursed through DOMH's budget. DOMH has budgeted for these costs in FY 2009/2010. No budget adjustment is required. While EDA will front the costs for the Second Amendment to Lease with the property owners, DOMH will reimburse EDA for all associated costs.

Exhibit A

Mental Health Lease Cost Analysis for FY 2009/10
1688 North Perris Boulevard, Perris, California

Current Square Feet Occupied:

Office:		8,640	SQFT		
Cost per Square Foot:	$	1.79			
Lease Cost per Month (June 9, 2009 - June 8, 2010)			$ 15,129		
Total Estimated Lease Cost for FY 2009/10				**$**	**136,160**

Estimated Utility Costs:

Utility Cost per Square Foot	$	0.12			
Estimated Utility Costs (June 9, 2009 - June 8, 2010)			$ 9,331		
Total Estimated Utility Cost for FY 2009/10				**$**	**9,331**
FM Lease Management Fee (Based @ 3.79%)				**$**	**5,160**
Total Estimated Lease Cost FY 2009/10:				$	150,652

SECOND AMENDMENT TO LEASE
(Department of Mental Health,
1688 North Perris Boulevard, Suites L7
through L11, Perris, California)

This Second Amendment to Department of Mental Health Office Lease ("Second Amendment") is made as of _____, 2009, by and between the **COUNTY OF RIVERSIDE,** a political subdivision of the State of California ("County"), and **COUDURES FAMILY LIMITED PARTNERSHIP** ("Lessor").

1. Recitals.

a. Coudures Family Limited Partnership, ("Lessor") and COUNTY OF RIVERSIDE, ("County") entered into that certain Department of Mental Health Lease dated June 23, 1998, (the "Original Lease") pursuant to which County leased 8,460 square feet of office space at 1688 North Perris Boulevard, Suites L7 through L11, Perris, California, as more particularly shown on Exhibit "A", attached hereto and made a part of hereof.

b. The original Lease has been amended by:

i. That certain First Amendment of Coudures Family Limited Partnership Lease dated January 13, 2009, by and between Coudures Family Limited Partnership and County of Riverside (the "First Amendment")

c. The Original Lease, heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

d. The term of the Lease, as heretofore amended, will expire June 8, 2010. County and Lessor desire to further amend the Lease to extend the term of the Lease, to modify the monthly rental payments and to otherwise modify the term and conditions of the Lease as set forth in this Second Amendment.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

2. Capitalized Terms: Second Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of the Second Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this Second Amendment.

3. Extension of Term. The Term of the Lease is hereby extended one (1) year. The extended term will commence on June 9, 2009 ("Extended Term"). June 8, 2010 shall hereafter be the "Expiration Date".

4. Rent During Extended Term. County shall pay to Lessor the monthly sums as rent to the Leased premises during the term of this Lease as indicated below:

Amount	Year
$15,128.93	06/09/09 – 06/08/10

5. Tenant Improvements. "Lessor" shall provide to "County" a Tenant Improvement allowance in the amount of ($1,500.00), one thousand, five hundred dollars. The Tenant Improvement allowance may be used in the form of a rent credit. The rent credit may be taken in one lump sum during the "Extended Term" and prior to the "Expiration Date".

6. This Second Amendment to Lease shall not be binding or consummated until its approval by the County's Board of Supervisors.

Date: _____

COUDURES FAMILY LIMITED PARTNERSHIP

By: _____
Darrell G. Smith, Vice President

COUNTY OF RIVERSIDE

By: _____
Jeff Stone, Chairman
Board of Supervisors

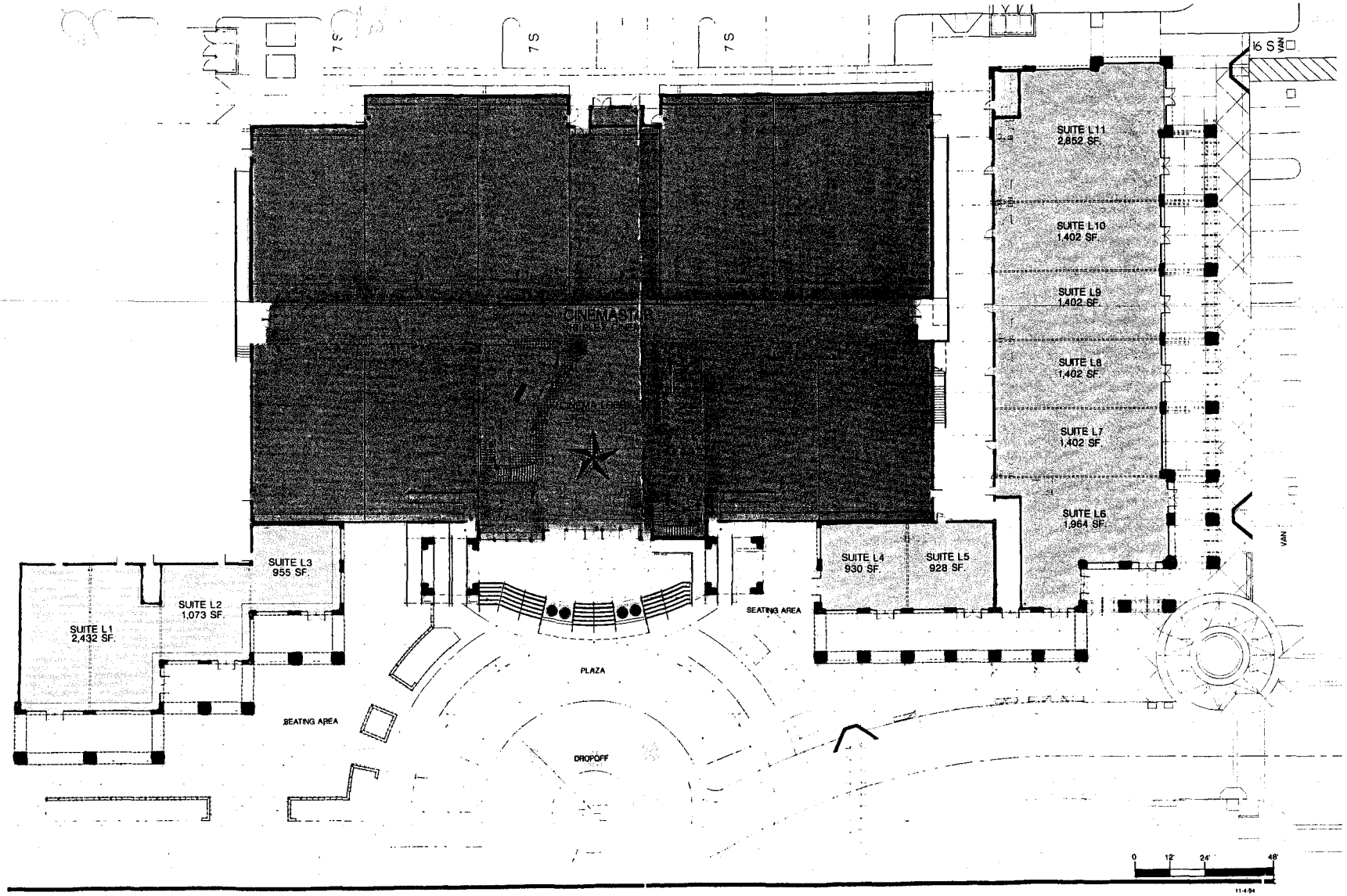
ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

CC:ra
073009
12.332

By: _____
Synthia M. Gunzel
Deputy County Counsel



PERRIS PLAZA

PERRIS, CALIFORNIA
COUDURES FAMILY PROPERTY

DEVELOPER CONSULTANT

LONG BEACH FINANCIAL SERVICES

MICHAEL MAAS & ASSOCIATES
1068 N. PERRIS BOULEVARD, SUITE F4 PERRIS, CALIFORNIA 92571
(909) 657-8788

EXHIBIT "A"

11-4-94

ARCHITECTURE, PLANNING:

MCLARAND VASQUEZ & PARTNERS INC.
695 TOWN CENTER DR. SUITE 800 COSTA MESA, CALIFORNIA 92626
(714)549-2207

HRP

CIVIL ENGINEERING:
ALBERT A. WEBB ASSOCIATES
3788 MCCRAY ST. RIVERSIDE, CALIFORNIA 92506
(909)686-1070

729

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency and the Department of Public Social Services

SUBMITTAL DATE: October 19, 2009

SUBJECT: Roy's Desert Resource Center Project

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt the Initial Study/Negative Declaration (IS/ND) (Attachment A) for Environmental Assessment No. EA08510003957 based on the finding incorporated in the Initial Study and the conclusion that the project will not have a significant effect on the environment; and

2. Approve the Project as described in the Environmental Assessment No. EA08510003957.

BACKGROUND: As the Lead Agency, the County of Riverside prepared an Initial Study for the proposed septic system upgrade to support the County of Riverside Roy's Desert Resource Center, formerly known as Desert Resource Center Build-Out, located in the City of Palm Springs.

(Continued)

Susan Loew, Director
Department of Public Social Services

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 0	**In Current Year Budget:**	N/A
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	N/A
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: Palm Desert Financing Authority Bond Proceeds 81% and Federal Department of Housing and Urban Development Appropriations Act 19%

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Jennifer L. Sargent

Reviewed by CIP Team Christopher Hans

FORM APPROVED COUNTY COUNSEL BY: TIFFANY N. NORTH 10/21/09

Departmental Concurrence

☐ Consent ☒ Policy — Dep't Recomm.:

☐ Consent ☒ Policy — Per Exec. Ofc.:

Prev. Agn. Ref.: 3.38, 7/21/09; 3.43, 7/29/08; 3.34, 7/01/08

District: 5

Agenda Number: 3.32

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

BACKGROUND: (Continued)

Roy's Desert Resource Center's current septic system is undersized to accommodate the projected discharge of 15,000 gallons of sewage per day. The proposed Project will include the installation of three 5,000 gallon septic tanks and seepage pits. Discretionary approval from the California Regional Water Quality Board is required. Therefore, in accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000-21177), an Initial Study was prepared to analyze the proposed project to determine if any potential significant impacts upon the environment would result from construction and implementation of the Project.

The analysis contained in the Initial Study demonstrates that the Project would not have any significant impact on the environment. The Initial Study/Negative Declaration (IS/ND) was prepared and circulated for the mandated 30-day public review and comment period from September 29, 2009 to October 28, 2009. The Notice of Determination is contained in Attachment A.

The comment letters, Notice of Determination, Determination of No Effect are included as an Attachment.

All costs associated with this project will be funded with Palm Desert Financing Authority and Federal Department of Housing and Urban Development Appropriations Act funds.

COUNTY OF RIVERSIDE
ENVIRONMENTAL ASSESSMENT FORM: INITIAL STUDY

Environmental Assessment (E.A.) Number: EA08510003957
Project Case Type (s) and Number(s): N/A
Lead Agency Name: County of Riverside Economic Development Agency
Address: 3133 Mission Inn Avenue, Riverside, CA 92507
Contact Person: Claudia Steiding, Senior Environmental Planner
Telephone Number**:** 951-955-8174
Email: CSteiding@rivcoeda.org
Applicant's Name: County of Riverside Economic Development Agency
Applicant's Address: 3133 Mission Inn Avenue, Riverside, CA 92507

I. PROJECT INFORMATION

Project Description: The County of Riverside's Economic Development Agency (EDA) is proposing modification improvements to an existing septic sewer system for Roy's Desert Resource Center homeless shelter located at 19533 McLane Street in the City of Palm Springs, California (See Exhibits 1 through 3).

Background:
The Project's Phase I development involved the existing facility known as the Mental Health Safe Haven and Full Service Partnership Clinic. Owned and operated by the Coachella Valley Multi-Services Center (CVMSC), this facility occupies a total of 13,448 square feet, of the eastern portion of the existing building and has the current capability of accommodating up to 25 homeless, single men and women. The facility is comprised of 7,908 square feet for housing, kitchen and dining amenities and another 5,540 square feet dedicated for the full service Partnership Clinic, which consists of a doctor's office, a nurse's office, a triage, chart room, an administrative office with office cubicles, private offices, and file/storage space. Currently, Phase I development utilizes a 4,000 gallon septic tank, which adequately serves the project's size. Phase I development is completed at this time.

The Phase II development involves the western portion of the existing 47,000 square foot building, and is named as Roy's Desert Resource Center, in honor of the County's late Supervisor Roy Wilson. This facility will occupy 20,546 square feet and will be able to accommodate up to 120 single men, single women, and families. Phase II will be managed by a total of 30 employees. Currently, the facility has one (1) 1,500 gallon septic tank, which is undersized to serve the Roy's Desert Resource Center. Therefore, in order to serve Roy's Desert Resource Center the proposed Project will consist of the proposed Phase II development, replacing the existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and associated seepage pits. This modification improvement would be located between the facility's existing building and the existing building located to the north (Refer to Exhibits 4 and 5). Overall, this would add to a total septic tank capacity of 19,000 gallons. Roy's Desert Resource Center is scheduled to open in December 2009 and will be operated and maintained by the Coachella Valley Association of Governments (CVAG).

A. Project Location and Assessor Parcel Numbers (APNs)
The Project site consists of one parcel: APN 666-411-011 totaling approximately 3.53 acres and is located at 19533 McLane Street in North Palm Springs, California.

Type of Project: Site Specific ☒; Countywide ☐; Community ☐; Policy ☐.

B. Total Project Area: 3.53 acres

Industrial/Commercial Acres: 3.53 **Lots:** 1 **Sq. Ft. of Bldg. Area:** 20,546 **Est. No. of Employees:** 30

C. Assessor's Parcel No(s): 666-411-011

D. Street References: The Project site is located at the southwest corner side of McLane Street, approximately 0.45 miles west of Indian Avenue in the City of Palm Springs, California. The site location is at 19533 McLane Street.

E. Section, Township & Range Description or reference/attach a Legal Description: Section 15, Township 3 South, Range 4 East. Latitude/Longitude: 33° 54' 21.23" North/116° 33' 11.98" West.

F. Brief description of the existing environmental setting of the project site and its surroundings: The Project site consists of the replacement of one (1) 1,500 gallon septic tank with three (3) 5,000 gallon septic tanks and seepage pit expansion on 3.53 acres at 19533 McLane Street. The facility is owned and operated by Riverside County's Economic Development Agency (EDA) for the purpose of providing shelter care and assistance to the homeless. Surrounding land uses consist of an existing industrial/commercial building to the north, a vacant-graded undeveloped pad to the east, Interstate 10 freeway to the south, and vacant undeveloped land to the west.

II. APPLICABLE GENERAL PLAN AND ZONING REGULATIONS

A. General Plan Elements/Policies:

1. **Land Use:** The entire 3.53 acre property is located in the City of Palm Springs and the project will adhere to the goals and policies of the County of Riverside's General Plan. The Project is consistent with the City's General Plan.

2. **Circulation:** Access to the Project site is off of McLane Street and is consistent with the Goals and Policies of the City's Circulation Element and the County Fire Department.

3. **Multipurpose Open Space:** Not Applicable

4. **Safety:** The proposed septic sewer improvement modifications to the existing facility would adhere to the policies pertaining to flood, fire, hazardous waste and seismic hazards as outlined in the Safety Element of the County of Riverside General Plan.

5. **Noise:** The Project will comply with the County of Riverside regarding construction work hours.

6. **Housing:** The Project site does not contain residential use designated land and is not located adjacent to existing residences. All immediate land uses adjacent to the site are of non-residential land use designation.

7. **Air Quality:** The Project will adhere to the goals and policies for projects located within the Salton Sea Air Basin (SSAB) under the jurisdiction of the South Coast Air Quality Management District (SCAQMD).

B. General Plan Area Plan(s): Western Coachella Valley

C. Foundation Component(s): N/A

D. Land Use Designation(s): Regional Business Park

E. Overlay(s), if any: None

F. Policy Area(s), if any: None

G. Adjacent and Surrounding Area Plan(s), Foundation Component(s), Land Use Designation(s), and Overlay(s) and Policy Area(s), if any: District 4 Redevelopment Zone.

H. Adopted Specific Plan Information

1. **Name and Number of Specific Plan, if any:** None

2. **Specific Plan Planning Area, and Policies, if any:** None

I. Existing Zoning: Service/Manufacturing Zone (M-1)

J. Proposed Zoning, if any: None

K. Adjacent and Surrounding Zoning: Service/Manufacturing Zone (M-1) (west of Project site), Planned Research and Development Zone (MIP) (south of Project site and south of Interstate 10 freeway) and Service/Manufacturing Zone (M-1) (east of project site).

III. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below (x) would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Less than Significant with Mitigation Incorporated" as indicated by the checklist on the following pages.

☐ Aesthetics	☐ Hazards & Hazardous Materials	☐ Public Services
☐ Agriculture Resources	☐ Hydrology/Water Quality	☐ Recreation
☐ Air Quality	☐ Land Use/Planning	☐ Transportation/Traffic
☐ Biological Resources	☐ Mineral Resources	☐ Utilities/Service Systems
☐ Cultural Resources	☐ Noise	☐ Other
☐ Geology/Soils	☐ Population/Housing	☐ Mandatory Findings of Significance

IV. DETERMINATION

On the basis of this initial evaluation:

A PREVIOUS ENVIRONMENTAL IMPACT REPORT/NEGATIVE DECLARATION WAS NOT PREPARED
☒ I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project, described in this document, have been made or agreed to by the project proponent. **A MITIGATED NEGATIVE DECLARATION** will be prepared.
☐ I find that the proposed project MAY have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

A PREVIOUS ENVIRONMENTAL IMPACT REPORT/NEGATIVE DECLARATION WAS PREPARED
☐ I find that although the proposed project could have a significant effect on the environment **NOTHING FURTHER IS REQUIRED** because all potentially significant effects (a) have been adequately analyzed in an earlier Environmental Impact Report (EIR) or Negative Declaration pursuant to applicable legal standards and (b) have been avoided or mitigated pursuant to that earlier EIR or Negative Declaration, including revisions or mitigation measures that are imposed upon the proposed project.
☐ I find that although all potentially significant effects have been adequately analyzed in an earlier EIR or Negative Declaration pursuant to applicable legal standards, some changes or additions are necessary but none of the conditions described in California Code of Regulations, Section 15162 exist. An **ADDENDUM** to a previously-certified EIR or Negative Declaration has been prepared and will be considered by the approving body or bodies.
☐ I find that at least one of the conditions described in California Code of Regulations, Section 15162 exist, but I further find that only minor additions or changes are necessary to make the previous EIR adequately apply to the project in the changed situation; therefore a **SUPPLEMENT TO THE ENVIRONMENTAL IMPACT REPORT** is required that need only contain the information necessary to make the previous EIR adequate for the project as revised.
☐ I find that at least one of the following conditions described in California Code of Regulations, Section 15162, exist and **a SUBSEQUENT ENVIRONMENTAL IMPACT REPORT** is required: (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) Substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require

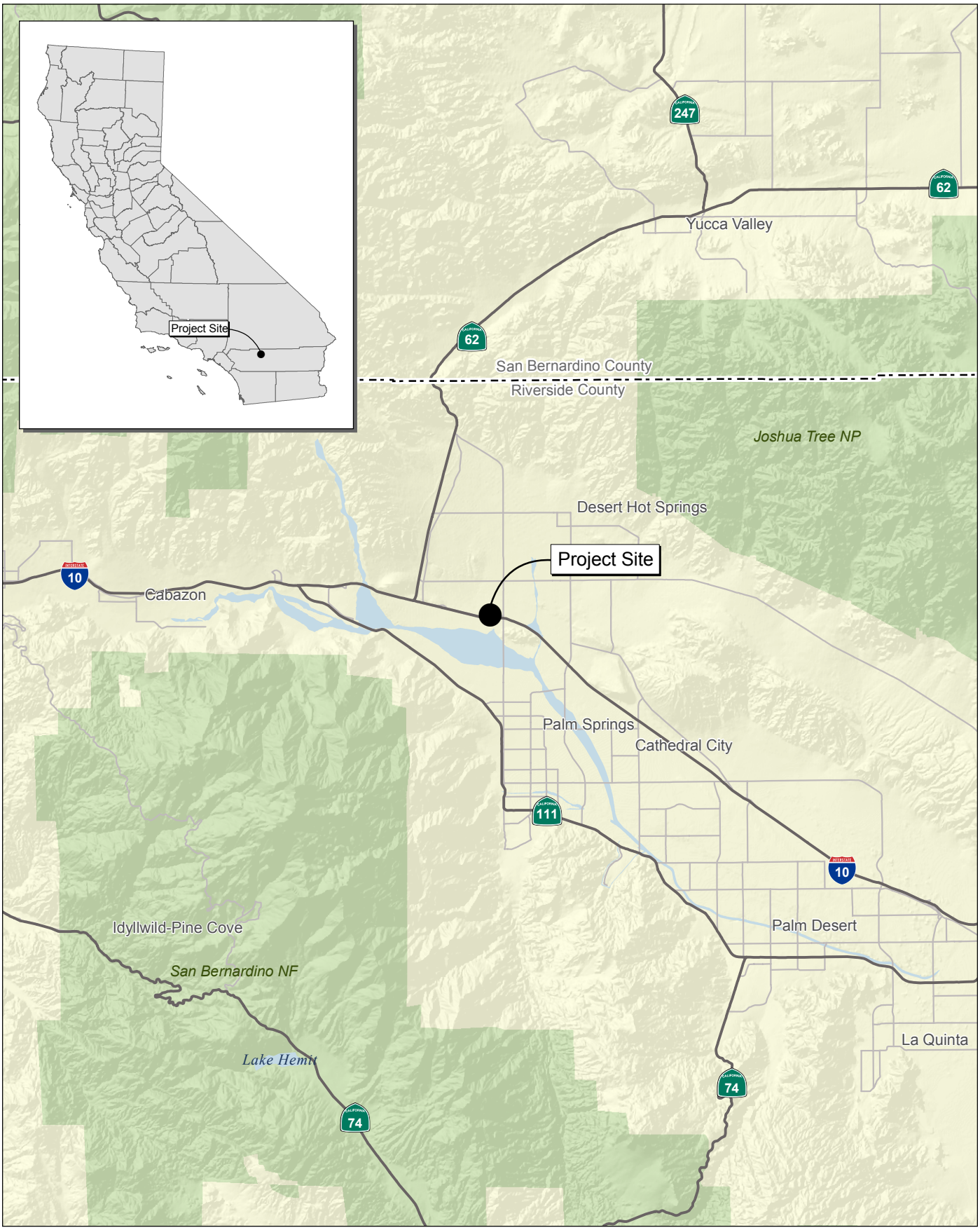
major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any the following:(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or,(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects of the project on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

Signature

Date

For

Claudia Steiding
Senior Environmental Planner
County of Riverside Economic Development Agency



Source: Census 2000 Data, The CaSIL, MBA GIS 2009.

NORTH

5 2.5 0 5 Miles

Michael Brandman Associates

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Exhibit 1
Regional Location Map

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: Google Earth Pro Aerial (January, 2006).

Exhibit 2
Local Vicinity Map
Aerial Base

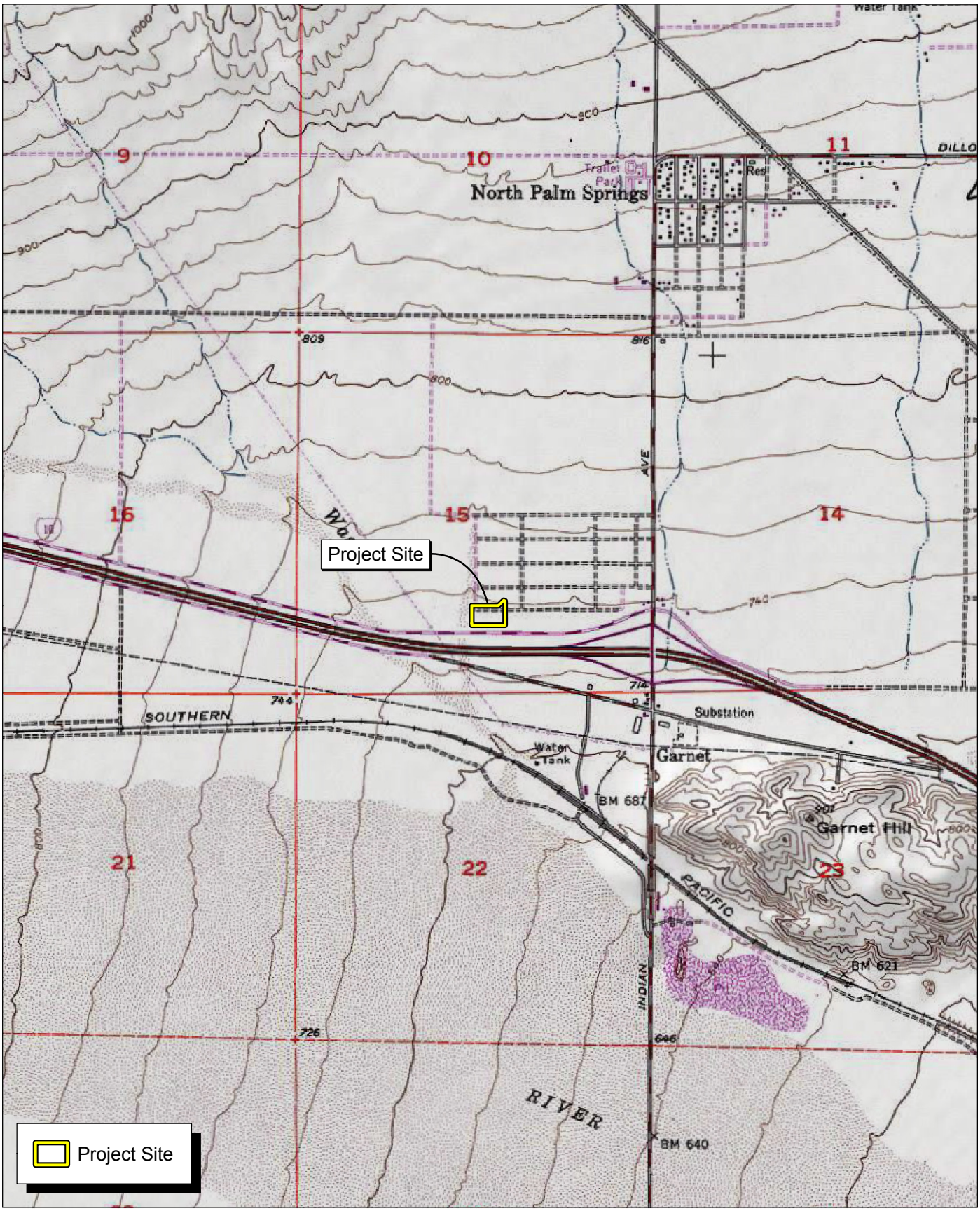
NORTH

800 400 0 800
Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: TOPO! Desert Hot Springs (1978) 7.5' DRG.

Exhibit 3
Local Vicinity Map
Topographic Base

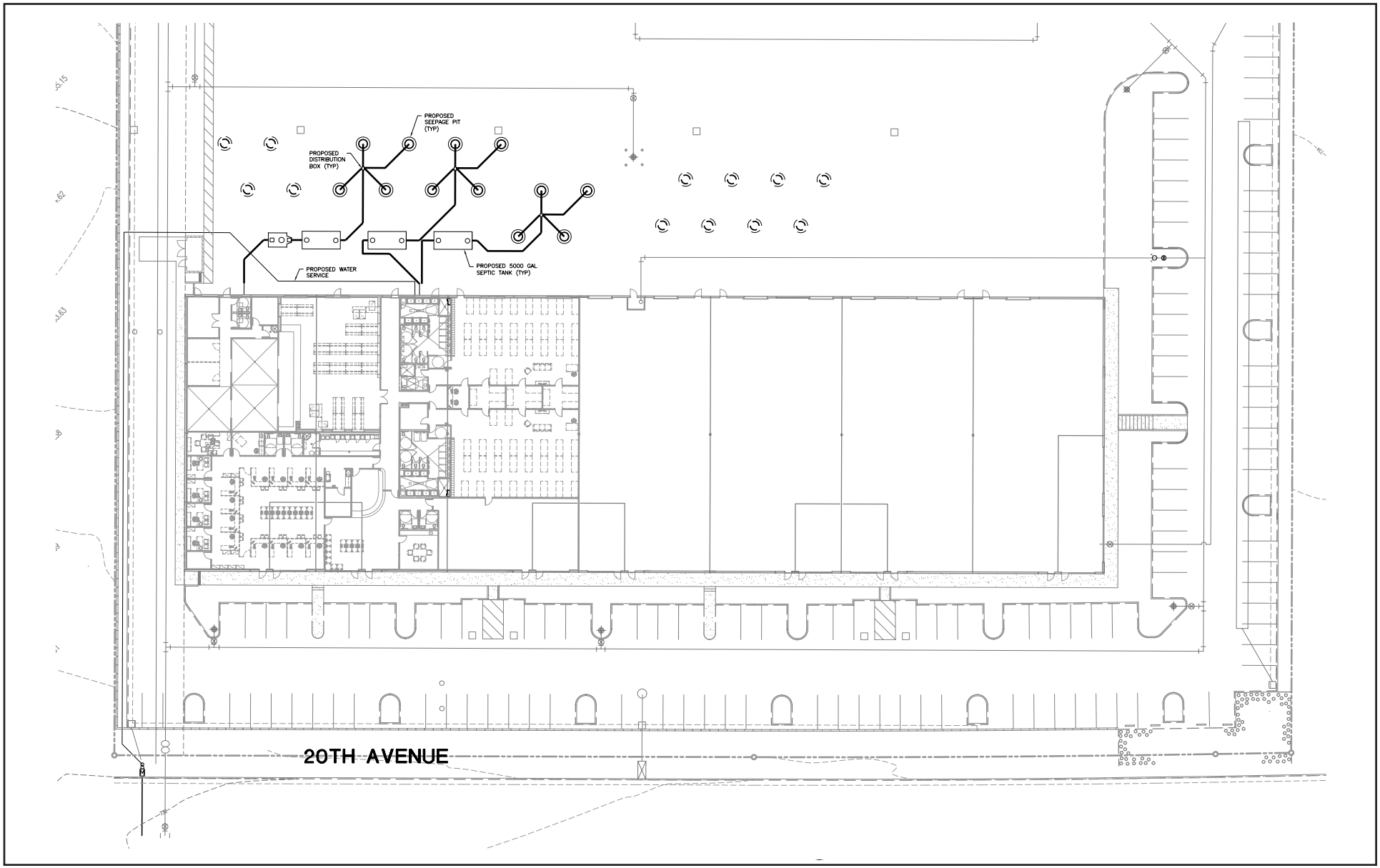
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2,000 1,000 0 2,000 Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: MSA Consulting, Inc. (2009).

NORTH

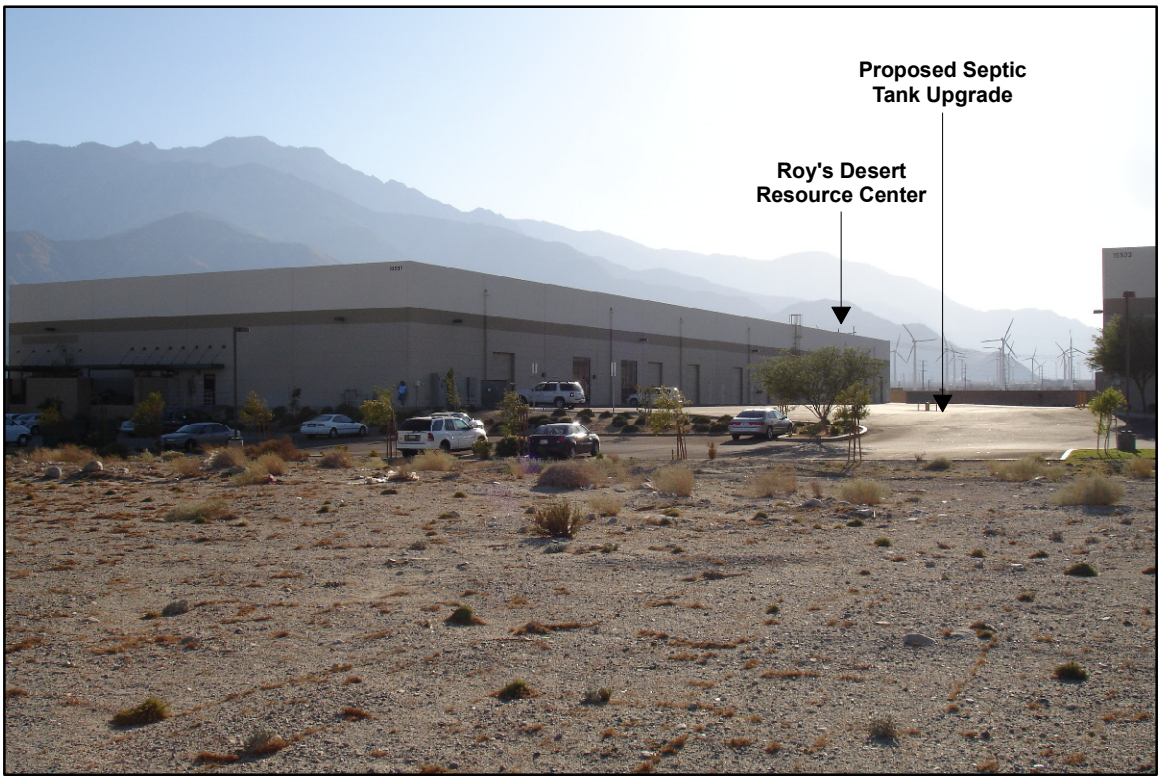
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Michael Brandman Associates

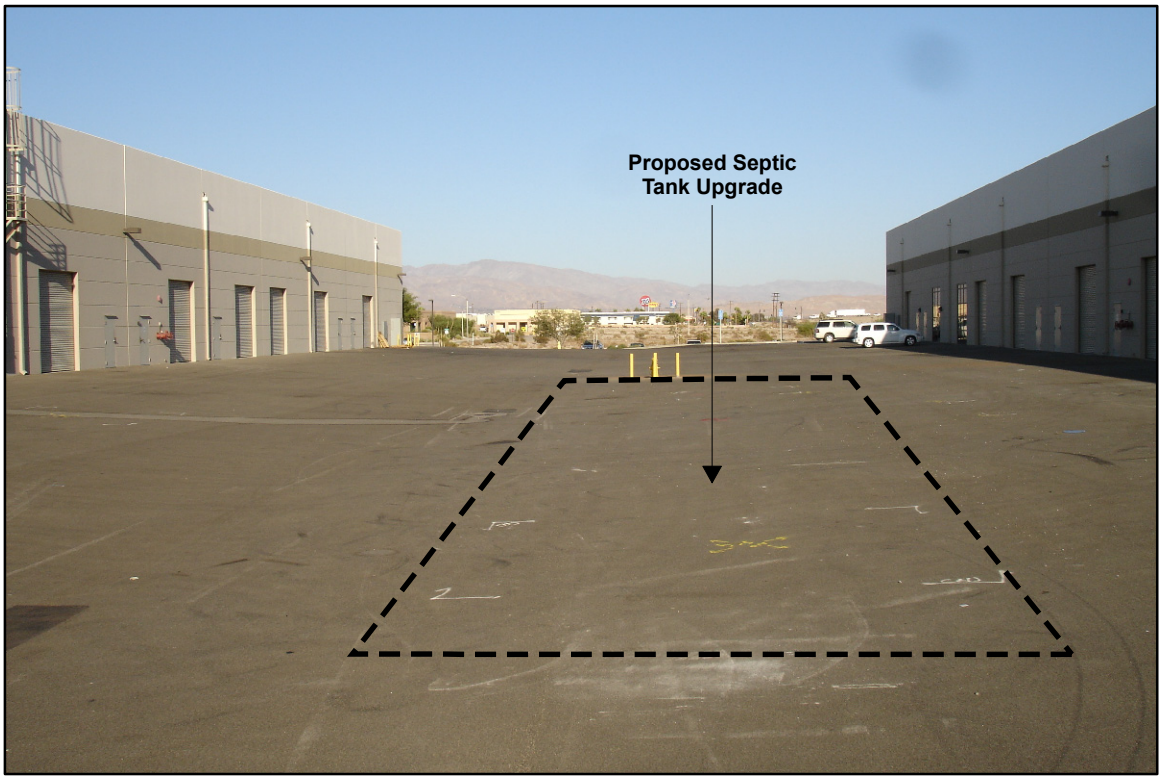
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Exhibit 4
Conceptual Site Plan

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Photograph 1: Looking west toward the project site.



Photograph 2: Facing proposed septic tank within the project site.

Source: Michael Brandman Associates, 2009.

Michael Brandman Associates

27490030 • 09/2009 | 5_photos.mxd

Exhibit 5
Site Photographs

V. ENVIRONMENTAL ISSUES ASSESSMENT

In accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000-21178.1), this Initial Study has been prepared to analyze the Proposed Project and to determine any potential significant impacts upon the environment that would result from construction and implementation of the Project. In accordance with California Code of Regulations (CCR), Section 15063, this Initial Study is a preliminary analysis prepared by the Lead Agency, the County of Riverside, in consultation with other jurisdictional agencies, to determine whether a Negative Declaration, Mitigated Negative Declaration (MND), or an EIR is required for the Proposed Project. The purpose of this Initial Study is to inform the decision-makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the Proposed Project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
AESTHETICS Would the project				
1. Scenic Resources a) Have a substantial effect upon a scenic highway corridor within which it is located?	☐	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings and unique or landmark features; obstruct any prominent scenic vista or view open to the public; or result in the creation of an aesthetically offensive site open to public view?	☐	☐	☐	☒

Source: Caltrans California Scenic Highway Mapping System. County of Riverside, Riverside County Integrated Project (RCIP) Figure C-7 "Scenic Highways".

Findings of Fact:

a-b) The proposed Project involves the installation of the (3), 5,000 gallon septic tanks with seepage pits to an existing developed, paved surface of land and located between the facility's existing building and the existing adjacent building to the north (Refer to Exhibits: 4 and 5). The Project is not located within a scenic corridor, nor considered as a scenic resource. The Project's installation of septic tanks and seepage pits will be located underneath the existing truck parking lot with no visual obstructions created. Therefore, the Project will not have an impact to scenic resources. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

2. Mt. Palomar Observatory a) Interfere with the nighttime use of the Mt. Palomar Observatory, as protected through Riverside County Ordinance No. 655?	☐	☐	☐	☒

Source: RICP; TG; Ord. No. 655

Findings of Fact:

a) Light pollution occurs when an over abundance of artificial illumination enters the night sky and reflects off of airborne water droplets and dust particles causing a condition known as skyglow. It occurs when glare from improperly aimed and unshielded light fixtures cause uninvited illumination to cross over into adjacent property lines. The Mt. Palomar Observatory is located in San Diego County and requires limited nighttime lighting requirements in order for the night sky to be observed clearly. The proposed Project is located approximately 41 miles northeast of the Observatory. The proposed improvements include the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and seepage pits. The Project site is not within and will not affect the Mt. Palomar Nighttime Lighting Overlay Area. Therefore, the Project would not impact the Observatory's night sky viewing ordinance.

Mitigation: None required.

Monitoring: None required.

3. Other Lighting Issues a) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☐	☒
b) Expose residential property to unacceptable light levels?	☐	☐	☐	☒

Source: RCIP; Proposed project description, site evaluation.

Findings of Fact:

a-b) The Project's proposed installation of septic tanks and seepage pits will not involve the installation of permanent outdoor lighting and would not expose residential property to unacceptable light levels. There are no proposed modifications to the exterior lighting. There are no existing residences within close proximity to the Project site. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
AGRICULTURE RESOURCES Would the project				
4. Agriculture	☐	☐	☐	☒
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program (FMMP) of the California Resources Agency, to non-agricultural use?				
b) Conflict with existing agricultural use, or a Williamson Act (agricultural preserve) contract (Riv. Co. Agricultural Land Conservation Contract Maps)?	☐	☐	☐	☒
c) Cause development of non-agricultural uses within 300 feet of agriculturally zoned property (Ordinance No. 625 "Right-to-Farm")?	☐	☐	☐	☒
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	☐	☐	☐	☒

Source: RCIP Figure OS-17 "Agricultural Resources", GIS database and Project Materials.

Findings of Fact:

a-d) The project site is located in a developed portion of land currently designated as Service/Manufacturing (M-1) in the City of Palm Springs Zoning Ordinance. However, the Project is under jurisdiction of the County of Riverside. The Department of Conservation Farmland Mapping and Monitoring Program (FMMP) designates the site as Urban and Built-Up Land. The Project site is not located within an agricultural preserve or within a Williamson Act contract area. Therefore, no adverse agriculture impacts will occur as a result of the proposed Project

Mitigation: None required.

Monitoring: None required.

AIR QUALITY Would the project				
5. Air Quality Impacts	☐	☐	☒	☐
a) Conflict with or obstruct implementation of the applicable air quality plan?				
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☒	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	☐	☐	☒	☐
d) Expose sensitive receptors, which are located within 1 mile of the project site to project substantial point source emissions?	☐	☐	☒	☐
e) Involve the construction of a sensitive receptor located within one mile of an existing substantial point	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
source emitter?				
f) Create objectionable odors affecting a substantial number of people?	☐	☐	☒	☐
g) Result in an increase in greenhouse gas emissions that would significantly hinder or delay the State's ability to meet the reduction targets contained in AB 32?	☐	☐	☒	☐
h) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☒	☐

Source: Proposed project description, site evaluation

Findings of Fact:

a-h) Less than Significant Impact. The proposed project would generate short-term emissions during construction. Such emissions would include exhaust emissions from construction equipment and worker and delivery vehicles as well as fugitive dust generated during the construction process. Exhaust emissions are controlled by the rules promulgated by the CARB while fugitive dust emissions are controlled by SCAQMD Rule 403. Rule 403 requires the application of best management practices such as watering disturbed areas, restricting onsite traffic to 15 miles per hour or less, and cessesation of soil disturbing activities when wind speeds exceed 25 miles per hour. The construction of the proposed project must adhere to the requirements of Rule 403.

Short-term construction emissions from the proposed project were estimated during three construction activities: demolition of the existing septic tank area, replacement of the existing septic tank with three new ones, and the asphalt paving of the finished surface. The estimated construction emissions are shown in Table 1. The determination of the environmental significance of the project's construction emissions was determined by comparing the estimated emissions with the regional emission significance thresholds defined by the SCAQMD for construction activities which are also shown in Table 1.

Table 1: Estimated Daily Short-term Construction Emissions

Construction Activity	Emissions (pounds per day)(1)					
	VOC	NOx	CO	SOx	PM10	PM2.5
Demolition	4	35	16	0	8	3
Tank Replacement	0	4	2	0	2	1
Asphalt Paving	3	9	15	0	1	1

Table 1: Estimated Daily Short-term Construction Emissions (Cont.)

Construction Activity	Emissions (pounds per day)(1)					
	VOC	NOx	CO	SOx	PM10	PM2.5

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Max emissions in 1 day	4	35	16	0	8	3
Regional Threshold	75	100	550	150	150	55
Significant Impact?	No	No	No	No	No	No

Note:
(1) Emissions shown assume compliance with applicable emission regulations. The PM10 and PM2.5 fugitive dust emissions are in the "mitigated" output in URBEMIS because the project would comply with dust control measures as specified in SCAQMD Rule 403.

As shown in Table 1 above, the short-term construction emissions from the proposed project would not exceed any SCAQMD regional emission significance threshold during construction. Furthermore, the Project will not generate odors and due to the scale of the Project, will not impact plans to reduce greenhouse gas emissions Therefore, Project impacts are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

BIOLOGICAL RESOURCES Would the project				
6. Wildlife & Vegetation	☐	☐	☐	☒
a) Conflict with the provisions of an adopted Habitat Conservation Plan (HCP), Natural Conservation Community Plan, or other approved local, regional, or state conservation plan?				
b) Have a substantial adverse effect, either directly or through habitat modifications, on any endangered, or threatened species, as listed in Title 14 of the California Code of Regulations (Sections 670.2 or 670.5) or in Title 50, Code of Federal Regulations (Sections 17.11 or 17.12)?	☐	☐	☐	☒
c) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game (CDFG) or U. S. Wildlife Service (USFWS)?	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFG or USFWS?	☐	☐	☐	☒
f) Have a substantial adverse effect on federally	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				
g) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒

Source: MBA Consistency Analysis.

Findings of Fact:

a-g) No impact. The Project site is a 3.53 acre lot which is developed. The Proposed project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. No open space or undeveloped land would be involved with the installation of the septic tanks and seepage pits. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

CULTURAL RESOURCES Would the project				
7. Historic Resources	☐	☐	☐	☒
a) Alter or destroy an historic site?				
b) Cause a substantial adverse change in the significance of a historical resource as defined in California Code of Regulations, Section 15064.5?	☐	☐	☐	☒

Source: MBA Consistency Analysis. Native American Heritage Commission (NAHC).

Findings of Fact:

a-b) No impact. The Project site is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot Thus, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

8. Archaeological Resources	☐	☐	☐	☒
a) Alter or destroy an archaeological site.				
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
California Code of Regulations, Section 15064.5?				
c) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☒	☐
d) Restrict existing religious or sacred uses within the potential impact area?	☐	☐	☐	☒

Source: MBA Consistency Analysis. MBA Records Search.

Findings of Fact:

a, d) There are no archaeological sites or existing religious or sacred uses within the Project site as it is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

b, c) MBA conducted a archaeological records search of the Project site and found no documentation of archaeological resources being located on or near to the Project site. In addition, a records search was performed by the Native American Heritage Commission's Sacred Lands File (SLF) and concluded that no sites were found within or near to the Project site. (Appendix B).

Furthermore, the Project site is already graded and developed; and chances are minimal that archaeological resources would be encountered during the installation of the septic tanks, since the area would have had a better chance of finding archaeological resources in the initial construction phase for existing buildings. Nevertheless, the potential exists for sub-surface archaeological resources to be uncovered during excavation, grading, and other construction related activities for the three septic tanks.

As a standard procedure in the event that a sub-surface archaeological artifact were to be uncovered during project construction or ground-disturbing activities, the find would be redirected until the nature and extent of the find could be evaluated by a qualified archaeologist. As applicable, resources would be collected, curated, and provided to the Eastern Information Center at the University of California at Riverside. The archeologist would then coordinate with local Native American groups as necessary if tribal artifacts were found. Therefore, project impacts with regard to disturbing human remains will be less than significant.

Mitigation: None required.

Monitoring: None required.

9. Paleontological Resources	☐	☐	☐	☒
a) Directly or indirectly, destroy a unique				

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
paleontological resource, or site, or unique geologic feature?				

Source: Riverside County TLMA GIS.

Findings of Fact:

a) The Project site has a low potential for paleontological resources. The Project site is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. Therefore, no impacts are foreseen from Project development and no mitigation is required.

Mitigation: None required.

Monitoring: None required.

GEOLOGY AND SOILS Would the project				
10. Alquist-Priolo Earthquake Fault Zone or County Fault Hazard Zones	☐	☐	☒	☐
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death?				
b) Be subject to rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	☐	☐	☒	☐

Source: Geotechnical Engineering Study. Consolidated Engineering Laboratories. September 4, 2003 (Appendix A)

Findings of Fact:

a-b) The Project site is roughly 739 feet above sea level and is relatively flat. As indicated in the Geotechnical Engineering Study (Appendix A), soils are consistent of Quaternary-aged, alluvial deposits consisting of unconsolidated stream, river channel and alluvial fan deposits with local eolian sands. No known active faults transect the Project site. The Project site is not located within the Alquist-Priolo Special Studies or County Fault Hazard Zones. The nearest active fault is the Banning segment of the San Andreas Fault system, which is located 1.0 mile north of the Project site. The Project does not involve structural building, but involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, impacts from the proposed Project are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

11. Liquefaction Potential Zone	☐	☐	☒	☐
a) Be subject to seismic-related ground failure,				

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
including liquefaction?				

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A); Riverside County TLMA GIS (Liquefaction Map).

Findings of Fact:

a) In general, for the effects of liquefaction to be manifested at the surface, groundwater levels must be within 50 feet of the ground surface and the soils within the saturated zone must also be susceptible to liquefaction. As indicated in the Geotechnical Engineering Study, six bore holes were drilled to a maximum of 41.5 feet in depth and did not encounter groundwater, which would suggest groundwater levels to below 50 feet in depth. Nonetheless, laboratory and field data gathered in the Geotechnical Engineering Study concluded that the Project site does not have the potential for liquefaction to occur. Therefore, impacts from the proposed Project are considered less than significant.

Mitigation: None required.

Monitoring: None required.

12. Ground-shaking Zone a. Be subject to strong seismic ground shaking?	☐	☐	☒	☐

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Western Coachella Valley is traversed by several active and potentially active fault zones, including the San Andreas Fault, and has experienced several earthquakes of moderate magnitude since records have been kept. The primary seismic hazards, which result, are ground shaking and the potential for ground rupture along the surface trace of the fault. Secondary seismic hazards result from the interaction of ground shaking with existing soil and bedrock conditions, and include liquefaction, settlement, and landslides. The nearest active fault is the San Andreas Fault, which is located 2.46 miles northeast of the project site. At that distance, strong ground shaking can still be expected at the Project site.

Although the Project site is located within a ground-shaking zone, the Project does not involve any additional structural buildings to be constructed other than the installation of three septic tanks and seepage pits.

Furthermore, the Geotechnical Engineering Study (originally prepared in 2003) already addressed geologic issues with mitigation for the development of the Project area's existing buildings and parking lot and included mitigation in addressing the installation of existing septic tanks and seepage pits. Therefore, in compliance with proper Cal OSHA grading methods and with the County of Riverside grading requirements during

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

temporary excavations for the septic tanks, there will be a less than significant impact as a result of the project.

Mitigation: None required.

Monitoring: None required.

13. Landslide Risk	☐	☐	☐	☒
a) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, collapse, or rockfall hazards?				

Source: WCVAP Figures 15, "Steep Slopes" and 16, "Slope Instability"; Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Project site is not affected by landslide or rock falling risks. Topography on the site is generally flat, without boulders or steep slopes. Therefore, there is no impact associated with the Proposed Project.

Mitigation: None required.

Monitoring: None required.

14. Ground Subsidence	☐	☐	☒	☐
a) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in ground subsidence?				

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Geotechnical Engineering Study indicated that the Project site has a moderate susceptibility for settlement due to consolidation and dynamic compaction. However, laboratory and field data gathered at the site does not indicate near surface soils in the upper 15 feet to be susceptible to collapse. Nevertheless, as indicated above (Section 12a), the Project will comply with proper Cal OSHA grading methods and with the County of Riverside grading requirements during temporary excavations for the septic tanks Therefore, Project impacts with regard to ground subsidence will be considered as less than significant.

Mitigation: None required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Monitoring: None required.				
15. Other Geologic Hazards a) Be subject to geologic hazards, such as seiche, mudflow, or volcanic hazard?	☐	☐	☐	☒

Source: Site visit. Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Project is not affected by a geological hazard such as seiche, mudflow or volcanic hazard, since the site is not located near a body of water (seiche), steep topography (with mudflow potential) or volcanic hazards. Therefore, there is no impact to the Project with regard to other geologic hazards.

Mitigation: None required.

Monitoring: None required.

16. Slopes a) Change topography or ground surface relief features?	☐	☐	☐	☒
b) Create cut or fill slopes greater than 2:1 or higher than 10 feet?	☐	☐	☐	☒
c) Result in grading that affects or negates subsurface sewage disposal systems?	☐	☐	☒	☐

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).Staff Review, and Site Visit

Findings of Fact:

a-b) The Project will not change the topography or create cut or fill slopes since the Project site is already developed. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the project.

c) Grading has already been performed for the Project area at the time the existing building was constructed. Existing septic tank and seepage pit facilities for the building were already in place, and would be able to offer additional of septic sewer infrastructure installation if needed. Since the Project area was developed in compliance with mitigation listed in the Geotechnical Engineering Study, the Project site will only need to comply with proper Cal OSHA grading methods and County

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

of Riverside grading requirements during construction . Therefore, Project impacts in negating the operability of subsurface sewer disposal systems will be less than significant.

Mitigation: None Required.

Monitoring: None Required.

17. Soils a) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
b) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☐	☒

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).Staff Review, and Site Visit

Findings of Fact:

a) The Project site is not affected by significant topography, surface features or slopes or expansive soils. The Project site is currently developed in which septic tank and seepage pit installation will occur underneath the existing parking lot (Refer to Exhibit 5). Therefore, there will be no impact.

b) As indicated in Geotechnical Engineering Study, Project site soils are sandy and non-expansive. Therefore, impacts associated with expansive soils will not occur.

Mitigation: None Required.

Monitoring: None Required.

18. Erosion a) Change deposition, siltation, or erosion that may modify the channel of a river or stream or the bed of a lake?	☐	☐	☐	☒
b) Result in any increase in water erosion either on or off site?	☐	☐	☐	☒

Source: Staff Review, and Site Visit

Findings of Fact:

a-b) The Project site is currently developed. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot, which

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

has existing storm drainage installed. Therefore, there will be no impact as a result of the Project.

Mitigation: None Required.

Monitoring: None Required.

19. Wind Erosion and Blows sand from project either on or off site. a) Be impacted by or result in an increase in wind erosion and blowsand, either on or off site?	☐	☐	☒	☐

Source: Site visit.

Findings of Fact:

a) The Project site is currently developed in which septic tank and seepage pit installation will occur underneath an existing parking lot. As shown in Exhibit 5, roughly 11,000 square feet of soil would be temporarily exposed with the removal of asphalt during installation. Exposure of soils will be temporary, with occasional exposure to high winds, which are common to the region. However, since the Project is a temporary operation, and that appropriate dust suppression measures, per Air Quality Management District (AQMD's) Rule 403.1 (i.e. tarp covers) will be applied, impacts with regard to wind erosion will be reduced to less than significant.

Mitigation: None required.

Monitoring: None required.

HAZARDS AND HAZARDOUS MATERIALS Would the project				
20. Hazards and Hazardous Materials a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐
c) Impair implementation of or physically interfere with an adopted emergency response plan or an emergency evacuation plan?	☐	☐	☐	☒
d) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
e) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
environment?				

Source: California State Water Resources Control Board Geo Tracker. 2008. Staff Review, and Site Visit.

Findings of Fact:

a,b) The Project site will not create a significant hazard to the public through the routine transport or from accidental release of hazardous substances. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot for the purpose of sewage containment. Furthermore, the Project site plans will be submitted for review and approval by the California Regional Water Quality Control Board Colorado River Basin Region (CRWQCB) to assure that installation of septic tanks and seepage pits will not contaminate the local groundwater aquifer. Therefore Project impacts are considered to be less than significant.

c) The Project will not impair implementation of, or interfere with an adopted emergency response or evacuation plan The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impacts as a result of the Project.

d) The Project will not emit hazardous emissions or handle acutely hazardous materials within one-quarter mile of an existing or proposed school. The nearest school is the Grace Christian Learning Center, which is located 3.43 miles northwest of the Project site. Therefore, there will be no impacts as a result of the Project.

e) The State Water Resources Control Board GeoTracker Database indicates that no evidence of listed hazardous materials site(s) exist within or near to the Project site. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

21. Airports	☐	☐	☐	☒
a) Result in an inconsistency with an Airport Master Plan?				
b) Require review by the Airport Land Use Commission?	☐	☐	☐	☒
c) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
d) For a project within the vicinity of a private airstrip, or heliport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

Source: RCIP Figure S-19 "Airport Locations"

Findings of Fact:

a-d) The Project site is not within an airport influence area boundary or otherwise affected by airport issues as identified in the Western Coachella Valley Area Plan (WCVAP). The nearest airport is Palm Springs International Airport, which is located 5.13 miles to the southeast. Therefore, there will be no conflicts with an airport land use plan as a result of the Project and no impacts will occur as a result of the Project.

Mitigation: None required.

Monitoring: None required.

21. Hazardous Fire Area a) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒

Source: Site inspection.

Findings of Fact:

a) The Project site will not expose people of structures to a significant risk, loss, or death from wildland fires. The Project site is currently developed and will be located underneath the Project site's existing parking lot. Therefore, there will be no impact.

Mitigation: None required.

Monitoring: None required.

HYDROLOGY AND WATER QUALITY Would the project				
22. Water Quality Impacts a) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	☐	☐	☐	☒
b) Violate any water quality standards or waste discharge requirements?	☐	☐	☒	☐
c) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				
d) Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☒	☐
e) Place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
f) Place within a 100-year flood hazard area structures, which would impede or redirect flood flows?	☐	☐	☐	☒
g) Otherwise substantially degrade water quality?	☐	☐	☒	☐
h) Include new or retrofitted stormwater Treatment Control Best Management Practices (BMPs) (e.g. water quality treatment basins, constructed treatment wetlands), the operation of which could result in significant environmental effects (e.g. increased vectors and odors)?	☐	☐	☐	☒

Source: Riverside County Land Information System GIS

Findings of Fact:

a) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. The site already contains existing storm drainage infrastructure (i.e, curb and gutter). There are no additional storm drain improvements proposed or required at this time. Therefore, there will be no impact as a result of the Project.

b,g) The Project will adhere to Regional Water Board Order No. 97-500, General Waste Discharge Requirements for "On-site Subsurface Wastewater Disposal Systems for Mobile Home and Recreational Vehicle Parks and Other Similar Facilities." This Project qualifies under "Other similar facilities" and as such will be adequately designed, installed, and maintained such that it meets the requirement of Order NO. 97-500. Additionally, within one year of project approval the County will prepare a groundwater monitoring program for review and approval by the Colorado Regional Water Quality Control Board . With the adequate design of the septic system along with groundwater monitoring and adherence to Order 97-500, impacts to groundwater quality will remain less than significant.

c) The Project site will not deplete groundwater supplies or interfere with groundwater recharge. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

d) The Project will not create or contribute to runoff of water in exceeding the capacity of existing or planned stormwater drainage systems. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

e) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. Therefore, there would be no impact as a result of the Project.

f) No improvements are proposed within a 100-year designated flood plane area. The Project site falls within the 500-year designated flood plane area (0.2% flood chance). The Project area is developed and has existing storm drain improvements, all of which located on raised building pads. Therefore, there will be no impact as a result of the Project.

h) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. No stormwater treatment control BMP's are required. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

24. Floodplains

Degree of Suitability in 100-Year Floodplains. As indicated below, the appropriate Degree of Suitability has been checked.

NA - Not Applicable ☒ U - Generally Unsuitable ☐ R - Restricted ☐

a) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	☐	☐	☐	☒
b) Changes in absorption rates or the rate and amount of surface runoff?	☐	☐	☐	☒
c) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam (Dam Inundation Area)?	☐	☐	☐	☒
d) Changes in the amount of surface water in any	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
water body?				

Source: Staff Review, and Site Visit

Findings of Fact:

a-d) The Project site will not impact any of the above-listed discussion questionnaire with regard to alteration of existing drainage patterns, increase in surface runoff, changes in absorption rates, or expose people to significant risk from flooding . The Project area is developed and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

LAND USE/PLANNING Would the project				
25. Land Use	☐	☐	☐	☒
a) Result in a substantial alteration of the present or planned land use of an area?				
b) Affect land use within a city sphere of influence and/or within adjacent city or county boundaries?	☐	☐	☐	☒

Source: City of Palm Springs General Plan.

Findings of Fact:

a-b) The Project site will not result in a substantial alteration of present or planned land use nor would the Project affect land use within a city sphere of influence. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. The land use for the Project site is pre-existing and would not change as a result of Project implementation. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

26. Planning	☐	☐	☐	☒
a) Be consistent with the site's existing or proposed zoning?				
b) Be compatible with existing surrounding zoning?	☐	☐	☐	☒
c) Be compatible with existing and planned surrounding land uses?	☐	☐	☐	☒
d) Be consistent with the land use designations and	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
policies of the Comprehensive General Plan (including those of any applicable Specific Plan)?				
e) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?	☐	☐	☐	☒

Source: City of Palm Springs General Plan.

Findings of Fact:

a-e) The Project site will not interfere, disrupt or create an inconsistency with the Project area and region's existing and planned-for land uses. Although the Project site is located within the City's General Plan land use, the Project site alone (APN 666-411-011) is County-owned land, and therefore not considered as a part of the City and will be required to adhere to all of the County's goals and policies pertaining to the County of Riverside's General Plan and Ordinances. Nevertheless, both the City of Palm Springs and the County of Riverside permit the same type of use proposed for the Project site (septic sewer improvement). Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

MINERAL RESOURCES Would the project				
26. Mineral Resources	☐	☐	☐	☒
a) Result in the loss of availability of a known mineral resource in an area classified or designated by the State that would be of value to the region or the residents of the State?				
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒
c) Be an incompatible land use located adjacent to a State classified or designated area or existing surface mine?	☐	☐	☐	☒
d) Expose people or property to hazards from proposed, existing or abandoned quarries or mines?	☐	☐	☐	☒

Source: Staff Review, and Site Visit

Findings of Fact:

a-d) The Project site will not impact mineral resources. The Project site is developed with existing industrial warehouse buildings and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Thus, there will be no impact as a result of the Project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Mitigation: None required.

Monitoring: None required.

NOISE Would the project result in				
Definitions for Noise Acceptability Ratings Where indicated below, the appropriate Noise Acceptability Rating(s) has been checked. NA - Not Applicable A - Generally Acceptable B - Conditionally Acceptable C - Generally Unacceptable D - Land Use Discouraged				
28. Airport Noise a) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport would the project expose people residing or working in the project area to excessive noise levels? NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒
b) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: RCIP Figure S-19 “Airport Locations,” County of Riverside Airport Facilities Map

Findings of Fact:

a-b) The Project site is not within an airport influence area boundary or otherwise affected by airport issues as identified in the WCVAP. The nearest airport is Palm Springs International Airport, which is located approximately 5.13 miles to the southeast of the Project site. Therefore, there will be no impacts to an airport land use plan as a result of the Project.

Mitigation: None required.

Monitoring: None required.

29. Railroad Noise NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☒	☐

Source: RCIP Figure C-1 “Circulation Plan”, S-21 “Rail Facilities, Available Water, Oil and Natural Gas Pipelines Inventory Data”, Thomas Guide 2005 Edition, Site Visit

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Project site is located approximately 0.37 mile north of the heavily-traveled Union Pacific Railroad line. However, the area is located between existing industrial developed warehouses and located 0.10 mile north of the Interstate 10 freeway. The Project is expected to generate only sporadic noise from excavation activities and for a temporary period of time. Therefore, impacts with regard to railroad noise will be considered less than significant.

Mitigation: None required.

Monitoring: None required.

30. Highway Noise NA ☐ A ☒ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: Site Visit

Findings of Fact:

a) The Project site is located adjacent to existing industrial developed warehouses approximately 0.10 mile north of the Interstate 10 Freeway. The Project is a temporary construction operation involving the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

31. Other Noise NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: City of Palm Springs General Plan; project description and materials; site visit.

Findings of Fact:

a) The Project is not influenced by other unique noise issues as identified in the City of Palm Springs General Plan. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

32. Noise Effects on or by the Project a) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
b) A substantial temporary or periodic increase in	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
ambient noise levels in the project vicinity above levels existing without the project?				
c) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒
d) Exposure of persons to or generation of excessive ground-borne vibration or ground-borne noise levels?	☐	☐	☒	☐

Source: Project materials and project description

Findings of Fact:

a) The Project will not create a substantial permanent increase in ambient noise levels in the Project vicinity. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot Therefore, there will be no impact.

b) Temporary or periodic increases in noise levels would occur during Project installation of septic tanks and seepage pits. However, once construction is completed noise associated with construction equipment would cease. There are no sensitive receptors in the vicinity that would be affected by the construction noise. Therefore, Project impacts with regard to temporary increases in noise levels are considered to be less than significant.

c) The Project will not expose persons to noise levels in excess of standards established in the local general plan or noise ordinance. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact.

d) There are no sensitive receptors within the vicinity of the Project site. During construction temporary ground-borne noise and vibrations could occur during trenching and compaction from installation of septic tanks and seepage pits. Therefore, Project impacts will be considered as less than significant.

Mitigation: None required.

Monitoring: None required.

POPULATION AND HOUSING Would the project				
33. Housing	☐	☐	☐	☒
a) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				
b) Create a demand for additional housing, particularly housing affordable to households earning 80%	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
or less of the County's median income?				
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
d) Affect a County Redevelopment Project Area?	☐	☐	☐	☒
e) Cumulatively exceed official regional or local population projections?	☐	☐	☐	☒
f) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☒	☐

Source: Project description and materials, GIS

Findings of Fact:

a-e) The Project site will not result in the displacement of existing housing, creating a demand for additional housing, displacement of people, affecting a County Redevelopment Project Area, or cumulatively exceeding regional or local populations. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits. The Project would be located underneath the project area's existing parking lot for the purpose of accommodating homeless patron sheltering. Thus, there are no impacts as a result of the project.

f) The Project would not induce population growth in the area. The Project's potential to accommodate additional sewage discharge is directly related to accommodating additional homeless patrons (total of 120) for temporary sheltering. However, this increase is considered as minimal and temporary for homeless patron occupancy would fluctuate and not exceed a maximum of 120 patrons. Therefore, the Project's impact in inducing substantial population growth is considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

PUBLIC SERVICES Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
27. Fire Services	☐	☐	☒	☐

Source: RCIP Safety Element, Google Maps

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Riverside County Fire Department serves the Project area. The nearest facility is Station No. 36, which is located 5.13 miles north of the Project at 11535 Karen Avenue in Desert Hot Springs. The Project's proposed installation of septic tank upgrades and seepage pits are not anticipated to significantly impact the level of service for fire protection. Therefore, Project impacts to fire services are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

28. Sheriff Services	☐	☐	☒	☐

Source: RCIP, Google Maps.

Findings of Fact:

a) Police protection services for the Project area are provided by the City of Palm Springs Police Department, Police Headquarters located at 200 South Civic Drive in Palm Springs (6.33 miles southeast of Project site). The proposed Project is currently developed and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, the Project's impact to Sheriff Services is considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

29. Schools	☐	☐	☐	☒

Source: City of Palm Springs General Plan; Palm Springs Unified School District.

Findings of Fact:

a) The proposed Project will not affect school services. The Project site is currently developed in which septic tank and seepage pit installation would occur underneath the existing asphalt parking lot. Therefore, there will be no impact with regard to School Services.

Mitigation: None required.

Monitoring: None required.

30. Libraries	☐	☐	☐	☒

Source: RCIP, Google Maps.

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Proposed Project will not impact library services. The Project site is currently developed in which septic tank and seepage pit modification improvements will occur underneath the existing asphalt, parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

31. Health Services	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a) The proposed Project will not impact health services. The Project site is currently developed in which septic tank and seepage pit modification improvements would occur underneath the existing parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

RECREATION				
32. Parks and Recreation	☐	☐	☐	☒
a) Would the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	☐	☐	☐	☒
b) Would the project include the use of existing neighborhood or regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
c) Is the project located within a C.S.A. or recreation and park district with a Community Parks and Recreation Plan (Quimby fees)?	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

a-c) The proposed Project will not have an impact from park creation, park deterioration, or location within a C.S.A. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact with regard to existing parks and recreation facilities.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Mitigation: None required.

Monitoring: None required.

33. Recreational Trails	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

a) The proposed Project will not have an impact on recreational trails. The Project site is currently developed, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing asphalt parking lot. Therefore, there will be no impact.

Mitigation: None required.

Monitoring: None required.

TRANSPORTATION/TRAFFIC Would the project				
34. Circulation a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	☐	☐	☒	☒
b) Result in inadequate parking capacity?	☐	☐	☐	☒
c) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated road or highways?	☐	☐	☐	☒
d) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒
e) Alter waterborne, rail or air traffic?	☐	☐	☐	☒
f) Substantially increase hazards to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	☐	☐	☐	☒
g) Cause an effect upon, or a need for new or altered maintenance of roads?	☐	☐	☐	☒
h) Cause an effect upon circulation during the project's construction?	☐	☐	☐	☒
i) Result in inadequate emergency access or access to nearby uses?	☐	☐	☐	☒
j) Conflict with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	☐	☐	☐	☒

Source: RCIP

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact:

a-j) The Project site will not result in impacts to traffic. The Project site involves the temporary construction replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing asphalt parking lot. There are no proposed changes to the Project area's existing circulation pattern. The Project site's excavation area is small in relation to the size of the existing parking lot (See Exhibit 4) and that parking will temporarily be relocated to alternate locations of the parking lot during project construction. Therefore, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

35. Bike Trails	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a) Not applicable. The Project site will not have an impact on bike trails. The Project site involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. There are no proposed improvements outside of the site that would impact bike trails. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

UTILITY AND SERVICE SYSTEMS Would the project				
36. Water a) Require or result in the construction of new water treatment facilities or expansion of existing facilities, the construction of which would cause significant environmental effects?	☐	☐	☐	☒
b) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a-b) The proposed Project will not require the construction of new water treatment facilities nor would have an impact on sufficient water supplies to serve the Project. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the project.

Mitigation: None required.

Monitoring: None required.

37. Sewer	☐	☐	☒	☐
a) Require or result in the construction of new wastewater treatment facilities, including septic systems, or expansion of existing facilities, the construction of which would cause significant environmental effects?	☐	☐	☒	☐
b) Result in a determination by the wastewater treatment provider that serves or may service the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☒	☐

Source: Project description and materials

Findings of Fact:

a-b) The proposed Project does not require the construction of a new wastewater treatment facility. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Furthermore, the Project applicant, and their wastewater treatment provider feel that the proposed three (3) 5,000 gallon septic tanks and seepage pits would accommodate the projected 15,000 gallons of sewage to be discharged per day from Roy's Desert Resource Center. Therefore, Project impacts are considered to be less than significant as a result of the Project.

Mitigation: None required.

Monitoring: None required.

38. Solid Waste	☐	☐	☒	☐
a) Is the project served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☒	☐
b) Comply with federal, state, and local statutes and regulations related to solid wastes (including the CIWMP (County Integrated Waste Management Plan)?	☐	☐	☒	☐

Source: RCIP,

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact:

a-b) The Project area is currently served by Palm Springs Disposal Service which provides waste disposal services for the Project area. The Project site alone will not require these services as it involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, Project construction will only create minimal quantities of solid waste from construction that will comply with federal, state and local regulations concerning solid waste. Impacts will be considered as less than significant.

Mitigation: None required.

Monitoring: None required.

39. Utilities a) Would the project impact the following facilities requiring or resulting in the construction of new facilities or the expansion of existing facilities; the construction of which could cause significant environmental effects?				
a) Electricity?	☐	☐	☐	☒
b) Natural gas?	☐	☐	☐	☒
c) Communications systems?	☐	☐	☐	☒
d) Storm water drainage?	☐	☐	☐	☒
e) Street lighting?	☐	☐	☐	☒
f) Maintenance of public facilities, including roads?	☐	☐	☐	☒
g) Other governmental services?	☐	☐	☐	☒
h) Conflict with adopted energy conservation plans?	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a-h) The Project site will not have an impact on utilities. The Project site involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Once constructed, the Project is not reliant on existing utilities. Therefore, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

OTHER				
40. Other:	☐	☐	☐	☒

Source: Staff review

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact: No other issues of concern to report. No impacts will occur.

Mitigation: None required.

Monitoring: None required.

OTHER				
41. Other:	☐	☐	☐	☒

Source: Staff review

Findings of Fact: No other issues of concern to report. No impacts will occur.

Mitigation: None required.

Monitoring: None required.

OTHER				
42. Other:	☐	☐	☐	☒

Source: Staff review

Findings of Fact: No other issues of concern to report. No impacts will occur

Mitigation: None required.

Monitoring: None required.

MANDATORY FINDINGS OF SIGNIFICANCE				
43. Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare, or endangered plant or animal to eliminate important examples of the major periods of California history or prehistory?	☐	☐	☒	☐

Source: Staff review, Application materials

Findings of Fact:

a) Implementation of the proposed Project will not degrade the quality of the environment, substantially reduce the habitat of fish or wildlife species, cause fish or wildlife populations to

		Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

drop below self sustaining levels, threaten to eliminate a plant or animal community, or reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, impacts will be less than significant.

44.	Does the project have the potential to achieve short-term environmental goals, to the disadvantage of long-term environmental goals? (A short-term impact on the environment is one that occurs in a relatively brief, definitive period of time while long-term impacts will endure well into the future.)	☐	☐	☒	☐

Source: Staff review, Project description.

Findings of Fact:

a) The Proposed Project does not have the potential to achieve short-term environmental goals, to the disadvantage of long-term environmental goals. The Project involves the modification improvement of septic sewer infrastructure to the benefit of the Project area's long-term environmental goals with regard to wastewater management. Therefore, Project impacts with regard to long-term environmental goals will be considered less than significant.

45.	Does the project have impacts, which are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects as defined in California Code of Regulations, Section 15130)?	☐	☐	☐	☒

Source: Staff review, Project description.

Findings of Fact:

a) The Project does not have impacts, which are individually limited, but cumulatively considerable. There are no biological or cultural resources identified on the Project site that will be cumulatively impacted as the Project site is already developed. Furthermore, there will be no impacts with regard to water supply due to the nature (temporary construction) and location (developed land) of the Project site Therefore, there will be no impact.

46.	Does the project have environmental effects that will cause substantial adverse effects on human beings,	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
either directly or indirectly?				

Source: Staff review, project application

Findings of Fact:

a) The proposed Project will not result in environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly because the project is the expansion of an existing facility. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, no impacts will occur from Project implementation.

VI. EARLIER ANALYSES

Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration as per California Code of Regulations, Section 15063 (c) (3) (D). In this case, a brief discussion should identify the following:

Earlier Analyses Used, if any: No earlier analyses were used in this document.

RCIP: Riverside County Integrated Project.

Location Where Earlier Analyses, if used, are available for review:

Location: City of Palm Springs Planning Department
3200 E Tahquitz Canyon Way
Palm Springs, CA 92262-6959

County of Riverside Planning Department
4080 Lemon Street, 9th Floor
Riverside, CA 92505

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

47. REFERENCES

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Appendix A:
Geotechnical Engineering Study

Appendix B:
Cultural Resource Review and
Initial Study Recommendations Letter

Geotechnical Engineering Study
Industrial Parcel
Between Southwest Corner of McLane/Rupert Street and 20th Avenue
North Palm Springs, California

Prepared for:
Buntain Construction
4531 Harlin Drive
Sacramento, California 95826

Prepared by:
CONSOLIDATED ENGINEERING LABORATORIES
7060 Koll Center Parkway, Suite 300
Pleasanton, California 94566
CEL Project No. G1357

CONSOLIDATED ENGINEERING
L A B O R A T O R I E S

September 4, 2003

Buntain Construction, Inc
4531 Harlin Drive
Sacramento, California 95826

Attention: Mr. Jarrod Short

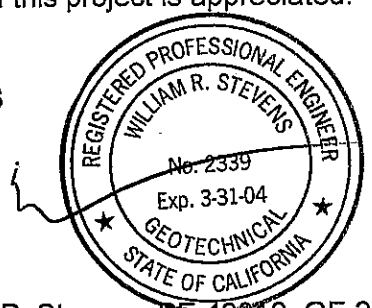
Subject: **Geotechnical Engineering Study**
Industrial Parcel
Between Southwest Corner of McLane/Rupert Street and 20th Avenue
North Palm Springs, California
CEL Project No. G1357

Dear Mr. Short:

In accordance with your authorization, Consolidated Engineering Laboratories (CEL) has completed a geotechnical engineering study for a proposed industrial parcel to contain warehouses between the southwest corner of McLane/Rupert Street and 20th Avenue, in North Palm Springs, California. Transmitted herewith are the results of our findings, conclusions, and recommendations for foundations, interior and exterior concrete slabs, pavement section design, site grading and drainage, temporary cut slope excavation and trench slope stability, drilled piers for light standards, retaining walls design for truck docks, utility trench backfilling, and guideline specifications for grading operations. In general, the proposed development at the site is considered to be geotechnically feasible provided the recommendations of this report are implemented in the design and construction of the project.

Should you or members of the design team have questions or need additional information, please contact the undersigned at (925) 485-5000. The opportunity to be of service to Buntain Construction, Inc., and to be involved in the design of this project is appreciated.

Sincerely,
CONSOLIDATED ENGINEERING LABORATORIES



Marc Hachey
Staff Geologist

William R. Stevens, PE 43010, GE 2339
Principal Geotechnical Engineer

Copies: 6 to Addressee (916/255-5000, Fax 916/255-5020)
2 to CEL Sacramento

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CONSOLIDATED ENGINEERING
LABORATORIES

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CONSOLIDATED ENGINEERING
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Grading and Earthwork Specifications

APPENDIX D
Pier Drilling and Construction Specifications

CONSOLIDATED ENGINEERING
LABORATORIES

GEOTECHNICAL ENGINEERING STUDY

Project: **Industrial Parcel**
North Palm Springs, California

Client: **Buntain Construction, Inc**
Sacramento, California

1.0 INTRODUCTION

1.1 Purpose and Scope

The purposes of this study were to evaluate the subsurface conditions at the site and prepare geotechnical recommendations for the proposed development. This study provides recommendations for the design and construction of proposed foundations, interior and exterior concrete slabs, pavement sections, site drainage, temporary cut slope and trench slope stability, retaining wall design for truck docks, utility trench backfill, drilled piers, and grading. This study was performed in accordance with the scope of work outlined in our proposal dated July 29, 2003.

The scope of this study included the review of pertinent published and unpublished documents related to the site, the drilling of several subsurface borings, laboratory testing of selected samples retrieved from the borings, engineering analysis of the accumulated data, and preparation of this report. The conclusions and recommendations presented in this report are based on the data acquired and analyzed during this study, and on prudent engineering judgment and experience. This study did not include an assessment of potentially toxic or hazardous materials that may be present on or beneath the site or a comprehensive evaluation of the corrosion potential of the site soils.

1.2 Site Description

The subject site is located at the southwest corner of McLane Street and extends west and southward to 20th Avenue in North Palm Springs, California as shown on Figure 1, Site Vicinity. Some maps indicate McLane Street to be Rupert Street; we do not know which one is correct. The site is approximately 31,000 square feet in size and rectangular in shape. The site is covered in gravelly sand with scattered surface boulders and cobbles, and is relatively flat with some local

relief. There are scattered piles of cobbles and boulders throughout the site, with the east half of the site exhibiting more surficial rock than the west. The western perimeter of the site is bounded by a rock retaining wall consisting of boulder sized rock, which separates the site and the open field to the west. The area to the west of the site is approximately 6 to 7 feet lower in elevation than the subject site. It appears the wall was placed to stabilize fill soil used to grade the entire industrial park to its existing grade. The site is bounded on the north by an empty lot, on the east by McLane Street, on the west by open field, and on the south by 20th Avenue. The site is situated at approximately 33.91° north latitude and 116.55° west longitude at approximately 740 feet above mean sea level.

1.3 Proposed Development

The proposed development includes two, one-story warehouse buildings, each approximately 55,000 sf in size. Both buildings may be up to 35-feet tall and are anticipated to have shallow foundations and concrete floor slabs. Grading is expected to be minor for drainage purposes and to mitigate possible collapsible surficial soils. Other improvements include asphalt paved parking and driveways, landscape areas, truck loading docks, concrete hardscapes and pavement, underground utilities, and light poles.

1.4 Validity of Report

This report is valid for two years after publication. If construction begins after this time period, CEL should be contacted to confirm that the site conditions have not changed significantly. If the proposed development differs considerably from that described above, CEL should be notified to determine if additional recommendations are required. Additionally, if CEL is not involved during the geotechnical aspects of construction, this report may become wholly or in part invalid; CEL's geotechnical personnel verifies that the subsurface conditions anticipated preparing this report are similar to the subsurface conditions revealed during construction. CEL's involvement should include site grading and foundation plan review; monitoring site clearing, mass grading and building pad construction; foundation excavation and pier drilling observations; testing retaining wall and utility trench backfill, and subgrade preparation and baserock placement in paved areas.

2.0 PROCEDURES AND RESULTS

2.1 Literature Review

Pertinent geologic and geotechnical literature pertaining to the site area was reviewed. These included various USGS, DMG and other agency publications and maps.

2.2 Drilling and Sampling

A subsurface exploration program was undertaken to evaluate the soil conditions at the site. A total of six borings were drilled at the site on August 12, 2003. The borings were drilled using a truck-mounted drill rig equipped with 8-inch diameter, hollow-stem augers. Seven test pits were excavated with a backhoe on August 18, 2003 to categorize near surface soils more closely.

The materials encountered in the borings and test pits were visually classified according to the Unified Soil Classification System by a CEL representative as the borings and test pits were advanced. Relatively undisturbed soil samples were recovered at selected intervals using a 3-inch outside diameter Modified California split spoon sampler containing 6-inch long brass liners, and a 2-inch outside diameter Standard Penetration Test (SPT) sampler. The samplers were driven by means of a 140-pound downhole safety hammer with an approximate 30-inch fall. Resistance to penetration was recorded as the number of hammer blows required to drive the sampler the final foot of a 12 or 18-inch drive. Bulk samples were obtained in the upper few feet of the borings from the auger cuttings.

The boring and test pits logs with descriptions of the various materials encountered in each boring and test pit, the penetration resistance values, and some of the laboratory test results are presented in Appendix A. The approximate locations of the borings and test pits are shown on the Site Plan, Figure 2.

2.3 Laboratory Testing

Laboratory tests were performed on selected samples to determine some of the physical and engineering properties of the subsurface soils. The results of the laboratory testing are presented on the boring logs, and are included in Appendix B. The following soil tests were performed for this study:

Dry Density and Moisture Content (ASTM D2216 and ASTM D2937) – In-situ density and moisture tests were conducted to determine the in-place dry density and moisture content of the subsurface materials. These properties provide information for evaluating the physical characteristics of the subsurface soils.

Particle Size Analysis (Wet and Dry Sieve) and Hydrometer (ASTM D422, D1140, and CT202) - Sieve analysis testing is conducted on selected samples to determine the soil particle size distribution. This information is useful for the evaluation of liquefaction potential and characterizing the soil type according to USCS.

Collapse Potential Test (ASTM D5333) – A single point consolidation test that provides information on hydroconsolidation potential of a soil after introducing additional stress and then saturating the soil.

R-Value (ASTM D2844) - R-Value testing was performed in accordance with Caltrans Test Method 301 to develop design parameters for asphalt concrete pavement recommendations.

Water Soluble Sulfate (ASTM D4327 and CT417) - Water soluble sulfate tests are utilized to determine the type of concrete required for underground construction and is required by the UBC, CBC, and IBC.

3.0 FINDINGS

3.1 Geologic Setting

According to published geologic maps for the area, the subject site is underlain by Quaternary aged, alluvial deposits consisting of unconsolidated stream, river channel and alluvial fan deposits, with local eolian sand.

3.2 Subsurface Soil Conditions.

The earth materials encountered in CEL's exploratory borings and test pits can be described as approximately six to seven feet of light, moderate and grayish-brown, dry to slightly moist, medium dense to dense, poorly to well-graded sand (SP/SW) with silt, gravel, cobbles and some boulders. The gravel, cobbles, and boulders were observed to be subangular to subrounded. The upper six to seven feet of soil is considered fill material, but no discernible contact between fill and native soils was observed in the borings or test pits. Fill thickness was interpreted from the elevation change along the western perimeter of the site. Cobbles and boulders were encountered throughout the site, mainly in the upper five feet. Some areas exhibited more cobbles and boulders. The sandy soils encountered to the maximum depth explored consisted of poorly to well graded, dry to slightly moist, medium to very dense sand (SP/SW) with silt and some fine gravel. Details of site soils encountered in the CEL borings and test pits are contained in Appendix A.

The entire soil profile is non-expansive and a bulk sample collected from the upper three feet had an R-Value of 77. Sieve analysis tests were performed on a bulk samples collected from Boring 7 and 11, at eight feet and seven feet respectively. The sample from Test Pit 1 had 93% of sand, 5% gravel and 2% of silt. The sample from Test Pit 5 had 87% of sand, 9% gravel and 4% of silt. Sieve analyses of the cobble and boulder content was not included in the samples tested. Cobbles are defined as rock between 3 to 12 inches in diameter, and boulders are over 12 inches in diameter according to the Unified Soil Classification System. In-situ densities and moistures ranged from 107.1 psf to 130.6 psf and 0.9% to 5.5%.

Single point consolidation tests were performed on 8 samples collected from in-situ samples at depth ranging from 3 to 15 feet. The samples were loaded to 4,000 psf, and then water was added.

The initial loading determines the consolidation (compressibility) of the soil, and adding the water determines the collapse potential of the soil. The soils were not found to be collapsible since the samples consolidated less than about 1 percent when water was added. The total consolidation of the soil was found to be less than about 3.5 percent under a 4,000 psf load. One sample consolidated nearly 6 percent, and 2 samples about 2 percent.

3.3 Groundwater

Groundwater was not encountered in the borings or test pits to the maximum depth explored of 41.5 feet. Examination of Department of Water Resources well data indicates that the groundwater is approximately 230 to 330 feet deep in nearby wells from the Palm Springs and Desert Hot Springs area (DWR, 2002). Groundwater levels can vary in response to time of year, variations in seasonal rainfall, well pumping, irrigation, and alterations to site drainage. Determining the detailed groundwater characteristics of the site was not included in our scope of work.

3.4 Water-Soluble Sulfate

Water-soluble sulfate can affect the concrete mix design for concrete in contact with the ground, such as shallow foundations, piles, piers, and concrete slabs. The UBC, CBC, and IBC provides the following evaluation criteria:

Sulfate Exposure	Sulfate Percent by Weight or (mg/kg)	Cement Type	Max. Water Cementitious Ratio by Weight	Min. Unconfined Compressive Strength, psi
Negligible	0.00-0.10 (0-1,000)	NA	NA	NA
Moderate	0.10-0.20 (1,000-2,000)	II, IP (MS), IS (MS)	0.50	4,000
Severe	0.20-2.00 (2,000-20,000)	V	0.45	4,500
Very Severe	Over 2.00 (20,000)	V plus pozzolan	0.45	4,500

For the bulk sample collected from the borings and test pits, the results reported a 54 mg/kg concentration. Hence, the water-soluble sulfate content in the site soil has a negligible impact on buried concrete at the site. However, it should be pointed out that the water-soluble sulfate concentrations can vary due to the addition of fertilizer, irrigation, and other possible development activities. An appropriate expert should be contacted if a detailed evaluation is required.

3.5 Expansive Soil

The onsite soil is sandy and non-expansive.

3.6 Liquefaction Induced Phenomena

Soil liquefaction is a phenomenon in which loose, saturated, cohesionless soil experiences a temporary loss of strength during strong cyclic loading such as that produced by earthquakes. Typically, liquefaction potential increases with increased duration and magnitude of cyclic loading. Soil most susceptible to liquefaction is loose, clean, saturated, uniformly graded, fine-grained sand. On the basis the field and laboratory data, it is our opinion that there is not a potential for liquefaction to occur at the site.

3.7 Flooding

According to the ESRI (Environmental Systems Research Institute) and FEMA (Federal Emergency Management Agency) website, the subject site is situated in a zone prone to estimated 500-year flood potential. An assessment of flooding potential was not in our scope of work for this project, and a flood risk specialist should be contacted for a more detailed interpretation.

3.8 Settlement Due to Consolidation, Dynamic Compaction, and Collapse

Settlement of soil can be caused by consolidation, dynamic compaction, and collapsible soil. Consolidation is the densification of soil into a more dense arrangement from additional loading, such as fill or foundations. Consolidation of clayey soils is usually a long-term process, whereas sandy soils consolidate relatively rapidly with an introduction to a load. Dynamic compaction is the densification of predominantly sandy soil caused by vibration, such as an earthquake or vibrating machinery. Collapsible soils are fine sandy and silty soils that have been laid down by the action of flowing water, usually in alluvial fan deposits. The soil particles are usually bound together with a mineral precipitate. The loose structure is maintained in the soil until a load is imposed on the soil and water is introduced. The water breaks down the inter-particle bonds and the newly imposed loading densifies the soil. It is our opinion that the soil matrix within the fill and the upper few feet of the native soils have a moderate susceptibility for settlement due to consolidation and dynamic compaction. The laboratory data does not indicate the near surface soil in the upper 15 feet to be susceptible to collapse.

3.9 Seismicity and Faulting

The site is located in an area of high seismic activity associated with the San Andreas Fault Zone and would be influenced by major earthquakes along nearby active faults. The active, Type A San

Andreas Fault is located approximately 1 miles (1.6 km) north of the site. In 1986, this segment of the San Andreas was observed to experience visible fault creep slippage. The Type B Gorgonio Pass Fault Zone is located approximately 3.5 miles (5.8 km) to the west of the site. The site is located approximately 12 miles (19.5 km) south of the Type B Pinto Mountain Fault. The Type B Morongo Valley Fault is located approximately 10.2 miles (16.5 km) north of the site. The site is located in an area which has been subject to five earthquakes larger than 6.0 since 1932.

3.10 Surface Fault Rupture

According to DMG Special Publication 42 (Hart, 1994), the site does not lie within an Earthquake Fault Zone, as defined by the Alquist-Priolo Act of 1972. According to published mapping by DMG, no known fault traces cross the site, and no evidence of surface ground rupture was noted during our site reconnaissance. Therefore, it is our opinion that the likelihood of surface fault rupture at the site is low.

3.11 Other Geologic Hazards

The site is not considered subject to other potential geologic hazards, including landslides, soil erosion, volcanism, mass wasting, loss of mineral resources, or loss of unique geologic features. This is due to the sites topography, geology, and land use. Subsidence due to groundwater withdrawal is possible, but should not impact the site detrimentally since this phenomena is more regional than local.

4.0 CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations are based upon the analysis of the information gathered during the course of this study and our understanding of the proposed improvements.

4.1 General

The site is considered geotechnically suitable for the proposed development provided the recommendations of this report are incorporated into the design and implemented during construction. The predominant geotechnical and geological issues that will need to be addressed are:

Seismic Considerations – The site is located within a seismically active region. The building design should consider the effects of seismic activity.

Differential Settlement – The site is underlain by undocumented fill and native soil that appears to consist of a dense sandy and gravelly soil matrix with cobbles and boulders. However, differential settlement will have to be addressed since portions of a footing may be on a sandier matrix and portions on a more rocky condition. We recommend that the foundations be designed for a lower bearing pressure rather than excessive overexcavation and replacement grading in the building pads.

Excavation of Footings and Utilities due to Cobbles and Boulders – The subsurface soil contains cobbles (3 to 12 inch size) and boulders (over 1-foot size), and excavating foundations and underground utilities may produce either oversized excavations or unstable excavation walls. We are suggesting, but not requiring, that the building pad be overexcavated, the large rocks removed, and the soil replaced as engineered fill. If this is performed, an added benefit would be higher allowable bearing capacities for the shallow foundations.

4.2 UBC Seismic Design Parameters

According to the 1997 UBC, the site is located within Seismic Zone 4. Site soils are of soil profile type S_D. Near-source acceleration and velocity factors are determined by the UBC based upon the

site's soil profile and proximity to Type A and Type B faults. Based on the site soil profile and the 1.6 km distance from the site to the Type A San Andreas fault, the Near-Source Acceleration Factor, *Na* for site is 1.5, and the Near-Source Velocity Factor, *Nv* is 2.0.

4.3 Site Grading

Site grading should be performed in accordance with these recommendations and the Grading and Earthwork Specifications in the appendices. A pre-construction conference should be held at the jobsite with representatives from the owner, general contractor, grading contractor, and CEL prior to starting the stripping and demolition operations at the site.

4.3.1 Site Preparation and Demolition

The site should be cleared of vegetation, large surface rocks greater than six inches in diameter, debris, and other deleterious materials. Existing underground utilities to be abandoned at the site should be properly grouted, closed or removed as needed. If the utilities are removed, the excavations should be backfilled with properly compacted fill or other material approved by the Geotechnical Engineer.

4.3.2 Building Pad Grading

The areas of proposed buildings should be thoroughly saturated for at least four to six hours and compacted to at least 92 percent relative compaction in accordance with ASTM D1557 with a large, smooth drum vibratory loader. Large boulders and cobbles greater than 6 inches at the ground surface should be excavated and removed from the soil. Engineered fill can then be placed in no greater than one-foot thick lifts, moisture conditioned to at least 2 to 3 percent over optimum moisture and compacted to at least 92 percent relative compaction.

OPTION: If higher allowable bearing capacities and the easier utility and footing excavations are desired, the building pad should be overexcavated at least 4 feet, and the soil replaced as engineered fill. The soil should be compacted to at least 92 percent relative compaction. Scarifying the bottom of the overexcavation is not required. However, an option would be to overexcavate 3.5 feet and scarify 6 inches. The overexcavation should extend at least 5-feet beyond the building perimeter. Rocks larger than about 4 inches in largest dimension should be removed prior to utilizing the material as engineered fill. Lifts should be less than 8-inches thick.

4.3.3 General Grading

Site grading is anticipated to consist of approximately up to 2 feet of cut and fill for drainage purposes and to level the site. Onsite soil generated from cut areas following clearing and grubbing

that is free of excess organic material (3 percent or less by weight) or debris may be suitable for use as structural fill at the site.

Pavement and concrete hardscape areas should be completely saturated by means of water truck for at least four to six hours and compacted. Areas supporting vehicles should be compacted to at least 95 percent relative compaction in accordance with ASTM D1557 with a large, smooth drum vibratory loader. Pedestrian areas can be compacted to at least 92 percent relative compaction. Boulders and cobbles greater than 6 inches encountered during scarification should be excavated and removed from the soil. Engineered fill can then be placed in no greater than one-foot thick lifts, moisture conditioned to over optimum moisture content and compacted.

If used, imported fill materials should be non-expansive, having a Plasticity Index of 12 or less, an R-Value greater than 30, and fines so the soil can bind together. Imported materials should be free of organic materials and debris, and should not contain rocks or lumps greater than 3 inches in maximum size. Import fill materials should be approved by the geotechnical engineer prior to use on site.

Final grading should be designed to provide positive drainage away from structures. Soil areas within 10 feet of proposed structures should slope at a minimum of 2 percent away from the buildings. Roof leaders and downspouts should discharge onto paved surfaces sloping away from the structure or into a closed pipe system which outfalls to the street gutter pan or directly to the storm drain system.

If grading occurs in the winter rainy season, unstable subgrade conditions may be present. These conditions may require stabilizing the subgrade with admixtures, such as cement kiln dust, cement, or lime. Additional recommendations can be provided, if required, during construction.

4.4 Utility Trench Construction

Utility trenches may be backfilled with native soil above the utility bedding and shading materials. If rocks larger than 4 inches in maximum size are encountered, they should be removed from the fill material prior to placement in the utility trenches. Backfill in the upper 5 feet of utility trenches should be compacted to at least 92 percent relative compaction. Trench backfill deeper than 5 feet should be compacted to at least 95 percent relative compaction. Utility bedding and shading compaction requirements should be in conformance with the requirements of the local agencies having jurisdiction. Jetting of trench backfill is not recommended.

Pea gravel, rod mill, or other similar self-compacting material can be utilized for trench backfill in the building pad. However, the self-compacting material should be compacted with a whacker and placed in minimum 2-foot lifts. The upper foot of backfill in the building pad subgrade should consist of Class 2 baserock. Self-compacting backfill material should not be used in exterior underground trenches due to the potential for water seeping into the trench backfill. Fines may migrate into the voids in the pea gravel or rod mill, which could cause settlement of the ground surface above the trench.

Utility trenches should be sealed with concrete, clayey soil, sand-cement slurry, or controlled density fill (CDF) where the utility enters the building under the perimeter foundation. This would reduce the potential for migration of water beneath the building through the shading material in the utility trench.

4.5 Temporary Excavations

The contractor should utilize proper Cal OSHA methods during construction. Excavations in soil more than 5 feet deep for utility trenches should have side slopes constructed at 1.5H:1V (horizontal to vertical). The grading contractor, based upon the materials encountered during the excavation, should make selection of temporary side slopes. Maximum slope ratios provided above are assumed to be uniform from top to toe of the slope. Adequate provisions should be made to prevent water from ponding on top of the slope and from flowing over the slope face. Surcharge loads should not be permitted within 10 feet of the top of the slope. Desiccation or excessive moisture in the excavation could reduce stability and require shoring or laying backside slopes.

4.6 Building Foundations

The proposed structures can be supported on spread footings. Shallow strip perimeter footings should be founded a minimum of 18 inches below lowest adjacent finish grade. Interior footings can be founded 12 inches below building pad subgrade. The allowable bearing capacity for the proposed foundations is 2,200 pounds per square foot (psf) for dead plus live loads. The allowable bearing capacity may be increased by 1/3 for temporary seismic or wind loading. The allowable bearing capacity can be increased to 3,500 psf if the building pad is overexcavated and replaced as engineered fill (see option in building pad grading section).

For resistance to lateral loads, a coefficient of friction of 0.35 between the base of the foundation elements and underlying material is recommended. In addition, an allowable passive resistance equal to an equivalent fluid weighing 350 pounds per cubic foot (pcf) acting against the foundation may be used to resist lateral forces. The top foot of passive resistance at foundations should be neglected unless the ground surface around the footing is covered by concrete or pavement. If both friction and passive resistance is utilized, a 50 percent reduction is recommended for either of them.

Footing excavations should have firm bottoms and be free from excessive slough prior to concrete or reinforcing steel placement. Where utility trenches are to be located adjacent to foundations, the bottom of the footing should be located below an imaginary 1:1 (horizontal to vertical) plane projected upward from the nearest bottom edge of the utility trench.

The foundation excavations should be observed by a representative of Consolidated Engineering Laboratories prior to placement of reinforcing steel or concrete to evaluate the exposed soil conditions.

Total static and dynamic settlement of the building is anticipated to be about 1-inch. Differential static settlement between isolated columns and perimeter footings is anticipated to be about 3/4-inch. Most of the settlement should occur during construction.

4.7 Drilled Piers

Drilled piers may be used to support awnings for covered walkways, light poles or similar structures. Pier drilling and construction specifications are provided in the appendices. The allowable skin friction for these piers resisting vertical downward loads can be considered to be 450 psf. End

bearing should be neglected. Piers resisting vertical upward (tension) should be designed using an allowable skin friction of 3000 psf. A passive pressure of 350 psf is allowed for lateral resistance. The upper foot of skin friction and passive resistance should be neglected unless the surrounding area is covered by concrete. The piers should be spaced a minimum of 3 diameters apart. Pier spacings less than 3 diameters will require a reduction in allowable skin friction. Passive resistance for less than 6 pier diameters will need to be reduced. For piers spaced at 3 diameters, the passive resistance should be reduced by half. Full passive resistance is allowed for piers spaced on 6 diameter spacings. The amount of reduction for passive resistance between 3 pier diameters to 6 diameters can be considered to be linear. Passive resistance for less than 3 pier diameter spacings should be determined during the plan review process.

The bottom of the piers should be properly cleaned out after drilling. A CEL representative should observe the drilling of the piers to confirm final depths and proper cleaning of the bottom of the piers. Soil should be prevented from falling into the pier hole after drilling. This can be accomplished by removing excess soil cuttings from the top of the pier hole and covering the hole. The pier hole cover should also prevent persons or objects from falling into the hole. Additionally, piers drilled during the day should have the reinforcing cages installed in the hole and filled with concrete before the end of the day.

Because of the presence of near surface cobbles and boulders encountered in our exploratory borings and test pits, the drilling of piers may be difficult in the top five to six feet of soil. The pier contractor should be made aware of the presence of cobbles boulders so the necessary equipment can be utilized. Boulders and cobbles will need to be removed if encountered during pier drilling operations, and the location of piers may need to have some flexibility to account for this condition.

4.8 Concrete Slabs on Grade

Non-structural concrete slab-on-grade floors should be a minimum of 4 inches in thickness. Reinforcing requirements should be determined by the structural engineer. The concrete floor slab can be constructed on 4 inches of Class 2 aggregate baserock compacted to a minimum 95 percent relative compaction. If the floor slab will have high rack loading or fork lift traffic, the slabs should be at least 5-inches thick and underlain by at least 6 inches of Class 2 baserock. If the floor will have moisture sensitive floor coverings, the baserock should be replaced with a vapor barrier over a minimum of 2-inches of angular, clean sand. The civil engineer should determine if a thin sand layer

is required on top of the vapor barrier. If construction occurs in the winter months, the vapor barrier may prevent the vertical percolation of rainwater. Exterior concrete flat work can be placed on the existing site soil. The subgrade beneath the flatwork should be compacted to at least 92 percent

relative compaction as discussed in the grading section of the report. Where flatwork is contiguous to the building at doorways and entrances, the flatwork should be doweled into the building foundation to reduce potential tripping hazards.

4.9 Retaining Wall Design

Proposed retaining walls can be supported on spread footings as discussed above. The anticipated retaining wall pressures for the on-site soil conditions are provided in Figure 3. The active and at rest pressures for soils shown on Figure 3 assume the backfill behind the retaining wall is a gravel blanket or wall drain with native soil or gravel.

Drainage should be provided behind the retaining walls. The drainage system should consist of a minimum of 4-inch diameter perforated pipe placed at the base of the retaining wall and surrounded by 3/4-inch drain rock wrapped in a Mirafi 140N filter fabric, or equivalent approved by the geotechnical engineer. The drain rock wrapped in fabric should be at least 12 inches wide and extend from the base of the wall to within 2 feet of the ground surface. The upper 2 feet of backfill should consist of compacted native soil. The retaining wall drainage system should be sloped to outfall to the storm drain system or other appropriate facility.

As an alternative to the drain rock and fabric, Miradrain 2000, or approved equivalent, may be used behind the retaining wall. The Miradrain 2000 should extend from the base of the wall to within 2 feet of the ground surface. A perforated pipe should be placed at the base of the wall in direct contact with the Miradrain 2000. The Miradrain fabric at the base of the Miradrain 2000 panel should be wrapped around the perforated pipe to prevent soil intrusion into the pipe

The foundation excavations should be observed by a representative of Consolidated Engineering Laboratories prior to placement of reinforcing steel or concrete to evaluate the exposed soil conditions.

4.10 Pavement Design

Recommendations for the design of asphalt concrete pavement sections were developed in accordance with the procedures outlined in the latest edition of the Caltrans Highway Design Manual. The Caltrans design method uses Traffic Indices (TI) to represent anticipated wheel loads and frequency of usage for a given design life. A design life of 20 years is typically used. Factors such as surface and subsurface drainage have an effect on the overall life of a pavement section.

An R-Value of 70 were obtained for a near surface soil samples at the site. An R-Value of 70 was used for design. The following are recommended structural asphalt concrete (AC) pavement sections.

Pavement (Traffic Index)	Asphalt Concrete (Inches)	Class 2 Aggregate Baserock (Inches)	Total Section (Inches)
Car Parking (4.5)	2.5	4	6.5
Car Driveways (5.0)	3.0	4	7.0
Heavy Duty (6.0)	3.5	6	9.5
Street (7.0)	4.0	6	12.0

Asphalt concrete should be designed per Caltrans standards. Car parking areas should be ½-inch maximum medium mix, and the other pavements should be ¾ inch max medium mix. The asphalt pavement should be placed in minimum 1-1/2 inch thick compacted lifts and a maximum 4-inch thick lifts.

The subgrade underlying pavement areas should be prepared per the recommendations provided in the Site Grading section. Aggregate base materials should be compacted to a minimum of 95 percent of the maximum dry density within two percent of the optimum moisture content as determined by ASTM D1557.

4.11 Plan Review

It is recommended that Consolidated Engineering Laboratories be provided the opportunity to review the final project plans prior to construction. The purpose of this review is to assess the general compliance of the plans with the recommendations provided in this report and the incorporation of these recommendations into the project plans and specifications.

4.12 Observation and Testing During Construction

It is recommended that Consolidated Engineering Laboratories be retained to provide observation and testing services during site preparation, site grading, utility construction, foundation excavation, pier drilling and to observe final site drainage. This is to observe compliance with the design concepts, specifications and recommendations, and to allow for possible changes in the event that subsurface conditions differ from those anticipated prior to the start of construction.

REFERENCES

California Building Code, International Conference of Building Officials, 1998.

California Department of Transportation (Caltrans), California Standard Specifications, 1992.

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Division of Mines and Geology (DMG), Guidelines for Evaluating and Mitigating Seismic Hazards in California, DMG Special Publication 117, March 13, 1997.

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Pradel, Daniel, "Procedure to Evaluate Earthquake-Induced Settlements in Dry Sandy Soils," Journal of Geotechnical and Geoenvironmental Engineering, April 1998.

Uniform Building Code, International Conference of Building Officials, April 1997.

LIMITATIONS AND UNIFORMITY OF CONDITIONS

The recommendations of this report are based upon the soil and conditions encountered in the borings. If variations or undesirable conditions are encountered during construction, Consolidated Engineering Laboratories (CEL) should be contacted so that supplemental recommendations may be provided.

This report is issued with the understanding that it is the responsibility of the owner or his representatives to see that the information and recommendations contained herein are called to the attention of the others members of the design team and incorporated into the plans and specifications, and that the necessary steps are taken to see that the recommendations are implemented during construction.

The findings and recommendations presented in this report are valid as of the present time for the development as currently proposed. However, changes in the conditions of the property or adjacent properties may occur with the passage of time, whether by natural processes or the acts of other persons. In addition, changes in applicable or appropriate standards may occur through legislation or the broadening of knowledge. Accordingly the findings and recommendations presented in this report may be invalidated, wholly or in part, by changes outside our control. Therefore, this report is subject to review by CEL after a period of three (3) years has elapsed from the date of issuance of this report. In addition, if the currently proposed design scheme as noted in this report is altered CEL should be provided the opportunity to review the changed design and provide supplemental recommendations as needed.

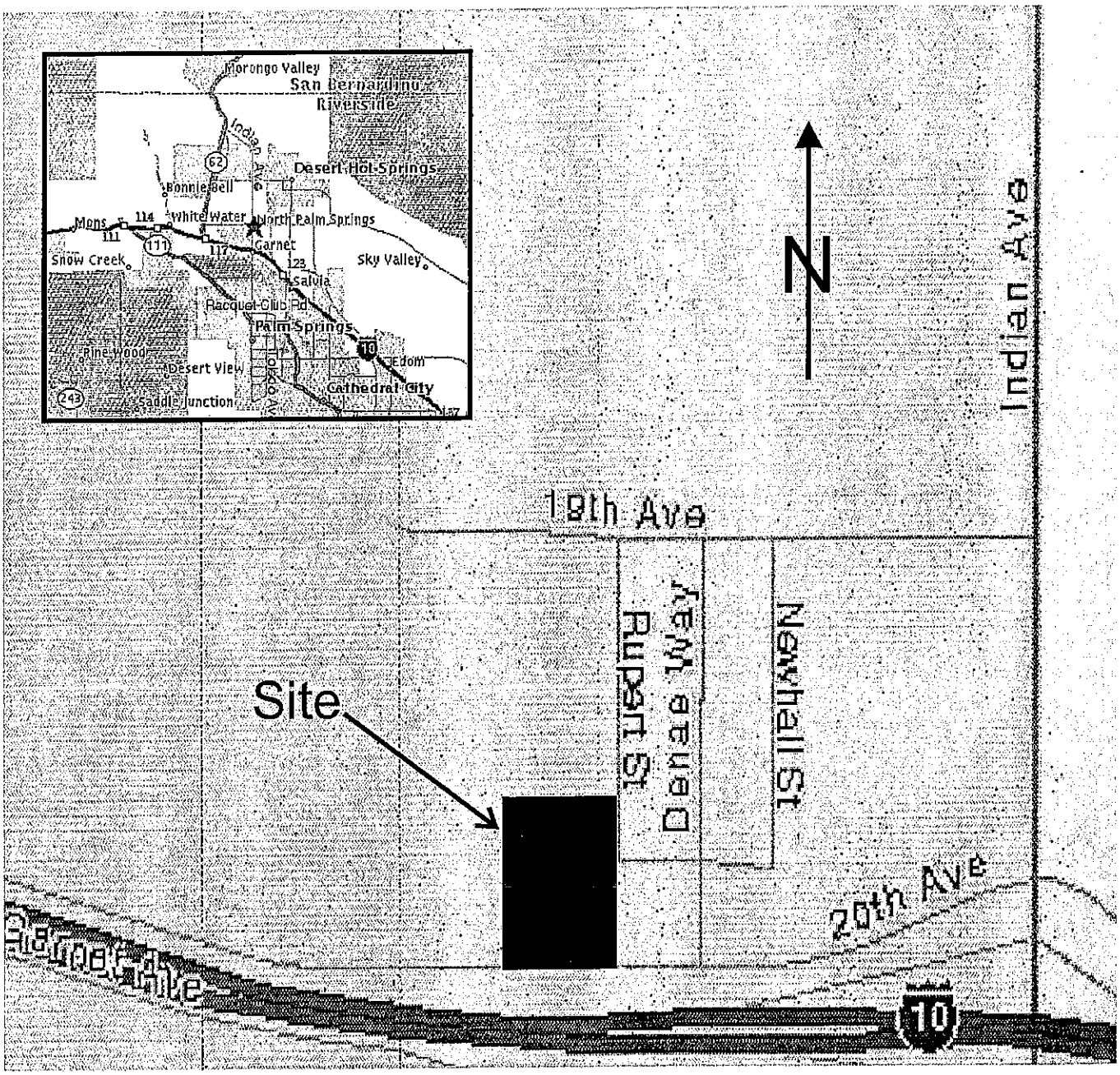
Recommendations are presented in this report which specifically request that CEL be provided the opportunity to review the project plans prior to construction and that we be retained to provide observation and testing services during construction. The validity of the recommendations of this report assumes that CEL will be retained to provide these services.

This report was prepared upon your request for our services, and in accordance with currently accepted geotechnical engineering practice. No warranty based on the contents of this report is intended, and none shall be inferred from the statements or opinions expressed herein.

The scope of our services for this report did not include an environmental assessment or investigation for the presence or absence of wetlands or hazardous or toxic materials in the soil, surface water, groundwater or air, on, below or around this site. Any statements within this report or on the attached figures, logs or records regarding odors noted or other items or conditions observed, are for the information of our client only.

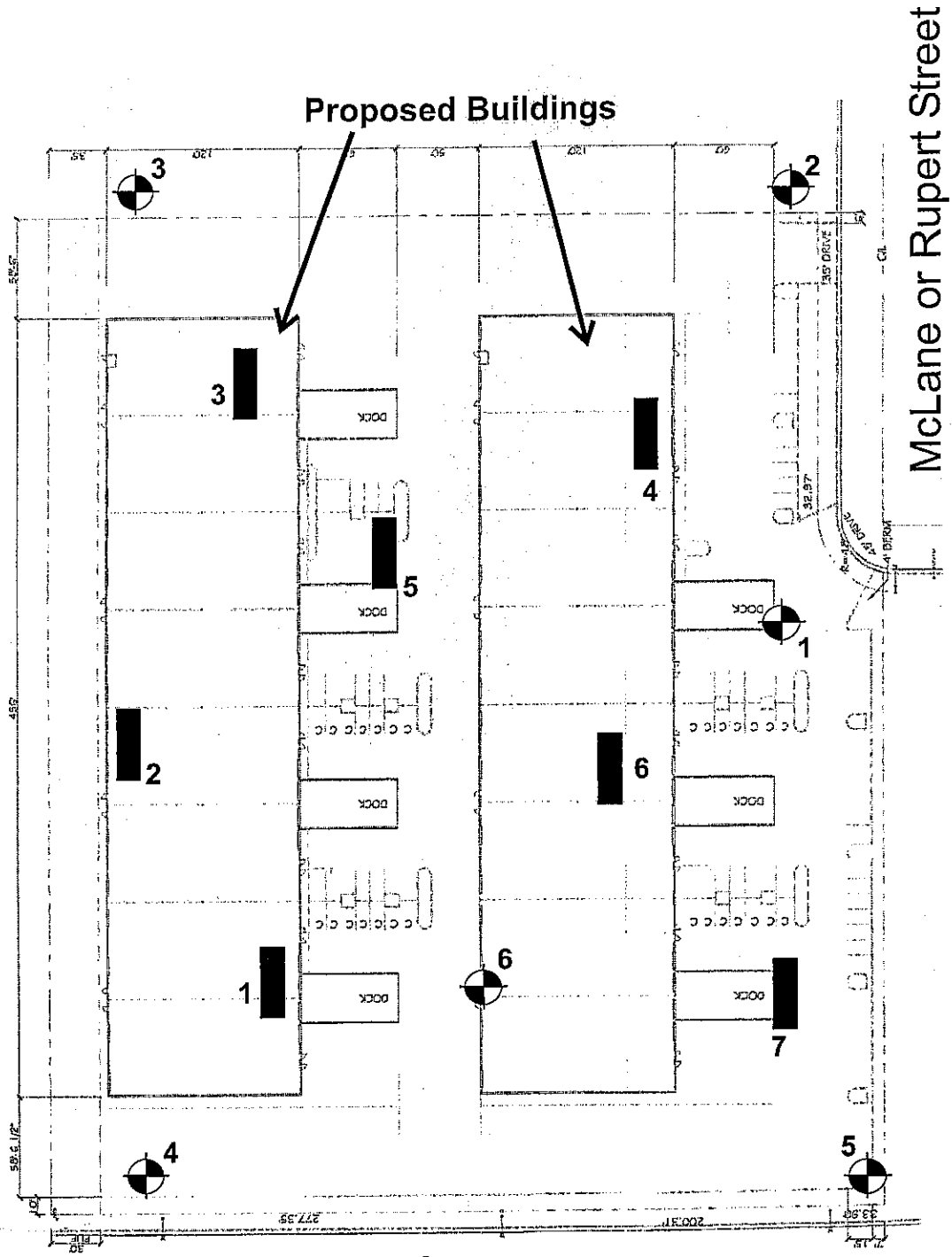
FIGURES

Figure 1 - Site Vicinity
Figure 2 - Site Plan
Figure 3 - Retaining Wall Pressures



No Scale

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Site Vicinity	Figure 1



- Approximate Boring Location

- Approximate Test Pit Location

No Scale

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Site Plan	Figure 2

NOTES

A: Restrained and unrestrained retaining wall schematic.

B: Equivalent fluid pressure for level backfill.

C: Lateral load from vehicles near top of wall.

D: Lateral load from uniform surcharge (S psf) on wall backfill.

E: P = Dynamic thrust on retaining wall from earthquakes utilizing a pseudostatic acceleration of 0.15g.
h = Point of application of dynamic thrust.

1) Assumed drained backfill condition.

2) Equivalent fluid pressure increase for sloping backfill:
Restrained wall; add 1.5 pcf for each degree of backfill inclination.
Unrestrained wall; add 1 pcf for each degree of backfill inclination.

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Retaining Wall Pressures	Figure 3

APPENDIX A

Key to Boring Logs
Logs of Borings and Test Pits

Key to Boring Logs



3-inch O.D. Modified California Sampler



2-inch O.D. Standard Penetration Test (SPT)



Bulk Sample



2.5-inch O.D. Split Spoon Sampler



3-inch O.D. Shelby Tube (hydraulically advanced)



Groundwater Level Encountered During Drilling



Groundwater Level Measured After Drilling

25 Blow Count To Drive Sampler One Foot

1. The boring locations were determined by pacing, sighting and/or measuring from site features. Elevations of borings (if included) are determined by interpolation between plan contours. The location and elevation of borings should be considered accurate only to the degree implied by the method used.

2. The stratification lines represent the approximate boundary between soil types. The transition may be gradual.

3. Water level readings have been made in the drill holes at times and under conditions stated on the boring logs. This data has been reviewed and interpretations made in the text of this report. However, it must be noted that fluctuations in the level of the groundwater may occur due to variations in rainfall, tides, temperature and other factors at the time measurements were made.

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 1
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light brown, poorly to well-graded, medium to coarse SAND with silt and gravel. Fill.	Dry	Med. Dense	SP/ SW	0
							R-Value = 77				
5		28	1-1		104.9	6.0	Becoming less silty and gravelly. Fill?	Dry	Med. Dense	SP/ SW	5
							Practical drilling refusal at 5.5 feet. No groundwater encountered.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 2
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light brown, poorly to well-graded, medium to coarse SAND with silt and gravel. Fill.	Dry	Med. Dense	SP/ SW	0
5		32	2-1	(no recovery)							5
		52	2-2		130.6	0.9	Becoming gray and white with feldspar grains, medium to coarse grained, poorly graded. Native	Dry	Med. Dense To Dense	SP	
10		24	2-3		107.1	1.5	Sand with abundant quartz grains, medium to coarse grained with trace gravel.	Dry	Med. Dense	SP	10
15		37	2-4		108.3	1.6	Becoming coarser with more feldspar grains.	Dry	Med. Dense	SP	15
20		54	2-5				Becoming finer, poorly to well-graded.	Dry	Dense	SP/ SW	20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

GF 004

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Boring No.:** 2
Location: N. Palm Springs, California	**Drilling Method:** Mobile B-57, 8" hollow-stem augers, 140 lb hammer		**Date Drilled:** 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
25		34	2-6		110.9	5.5	Moderate brown, fine to medium grained with trace coarse, poorly graded SAND with silt.	Dry To Slight. Moist	Med. Dense	SP	25
30		44	2-7				Becoming brown with white quartz and some gravel.	Dry To Slight. Moist	Dense	SP	30
35		50	2-8				Grading to medium to coarse, poorly-graded, medium to coarse SAND with gravel.	Dry	Dense	SP	35
40		68	2-9				Salt and pepper colored, fine to medium, poorly graded SAND grading to well-graded SAND with gravel.	Dry To Slight. Moist	Dense	SP/ SW	40
45							Boring terminated at 41.5 feet. No groundwater encountered.				45
50											50

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 3
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish to moderate brown, fine to medium, poorly graded SAND with silt binder. Fill.	Slight. Moist	Dense	SP	0
		54	3-1		117.7	3.1					
5											5
		22	3-2		110.0	1.9	Becoming medium to coarse with trace fines and gravel. Native.	Dry	Med. Dense	SP/ SW	
10											10
		45	3-3				Becoming less gravelly.	Dry	Dense	SP/ SW	
15											15
		50	3-4				Becoming fine to medium with trace silt.	Dry	Dense	SP	
20							Boring terminated at 18.5 feet. No groundwater encountered.				20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 4
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Moderate brown, fine to medium, poorly to well-graded SAND with silt and gravel. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
5		74	4-1		109.6	2.5	Becoming siltier and grayish-brown. Fill?	Dry	Very Dense	SP/ SW	5
10		35	4-2		100.0	2.6	Fine to medium with some coarse and silt, poorly graded SAND. Native.	Dry	Med. Dense	SP	10
15		34	4-3				Becoming poorly to well-graded SAND.	Dry	Med. Dense	SP/ SW	15
20		44	4-4				Becoming fine to coarse, well graded.	Dry	Dense	SW	20
25		51	4-5				Trace coarse gravel.	Dry	Dense	SW	25

GF 004

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Boring No.:** 4
Location: N. Palm Springs, California	**Drilling Method:** Mobile B-57, 8" hollow-stem augers, 140 lb hammer		**Date Drilled:** 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
25							Rocky zone, approximately 2 feet thick				25
30		71	4-6				Fine to medium, poorly graded SAND with trace gravel and silt.	Dry	Very Dense	SP	30
35		23	4-7				Moderate brown, fine silty SAND.	Slight. Moist	Med. Dense	SM	35
40		16	4-8				Grading to moderate brown, fine to medium, poorly graded SAND.	Slight. Moist	Loose	SP	40
45							Boring terminated at 40.0 feet. No groundwater encountered.				45
50											50

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 5
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Tannish-brown to grayish-brown silty, fine, poorly-graded SAND with gravel. Fill.	Dry	Med. Dense	SP/ SM	0
5		27	5-1				Native.				5
10							Practical refusal at 8.0 feet. No groundwater encountered.				10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 6
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light grayish-brown, silty to poorly-graded SAND. Fill.	Dry	Med. Dense	SM/ SP	0
5		39	6-1		104.5	2.9		Dry	Med. Dense	SM/ SP	5
10		30	6-2		101.0	4.2	Salt and pepper colored, fine to medium, poorly-graded SAND. Native.	Dry	Med. Dense	SP	10
15		29	6-3					Dry	Med. Dense	SP	15
20		35	6-4				Becoming moderate brown, fine to medium, poorly graded SAND with silt.	Slight. Moist	Med. Dense	SP	20
25							Boring terminated at 21.5 feet. No groundwater encountered.				25

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Test Pit No.:** 1
Location: N. Palm Springs, California	**Excavation Method:** Backhoe with Modified California sampler		**Date Excavated:** 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, fine to medium, poorly-graded SAND with gravel, silt and some cobbles. Fill.	Dry	Med. Dense	SP	0
							Becoming medium to coarse with less silt.	Dry	Dense	SP/	
							Difficult digging, becoming moderate brown.	Dry	Dense	SP/ SW	
5							Becoming pebbly. Native?	Dry	Dense	SP/ SW	5
		8	7-1	(no recovery)			Becoming less cobbly, digging easier, large quartz sand grains, little to no silt binder.	Dry	Med. Dense	SP	
10							Test Pit terminated at 9.0 feet. Minor collapsing in top 1.5 feet of pit. No visible fill contact.				10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 2
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly-graded to well-graded, fine to coarse SAND with silt and gravel. Some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
							Becoming moderate brown, less coarse, more silt.	Dry	Dense	SP	
		40	8-1		106.6	3.9					
5		24	8-2		107.9	2.0		Dry	Med. Dense	SP	5
							Test Pit terminated at 6.0 feet. No fill contact visible.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 3
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming moderate brown and slightly more coarse.				
		35	9-1		113.0	2.5					
5							2-boulders 1.5 feet in diameter. 3-boulders 3/4' to 1' in diameter.	Dry	Med. Dense To Dense	SP/ SW	5
							Becoming more coarse. Native.				
							Test Pit terminated at 8.0 feet. Very little to no collapsing of pit.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 4
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Three boulders to 2 feet in diameter. Some pit collapsing. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming coarser sand.				
							Less boulders and cobbles.				
	■	12	10-1	(no recovery)							
5							Digging easier, less cohesion. Native?	Dry	Med. Dense	SP/ SW	5
							Test Pit terminated at 7.0 feet. No visible fill contact.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 5
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming moderate brown, some boulders, fine to medium with silt.	Dry	Med. Dense	SP	
		23	11-1		115.4	2.6					
5											5
							Becoming fine to coarse. Native?	Dry	Med. Dense	SP/ SW	
		8	11-2	(slough)							
							Test Pit terminated at 7.5 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 6
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
	■	20	12-1				Becoming cobbly and bouldery, moderate to tannish-brown.				
5							Becoming less cobbly, less cohesive. Native?				5
							Test Pit terminated at 6.0 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 7
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
							Becoming moderate brown, fine to medium. Some coarse grains.	Dry	Med. Dense	SP	
							Becoming more cobbly and some boulders.				
							Less cohesion.				
5							Easier digging, fine to coarse, very little cobbles. Native?	Dry	Med. Dense	SP/ SW	5
							Test Pit terminated at 8.0 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

APPENDIX B

LABORATORY TEST RESULTS

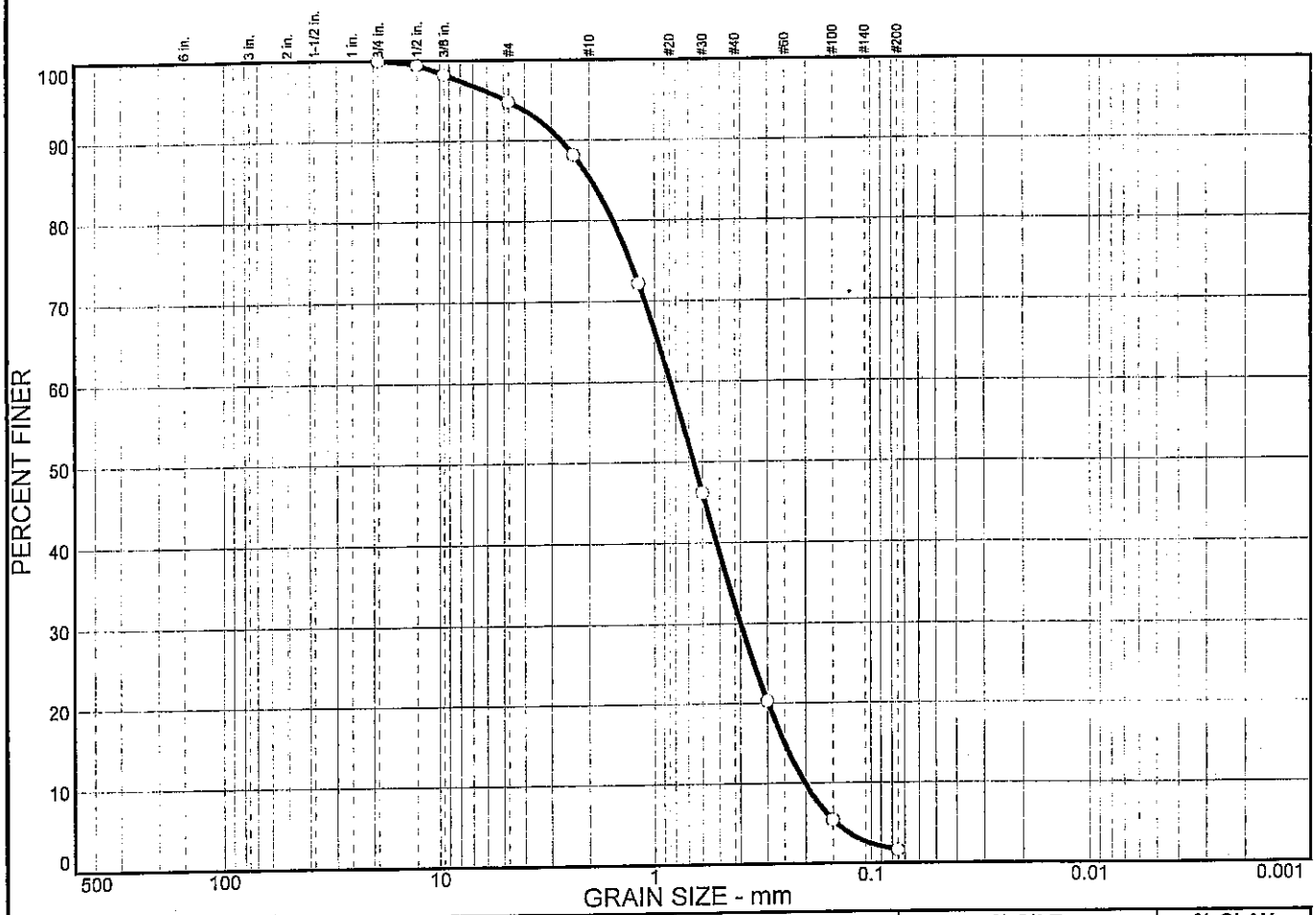
Sieve Analysis

Single Point Consolidation

R-Value

Water Soluble Sulfate

Particle Size Distribution Report



% COBBLES	% GRAVEL	% SAND	% SILT	% CLAY
0.0	5.2	93.2	1.6	

SIEVE SIZE	PERCENT FINER	SPEC.* PERCENT	PASS? (X=NO)
3/4 in.	100.0		
1/2 in.	99.4		
3/8 in.	98.2		
#4	94.8		
#8	88.2		
#16	72.2		
#30	46.2		
#50	20.3		
#100	5.4		
#200	1.6		

* (no specification provided)

Soil Description

7-1: brown sand with some rock

Atterberg Limits

PL= LL= PI=

Coefficients

D_{85}= 1.95 D_{60}= 0.842 D_{50}= 0.658
D_{30}= 0.398 D_{15}= 0.249 D_{10}= 0.200
C_u= 4.21 C_c= 0.94

Classification

USCS= AASHTO=

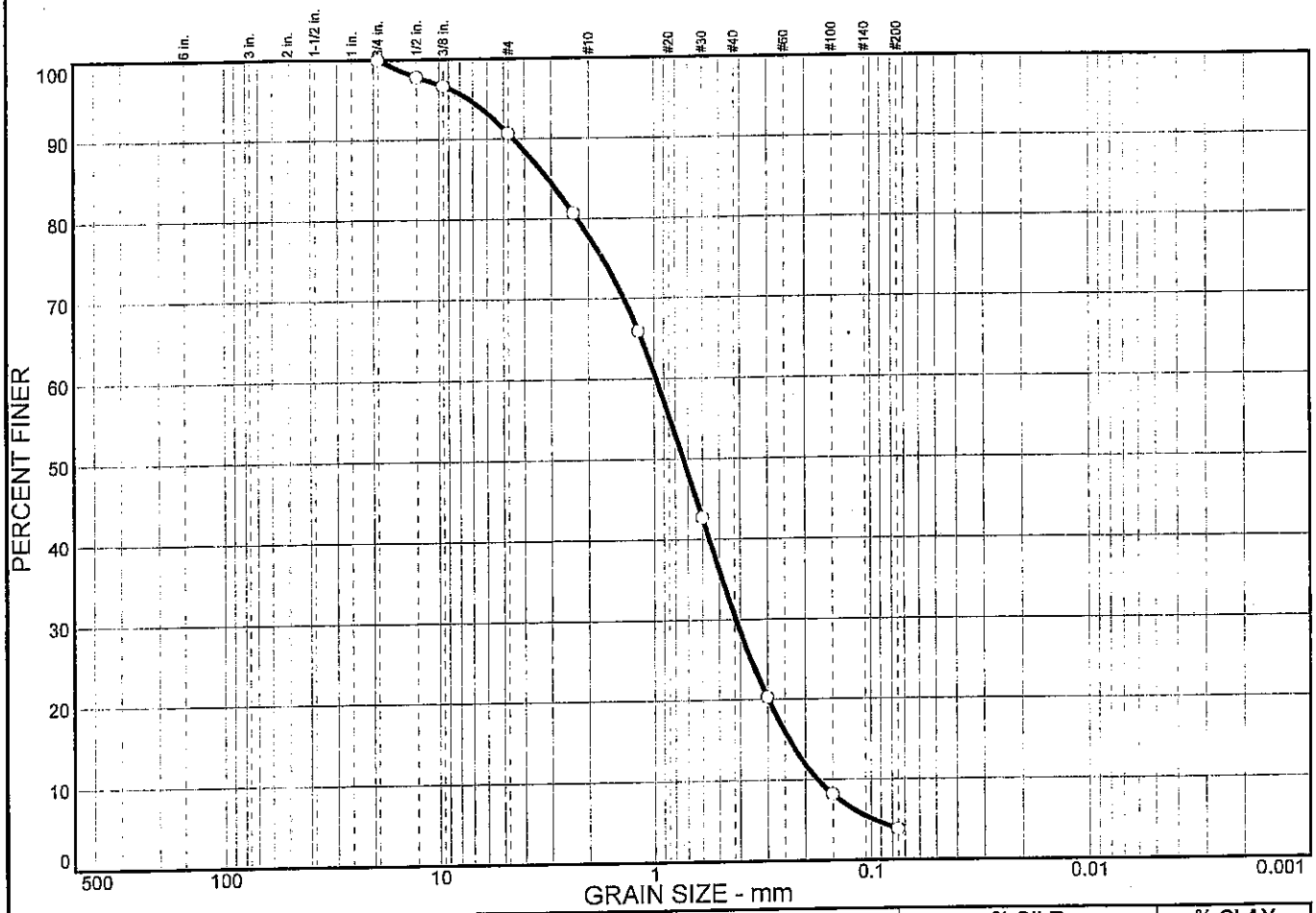
Remarks

Sample No.: S0820-05: 7-1 Source of Sample: Date:
Location: Elev./Depth: 8.0'-8.5'

CONSOLIDATED ENGINEERING LABORATORIES

Client:
Project: Palm Springs
Project No: G1357 Plate 7-1

Particle Size Distribution Report



% COBBLES	% GRAVEL	% SAND	% SILT	% CLAY
0.0	9.3	86.9	3.8	

SIEVE SIZE	PERCENT FINER	SPEC.* PERCENT	PASS? (X=NO)
3/4 in.	100.0		
1/2 in.	97.8		
3/8 in.	96.7		
#4	90.7		
#8	80.7		
#16	65.9		
#30	42.7		
#50	20.3		
#100	8.2		
#200	3.8		

* (no specification provided)

Soil Description

11-2: brown sand with some rock

Atterberg Limits

PL= LL= PI=

Coefficients

D_{85}= 3.10 D_{60}= 0.975 D_{50}= 0.733
D_{30}= 0.417 D_{15}= 0.237 D_{10}= 0.175
C_u= 5.58 C_c= 1.02

Classification

USCS= AASHTO=

Remarks

Sample No.: S0820-05: 11-2 **Source of Sample:** **Date:**

Location: **Elev./Depth:** 6.5'-7.5'

CONSOLIDATED ENGINEERING LABORATORIES

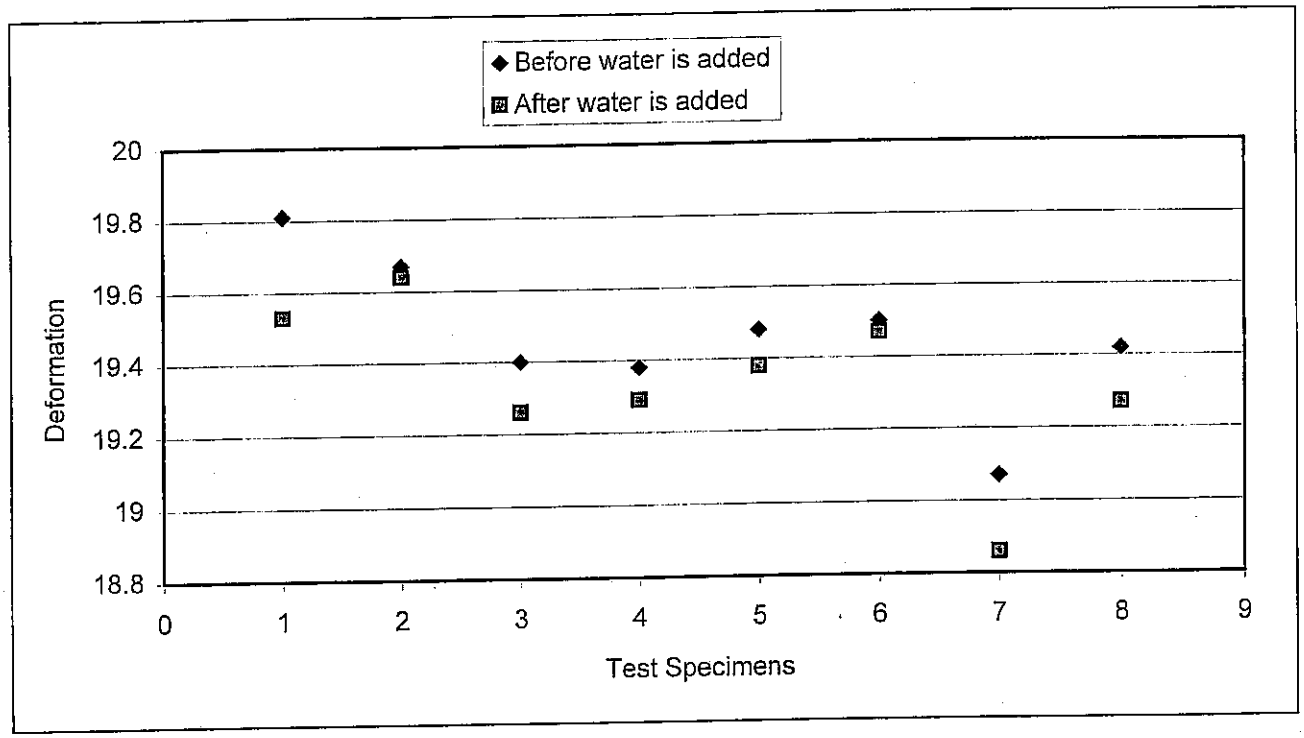
Client:

Project: Palm Springs

Project No: G1357 **Plate** 11-2

CEL# G1357
Project: Palm Springs
Lab No.: S0820-05

One Dimensional Consolidation



Initial Height, mm: 20
Load, psf: 4000

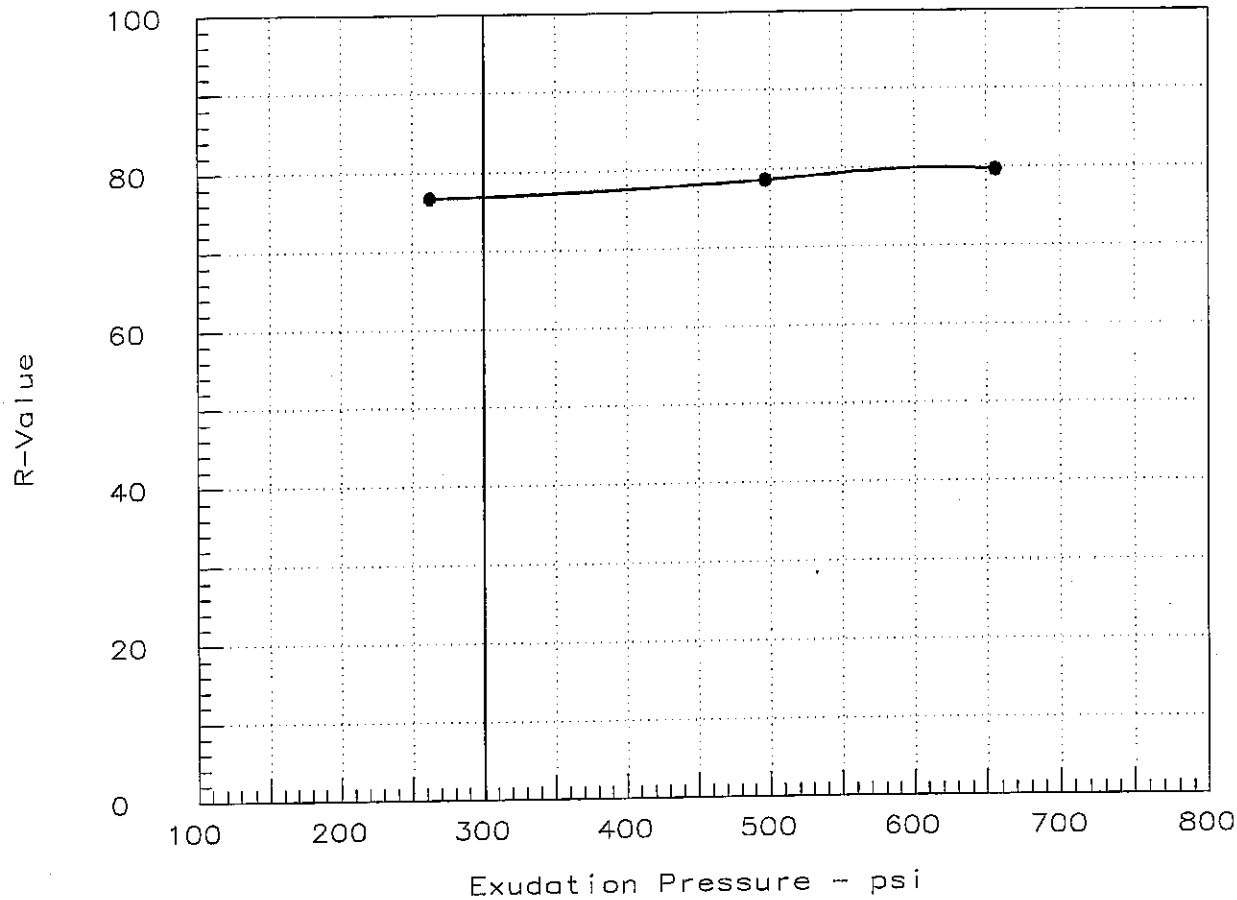
Height of Specimens after Loading

Specimen ID	1-1	3-3	4-1	4-2	6-1	6-3	8-1	8-3
Test Specimen	1	2	3	4	5	6	7	8
Before Water Added	19.81	19.67	19.40	19.38	19.48	19.50	19.07	19.42
After Water Added	19.53	19.64	19.26	19.29	19.38	19.47	18.86	19.27
Deform'n before water, mm	0.188	0.333	0.602	0.617	0.518	0.500	0.927	0.584
Deformation after water, mm	0.470	0.356	0.742	0.706	0.620	0.533	1.140	0.723
* Dry Density, pcf	104.9	98.1	109.6	100.0	104.5	101.0	106.6	107.9
* Moisture Content, %	6.0	4.3	2.5	2.6	2.9	4.2	3.9	2.0
Final Moisture Cont, %	18.8	21.0	17.2	18.4	18.0	21.8	15.3	17.5

* as prepared

Specimen ID	Depth, ft	Material Description
1-1	4.5-5.0	light brownish gray silty sand
3-3	13.0-13.5	light gray coarse sand (moisture added before set up)
4-1	4.5-5.0	brown sand with silt (partially disturbed, removed 1/4" rock)
4-2	9.5-10.0	light brown sand (partially disturbed, removed 1-1/2" rock)
6-1	6.0-6.5	light brown sand
6-3	16.0-16.5	light brownish gray sand
8-1	2.5-3.0	brown sand with some silt
8-3	4.5-5.0	brown sand with some silt

R-VALUE TEST REPORT



Resistance R-Value and Expansion Pressure - ASTM D 2844

No.	Compact. Pressure psi	Density pcf	Moist. %	Expansion Pressure psi	Horizontal Press. psi @ 160 psi	Sample Height in.	Exud. Pressure psi	R Value	R Value Corr.
1	350	121.3	7.8	0.00	26	2.50	263	77	77
2	350	121.5	7	0.00	25	2.51	497	79	79
3	350	122.0	6.8	0.00	22	2.50	657	80	80

TEST RESULTS	MATERIAL DESCRIPTION
R-Value @ 300 psi exudation pressure = 77	brown sand with some gravel
Project No.: G1357 Project: Palm Springs Location: Bulk sample Date: 8-29-2003	Tested by: YD Checked by: CG Remarks: Lab NO. S0820-05
R-VALUE TEST REPORT **Consolidated Engineering Laboratories**	Fig. No.

ETS
Environmental Technical Services
-Soil, Water & Air Testing & Monitoring
-Analytical Labs
-Technical Support
1343 Redwood Way
Petaluma, CA 94954
(707) 795-9605 / FAX 795-9384

Serving people and the environment so that both benefit.

SPECIAL SOIL REPORT

To: Marc Hachey
Consolidated Engineering Labs
7060 Koll Center Parkway, #300
Pleasanton, CA 94566-3108

Date: August 27, 2003
Lab #: 00143-1
Received: August 20, 2003
Tech(s): H. Banwait
Lab Supervisor: D. Jacobson
Lab Director: G.S. Conrad, Ph.D.
Sample ID(s): PS1/C

Sample of: soil (grab)
File Number: G1357
Site Location/Job: Palm Springs, California.

RESULTS

SAMPLE ID	SAMPLE DESCRIPTION	SULFATE (SO_4)
PS1/C	Grab/Bulk	**54 mg/kg**

COMMENTS

This sample has a low sulfate level in terms of adverse engineering impacts at just over 50 ppm. Therefore, as long as this sample is representative of the soil as a whole, the soil is well within acceptable limits for this particular parameter as concerns its potential impact on concrete, mortar, grout and cement.

NOTES:
This test was done in a manner consistent with EPA, DHS, and LUFT protocols, i.e., Standard Methods UC Davis, Methods of Soil Analysis, Association of Test Materials (ASTM), CalTrans or other appropriate protocols: Cal Test - 417 (CalTrans).

APPENDIX C

Grading and Earthwork Specifications

CONSOLIDATED ENGINEERING
L A B O R A T O R I E S

GRADING AND EARTHWORK SPECIFICATIONS

A geotechnical engineering study has been prepared for this site by Consolidated Engineering Laboratories. The contractor shall become familiar with the site conditions and the recommendations contained within this report.

Definition of Terms

1. The term "Geotechnical Engineer," as used in this specification, shall mean a state registered professional engineer or his representative qualified to observe and test earthwork construction, and provide geotechnical engineering and consulting services.

2. "Engineered Fill" shall be earth material mechanically compacted to the degree specified by the Geotechnical Engineer. The Geotechnical Engineer shall make sufficient observations and tests to verify that fills have been placed in accordance with applicable specifications and the recommendations contained in the project geotechnical report.

3. The term "Relative Compaction" is defined as the ratio of in-place field dry density to the theoretical maximum dry density determined in the laboratory by the ASTM D1557 test procedure. The optimum moisture content is the moisture content at which the maximum theoretical dry density has been achieved in the laboratory by the ASTM D1557 test procedure.

Materials

4. Engineered fill shall be either on-site or imported material which is free of organic material, debris or other deleterious material. Engineered fill materials shall be approved by the Geotechnical Engineer prior to their use on the site. Engineered fill material shall not contain rocks or lumps larger than 6 inches in maximum dimension unless otherwise specified or approved by the Geotechnical Engineer. When used for trench backfill, engineered fill shall not contain rocks or lumps larger than 4 inches in maximum dimension.

5. Imported fill materials should meet the requirements of "Engineered Fill," be predominantly non-expansive, and have a Plasticity Index (PI) of 15 or less. Additional requirements for imported fill may be also specified by the Geotechnical Engineer.

6. Paving materials and their placement shall be in conformance with the requirements of the State of California, Department of Transportation (Caltrans) Standard Specifications, except that relative compaction shall be based on the ASTM D1557 test procedure. Aggregate base materials used for pavement construction shall be Caltrans Class 2 Aggregate Base, meeting the requirements of the Caltrans Standard Specifications, current edition.

7. Aggregate subbase materials used for pavement construction shall be Caltrans Class 2 Aggregate Subbase, meeting the requirements of the Caltrans Standard Specifications, current edition.

8. Material used as a capillary break beneath interior concrete slab-on-grade floors shall be clean gravel or crushed rock of 3/4-inch maximum size with less than 5 percent passing the No. 4 sieve. The material should have a Durability Index (CTM 229) of not less than 40.

Site Clearing, Stripping, and Demolition

9. Prior to placement of engineered fills or construction of site improvements, the site shall be cleared of existing abandoned structures, pavements, underground utilities, debris, and other deleterious materials, within proposed development areas. Debris resulting from the removal of these items shall be removed from the site, unless otherwise permitted.

10. Underground utilities shall be located prior to commencing grading operations. If underground utilities are abandoned, they shall be entirely removed, or fully grouted closed, unless otherwise directed by the Geotechnical Engineer. After removal, the excavations shall be backfilled with approved fill material and compacted to at least 90 percent relative compaction.

11. Following demolition and site clearing operations, areas to receive fill, concrete flatwork, structures and/or pavements shall be stripped of surface vegetation, trees and their root systems, existing loose fill materials, organic-laden soils, soft or wet soils and other deleterious materials.

Excavations resulting from the removal of such items shall be cleaned out to firm soil, as directed by the Geotechnical Engineer, and backfilled with engineered fill compacted in accordance with these specifications.

12. The depth of stripping of surface vegetation shall be at least 3 inches, and as necessary to remove organic materials. Tree removal shall include removal of the major root systems, including roots larger than 2 inches in diameter. Excavations in tree removal areas shall be dished to allow through passage of compaction equipment. The stripped materials shall be removed from the site, unless otherwise permitted. Organic-laden soils may be suitable for use in landscape areas with the approval of the owner and the Geotechnical Engineer.

General Grading

13. Following clearing and stripping operations, the exposed soil in areas to receive fill, structures, and/or concrete flatwork shall be scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 90 percent relative compaction at a moisture content at or above optimum, except where otherwise specified in the Geotechnical Engineering Study. Soil areas disturbed during demolition operations shall be sub-excavated to firm native soil, scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 90 percent relative compaction at a moisture content at or above optimum.

14. Processing of soil for compaction shall consist of aerating the material if it is too wet or adding water to the material if it is too dry. When the moisture content of a material is too high to allow the specified degree of compaction to be achieved, the material shall be aerated by plowing, blading, spreading, or other suitable means until the proper moisture content has been achieved. When the moisture content of a material is below optimum, water shall be added and the material thoroughly mixed until the proper moisture content has been achieved.

15. Fill materials shall be placed in lifts not exceeding 8 inches in uncompacted thickness. Each layer shall be thoroughly mixed to promote uniformity in each layer. Engineered fill materials shall be compacted uniformly to at least 90 percent relative compaction at a moisture content at or above optimum, except where otherwise specified in the Geotechnical Investigation Report. Filling operations shall continue until the final grades have been attained in accordance with the approved plans. Structural fills shall extend at least 5 feet beyond the footprints of proposed structures.

16. The Geotechnical Engineer shall observe the placement of fill/backfill and conduct in-place field density tests on the fill/backfill to check for adequate moisture content and relative compaction as outlined herein. Where less than the specified relative compaction is obtained, additional compactive effort shall be applied and the fill moisture-conditioned as necessary until the specified relative compaction is attained. The Contractor shall provide safe and timely access to the Geotechnical Engineer at the grading site, to permit monitoring and testing.

17. Fills constructed on ground sloping steeper than 6H:1V (horizontal to vertical) shall be keyed and benched into the natural grade, as specifically recommended by the Geotechnical Engineer. Subsurface drains shall be installed in areas of observed seepage, as recommended by the Geotechnical Engineer.

18. Fill slopes should be constructed by overfilling and cutting the slope to final grade. Track walking of a slope to achieve slope compaction is not an acceptable procedure for slope construction, unless otherwise permitted by the Geotechnical Engineer.

19. In general, cut and fill slopes should be designed and constructed at slope gradients not steeper than 2H:1V (horizontal to vertical). Interceptor drainage ditches should be constructed at 30-foot vertical intervals on slopes higher than 30 feet. These interceptor drainage ditches should be constructed on drainage terraces that are at least 6 feet wide. The drainage terrace shall be constructed to provide adequate access for periodic maintenance of the drainage ditch. The drainage terrace shall have a minimum cross slope of 2 percent into the hillside, and toward the drainage ditch. Interceptor ditches should be constructed above the tops of slopes where natural drainage is toward the slope. Erosion control planting should be established as soon after grading as possible.

20. Cut slopes should be observed by the Geotechnical Engineer or Engineering Geologist to check for possible adverse geologic conditions. If unfavorable conditions are exposed, supplementary recommendations shall be developed to mitigate possible slope instability.

21. Wherever, in the opinion of the Owner's or the Geotechnical Engineer's representative, an unstable condition is being created either by cutting or filling, work should not proceed in that area until an investigation has been made and the grading operations revised, if found necessary.

Trenches

22. Trench backfill materials shall meet the requirements of "Engineered Fill," as specified in this report, and shall not contain rocks or lumps larger than 4 inches in maximum size. Trench backfill shall be placed in lifts not exceeding 8 inches in uncompacted thickness, and be mechanically compacted to at least 90 percent relative compaction at a moisture content at or above optimum.

23. Where access to construction personnel is required, trenches in excess of 5 feet deep shall be shored or have their side walls sloped back in accordance with OSHA and other applicable regulations.

24. Jetting of trench backfill materials shall not be permitted as a means of obtaining the required compaction. Jetting shall be permitted only within the sand bedding and shading material around buried utilities.

25. Open trenches adjacent and parallel to existing foundations shall not extend below an imaginary 2H:1V (horizontal to vertical) plane projected downward from the nearest edge of the base of the adjacent footing without specific review and recommendation by the Geotechnical Engineer.

Pavement Subgrade and Aggregate Base Preparation

26. The top 8 inches of soil subgrade in pavement areas shall be compacted to at least 95 percent relative compaction. In cut areas, the subgrade soils shall be scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 95 percent relative compaction at a moisture content at or above optimum. The finished subgrade shall be graded to provide a firm and stable base for support of the specified pavement section.

27. Aggregate base and subbase materials within pavement areas shall be placed in lifts not exceeding 8 inches in uncompacted thickness. These materials shall be compacted to at least 95percent relative compaction, at a moisture content at or above optimum. All final grades shall be firm and stable prior to placement of pavement.

28. Where unstable subgrade is encountered, the Geotechnical Engineer shall provide mitigation recommendations as required. The contractor shall minimize the amount of construction traffic on unstable or potentially unstable areas, as defined by the Geotechnical Engineer. If rutting or other instability is caused by the contractor's excessive construction traffic in area designated as unstable or potentially unstable, these areas shall be repaired at the contractor's expense.

Seasonal Limits

29. Fill materials shall not be placed, spread or rolled during unfavorable weather conditions, unless otherwise permitted by the Geotechnical Engineer. Fill operations shall not be resumed until field tests by the Geotechnical Engineer indicate that the moisture contents of subgrade and fill materials are satisfactory. Placement of fill material on frozen ground shall not be permitted.

30. Surface drainage provisions shall be made by the contractor, as necessary during construction, to prevent the ponding of water on engineered fill and pavement subgrade areas during construction. The contractor shall implement erosion control measures as necessary to protect the work.

APPENDIX D

Pier Drilling and Construction Specification

CONSOLIDATED ENGINEERING
LABORATORIES

PIER DRILLING AND CONSTRUCTION SPECIFICATIONS

1. The drilled caisson excavation should be advanced with a single-flight auger or bucket auger to the design depth (the completed excavation should be verified by observations and measurement to be clean and free of water to the specified depth). After reaching the design depth, the auger should be placed back in the hole and two additional passes made without advancement to remove loose material from the bottom of the hole.

2. If the drilled hole is left open, the hole should be covered to prevent tools, soil, or personnel from falling into the drilled hole. During rains, water should be prevented from flowing into the drilled hole.

3. The caisson excavation shall be drilled such that the vertical alignment does not deviate by more than 1/2 caisson diameter from top to bottom.

4. Reinforcing cages should have spacers or centralizers to ensure at least 2 inches of concrete cover.

5. Concrete should be placed through a hopper or other device approved by CEL so that it is channeled in such a manner to free-fall and clear the walls of the excavation and reinforcing steel until it strikes the bottom. Adequate compaction of the concrete will be achieved by free fall up to the top 8 feet or depth of the anchors, whichever is deeper. Above 8 feet the concrete should be vibrated to achieve proper density.

6. If groundwater is present in the caisson excavation it should be pumped dry prior to concrete placement or tremie placement of the concrete should be performed.

7. Concrete placed using the tremie method should be pumped into the excavation with sufficient head to lift the groundwater and spoils present in the excavation to the ground surface. The concrete should be placed in one continuous pour and should continue until "clean" concrete is observed at the top of the excavation.

8. Continuous observation of the construction should be provided by CEL. Our geotechnical engineering personnel should confirm proper diameter, depth and cleaning, and should also confirm the nature of the materials encountered in the caisson excavation. Concrete placement should be continuously observed to confirm that it meets requirements. A quality control report should be submitted on the caisson, verifying that details of the caisson construction have been observed.

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September 24, 2009

Claudia Steiding, Senior Environmental Planner
County of Riverside Economic Development Agency
3133 Mission Inn Avenue, Riverside, CA 92507

Subject: **Cultural Resource Review and Initial Study Recommendations for the Roy's Desert Center (Western Coachella Valley Multi-Service Center) Project located at 19-531 McLane Street, North Palm Springs, California.**

Dear Ms. Steiding:

Michael Brandman Associates (MBA) is providing the County of Riverside Economic Development Agency (EDA) with environmental compliance documents in support of this Project. The EDA is proposing interior improvements on an existing 48,000 square foot building and the installation of three (3) additional septic tanks. The shelter is located at 19-531 McLane Street in the City of Palm Springs, California. New construction will occur in areas that have been previously graded for office building construction.

MBA undertook a records search on September 18, 2009 for cultural resources at the Eastern Information Center (EIC) at the Department of Anthropology, University of California - Riverside. The records search was conducted by MBA Senior Archaeologist Michael Dice, M.A. This report summarizes the results of the analysis, and then provides the proper language for insertion into the Initial Study cultural resource section.

Cultural Resource Records Search

The project area is located in Section 15, Township 3 South, Range 4 East as depicted on the Desert Hot Springs, California, United States Geological Survey (USGS) 7.5-minute topographic quadrangle map. A one-mile radius was used for the records search. The results of the records search indicated that few cultural resources (Table 1) have been recorded within the search radius of the project area, and none are located within the boundaries of the proposed project. The project study radius exhibits two nearby cultural resources: the nearest recorded cultural resource is about 600 meters to the southeast.

Table 1: Known Cultural Resources Located in a 1-Mile, 0.5 Mile and 0.25-Mile Radius of the Roys Desert Project

Site Number	Location Section	Resource Description	~0.5-mile Radius	~0.25-mile Radius	On Site?
CA-RIV-3441H	22	Historic Garnet siding site assoc. with the historic railroad grade	●	—	No
33-9498	various	Historic SP and UP railroad grades	—	●	No

Twenty-one area-specific cultural resource reports are on file with the EIC for the search radius. None of these reports directly surveyed the project area. This suggests that the project area has never been surveyed by a qualified archaeologist previously.

Prehistoric Cultural Setting

Four general, but distinctive cultural periods have been identified by Wallace (1955) for the prehistoric occupation of southern California (Early Hunter; Milling Stone; Intermediate; Late). Fagan (2003), Moratto (1984), and Chartkoff and Chartkoff (1984) provide more recent overviews of California archaeology and historical reviews of the inland southern California coast, among other locales. These authors use a modified version of Wallace's period format, updated to reflect newer research efforts.

Early Man Period (before 9500 B.P.) sites are characterized by large projectile points, and other stone implements adapted to chase big game animals. The large size and weight of the points suggest that the primary weapon for hunting was the dart, propelled by a spear thrower. Lack of grinding tools, suggest that the inhabitants were not exploiting the plant foods to the extent that later cultures were. They were nomadic in hunters, following the game throughout the seasons. Archaeological sites representing this early period are not common.

The Milling Stone Period (about 9500 B.P. to 3000 B.P.) represents a long period of time characterized by small, highly mobile groups of Native Americans. These groups probably had a seasonal round of settlement that included both inland and coastal residential bases. They relied primarily on grasses and seeds for food. Characteristic inland sites include numerous manos, metates, and hammerstones. Shell middens are more common at coastal sites.

The Intermediate Period occurred from approximately 3000 B.P. to 1250 B.P. Mortars and pestles first appear in this period, indicating knowledge of acorn leaching. Use of the acorn probably permitted greater sedentism, especially at inland locations. Large projectile points suggest use of spear throwers rather than the bow and arrow. Settlement patterns during this period are not well understood. Exchange between the coast and Colorado River groups becomes apparent in the archaeological record.

The Late Period (1250 B.P. to Historic Contact) saw a more semi-sedentary settlement pattern. Smaller project points suggest introduction of the bow and arrow and less or no reliance on the spear thrower. Lifestyle is little unchanged from the previous period, but influxes of Shoshonean speakers are evident in linguistic studies. Differences in archaeological deposits are representative of changes in population ancestry. Pottery-making is introduced.

The Cahuilla

According to Bean (1978), the Cahuilla traditional use area extends north-south from the summit of the San Bernardino Mountains in the north, to Borrego Springs and the Chocolate Mountains in the south, and extends east-west from the eastern slopes of the Palomar Mountains in the west to the Colorado Desert east of the Orocopia Mountain to the east. This description of Cahuilla territory includes the project area within their traditional use area. Bean (1972, 1978) forms the primary modern reference for this cultural group. Bean notes that of all the southern California Indians, the Cahuilla existed within the most geographically diverse region, constrained only by water supplies and topography.

Pre-contact Cahuilla territory encompassed the extremely rugged San Bernardino Mountain ranges at an elevation of 11,000 feet to the Salton Sink (Salton Sea), which is 273 feet below sea level. The upper Coachella Valley and Palm Springs areas exhibited protohistoric Cahuilla villages near defined water sources, with good access to food-gathering locales. Village sites were usually located near alluvial fans, streams or at the base of the San Jacinto Mountains for protection against the winds, while some Desert

Cahuilla settlements were located around hand dug wells and watering holes. Typically, one clan or family occupied several food-gathering locations and aggressively guarded these areas against other Cahuilla clans (Bean 1972 and 1978, Oswalt 1988, Strong 1972).

The Cahuilla have had definitive historical relationships with the Hopi of Arizona, the Gabrielino and Digueño of the southern Californian coast, the Serrano, and the Luiseño of Riverside County as well as other desert tribes such as the Kamia, Chemehuevi, and Paiute. It is thought the Cahuilla population prior to Spanish contact may have been as numerous as 6,000 people in an area over 2,400 square miles in size (Bean 1978, Bean and Saubel 1972, Strong 1972).

The prehistoric Cahuilla were characterized by the occupation of sedentary villages in subsistence territories that permitted them to reach the majority of their resources within a day's walk. Villages were commonly located near reliable sources of water. During October to November, much of the village population moved to temporary camps in the mountains to harvest acorns and hunt game. Inland groups also had fishing and gathering spots on the coast that they visited annually. In comparison with the Gabrielino and Luiseño, the Cahuilla appear to have had a lower population density and a less rigid social structure. The Cahuilla patterns may have been relatively stable until mission secularization in 1834, due to the policy of the Catholic Mission fathers or padres to maintain imported European traditional style settlement and economic patterns (Bean and Shipek 1978).

Pre-contact Cahuilla homes were generally constructed with forked posts, which supported the wood cross members and were completely covered in thatch, which was then sealed with sand or soil. In some cases the floor was subterranean. Each house was positioned so that a measure of privacy was attained (Bean 1978, Kroeber and Hooper 1978). Wilke confirms Blakes' earlier observations, that the Cahuilla homes were generally hidden in the mesquite groves and consequently overlooked when explorers searched for their villages (Wilke and Lawton 1975).

Cahuilla (Patayan) pottery has been stylistically and ornamentally compared to that of an ancient Pueblo style, as well as that made by Colorado River Indians, the Digueño, Luiseño and Mohave clans (Bean and Lawton 1975, Kroeber and Hooper 1978). Cahuilla pottery was constructed in coil form, then shaped with a polishing stone and wooden paddle, occasionally incised for decorative purposes and then finally sun baked and fired (Bean and Lawton 1975, Kroeber and Hooper 1978). Kroeber and Hooper suggest that the Cahuilla had four definitive pottery forms; an open bowl or dish, a cooking pot, a small-rimmed vessel and a wider opening rimmed vessel (1978), while Bean and Lawton suggest that ladles, trays, and pipes were also manufactured (1975).

Baskets were also an important item, and were manufactured in a variety of shapes and sizes, but always produced from coiled and woven mesquite branches, willow or palm leaves. Grasses were used in the foundation. The only tools used to manufacture these baskets were either a needle made from the leg bone of a deer or a heavy cactus needle, set into a wooden handle (Bean 1978).

Ceremony and ritual was of great importance to the Cahuilla (Bean 1978). Deep ceremonial ties existed between the Serrano and the Cahuilla, and in many cases the desert Cahuilla are thought to have adopted many of the ceremonial practices from the Serrano (Strong 1972). Frequently practiced ceremonies include multiple rituals for the mourning of the dead, the eagle dance, separate initiation rites ceremonies for boys and girls, and a summer and winter solstice celebration (James 1960, Strong 1972). This cultural linkage between the Cahuilla and Serrano is then furthered by inferences from Mission baptismal records and Serrano oral tradition.

According to personal communication with Britt W. Wilson, Cultural Resource Coordinator for the Morongo Band of Mission Indians, the relationship between the Cahuilla and Serrano is borne out of Mission baptismal records, available on-line from the Huntington Memorial Library. From these records, it may be inferred that Cahuilla people from White Water married into people from Serrano villages, such as Gupiabit located in the Cajon Pass region. In addition, the Cahuilla people accepted groups of Serrano peoples from Twentynine Palms, after a migration of Chemehuevi peoples into the Twentynine Palms area. Then, according to Serrano oral tradition, the Cahuilla adopted many of the Serrano songs because they had lost their own traditional songs (Britt W. Wilson, personal communication, 05/29/07).

The first European contact with the Coachella Valley region and the Cahuilla peoples occurred in 1774 and 1775-76, as the Juan Bautista de Anza expedition was looking for an inland route between Sonora, Mexico and the coast. This expedition passed through the Santa Rosa Mountains and established a route between Sonora and newly established Alta California settlements. Thereafter, the Cahuilla remained relatively isolated from Euro-American expansion, as their territory was distanced from the Spanish missions and unsuitable for large-scale ranching and farming. Contact increased in the 1820s with expeditions to find inland routes to the missions, and the first known Europeans to cross the Coachella valley were members of the Jose Romero expedition to Yuma between 1823 and 1825.

The Desert Cahuilla were able to maintain relative autonomy until the Colorado River gold rush of the 1860s. This event brought miners and emigrants to California along the Bradshaw Trail, which later became the route of modern I-10. This event, in conjunction with the 1863 smallpox epidemic and extended droughts, decimated the Cahuilla population. As the populations decreased, old villages were abandoned and traditional Cahuilla lands were rapidly lost to the encroaching settlers. The Cahuilla were finally granted allotments of land when the Morongo, Cabazon and Torres-Martinez Reservations were established by President Grant on May 15, 1876. The Mission Indian Agency was created for southern California in 1877. Today, Cahuilla Reservations include Santa Rosa, Cahuilla and Ramona in addition to the aforementioned Reservations established under President Grant.

Native American Sacred Lands Search and Consultation

The project is very unlikely to affect any cultural resources, nonetheless, a Sacred Lands File search request was sent to the Native American Heritage Commission (NAHC) on September 18, 2009 in an effort to determine whether any scared sites are known within the vicinity of the project area. Our efforts are associated with fact-finding only. The NAHC responded on September 22, 2009 and indicated that no known sacred sites are located in or near the project area. The NAHC indicated that 12 tribal organizations may have additional information associated with the project area. Should the County be required to contact any local Tribes as part of future environmental compliance for this project (i.e.: SB18), we suggest that the attached list be used for this purpose.

It must be noted that the entirety of the project area was graded during construction of the existing office building. This would have resulted in an engineering of topsoil to code. It is highly likely that the upper 5-6 feet of topsoil was disturbed and recompacted at the spot where the existing structures now stand. There is a low-to-none chance that significant buried Native American resources will be impacted during grading of ground below the existing buildings.

Paleontological Impacts

According to an on-line paleontological sensitivity review of the Desert Center parcels using the County's TLMA website (APN 666411011 and 666411012), the property is considered Low in paleontologic sensitivity. The property is covered with recent Holocene Alluvium and Aeolian sand deposits, which is a

soil and rock strata considered too young to exhibit significant paleontological resources. It is very unlikely that fossil resources would be uncovered during excavation for the septic tanks.

Initial Study Analysis

V. CULTURAL RESOURCES -- Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?	☐	☐	☐	☒
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?	☐	☐	☐	☒
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☒

Historical Resource: Would the project cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?

There is no potential for a substantial adverse change in the significance of a historic resource during construction of this project. Records indicate that no historical resources have ever been located on the project site, and that the chance that historic resources could be encountered during grading is extremely low. Therefore, a mitigation-monitoring plan to mitigate for potential impacts to historic resources during construction is not recommended. The Initial Study check box should read "No effect".

Archaeological Resource: Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?

Because it is highly unlikely that most of the subsurface soils on the project site are intact, there is a low-to-none potential for a substantial adverse change in the significance of a prehistoric resource during construction of this project. Records indicate that no prehistoric resources have ever been found on or within one mile of the project site (despite numerous surveys near the project), and that the chance that prehistoric resources could be encountered during grading is extremely low. Therefore, a mitigation-monitoring plan to mitigate for potential impacts to prehistoric resources during construction is not recommended. The Initial Study check box should read "No effect".

Paleontological Resource or Geologic Feature: Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

There is no potential for a substantial adverse change in the significance of a paleontologic resource during construction of this project. Data indicates that paleontologic resources are extremely unlikely to be found during grading because any strata having good potential for fossil resources are not located in the project area. Therefore, a monitoring plan to mitigate for potential impacts to prehistoric resources during construction is not recommended. The Initial Study check box should read "No effect".

Human Remains: Would the project disturb any human remains, including those interred outside of formal cemeteries?

There is little chance that human remains will be encountered during construction-related grading. Records indicate that no human remains have ever been found on or near the project site, and that the chance that human remains could be encountered during grading is extremely low due to heavy disturbance. Therefore, a plan to mitigate for potential impacts to human remains during construction is not required. The Initial Study check box should read "No effect". State law requires that if In the event of an accidental discovery or recognition of any human remains, California State Health and Safety Code § 7050.5 dictates that no further disturbance shall occur until the County Coroner has made the necessary findings as to origin and disposition pursuant to California Environmental Quality Act (CEQA) regulations and Public Resources Code (PRC) § 5097.98.

Summary

Based on the results of the records search, the existing land-use, and development within and adjacent to the project area, and the parameters of the proposed construction, the potential for impacts to buried and potentially significant cultural resources is considered low. Under these conditions and following CEQA guidelines, cultural and paleontological resource mitigation-monitoring is not recommended.

Unanticipated Discoveries

It is always possible that ground-disturbing activities during construction may uncover previously unknown, buried cultural resources without a monitor or archaeologist present. In the event that buried cultural resources are discovered during construction, operations shall stop in the immediate vicinity of the find and a qualified archaeologist shall be consulted to determine whether the resource requires further study. The qualified archeologist shall make recommendations to the Lead Agency on the measures that shall be implemented to protect the discovered resources, including but not limited to excavation of the finds and evaluation of the finds in accordance with §15064.5 of the CEQA guidelines. Cultural resources could consist of, but are not limited to, stone artifacts, bone, wood, shell, or features, including hearths, structural remains, or historic dumpsites. Any previously undiscovered resources found during construction within the project area should be recorded on appropriate Department of Parks and Recreation (DPR) forms and evaluated for significance in terms of CEQA criteria.

If the resources are determined to be unique historic resources as defined under §15064.5 of the CEQA Guidelines, mitigation measures shall be identified by the monitor and recommended to the Lead Agency. Appropriate mitigation measures for significant resources could include avoidance or capping, incorporation of the site into green space, parks, or open space, or data recovery excavations of the finds. No further grading shall occur in the area of the discovery until the Lead Agency approves the measures to protect these resources. Any archaeological artifacts recovered as a result of mitigation shall be donated to a qualified scientific institution approved by the Lead Agency where they would be afforded long-term preservation to allow future scientific study. In addition, reasonable efforts to avoid, minimize, or mitigate adverse effects to the property will be taken, and the State Historic Preservation Office (SHPO) and Native American tribes with concerns about the property, as well as the Advisory Council on Historic Preservation (ACHP), will be notified within 48 hours in compliance with 36 CFR 800.13(b)(3).

In the event of an accidental discovery or recognition of any human remains, Public Resource Code (PRC) §5097.98 must be followed. In this instance, once project-related earthmoving begins and if there is accidental discovery or recognition of any human remains in any location other than a dedicated cemetery, the following steps shall be taken:

1) There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until the County Coroner is contacted to determine if the remains are Native American and if an investigation of the cause of death is required. If the coroner determines the remains to be Native American, then the coroner shall contact the NAHC within 24 hours, and the NAHC shall identify the person or persons it believes to be the "most likely descendant" of the deceased Native American. The most likely descendent may make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in PRC §5097.98, or

2) Where the following conditions occur, the landowner or his authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity either in accordance with the recommendations of the most likely descendant or on the property in a location not subject to further subsurface disturbance:

- The NAHC is unable to identify a most likely descendent or the most likely descendent failed to make a recommendation within 24 hours after being notified by the commission;
- The descendant identified fails to make a recommendation; or
- The landowner or his authorized representative rejects the recommendation of the descendant, and the mediation by the NAHC fails to provide measures acceptable to the landowner.

MBA appreciates the opportunity to assist you on this project. If we can assist further, or if you have questions, please contact me at 909.884.2255 extension 1208.

Sincerely,



Michael H. Dice, M.A., RPA
Senior Archaeologist
Michael Brandman Associates
621 E Carnegie Drive
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Bean, L.J., and H. Lawton. 1975. The Cahuilla Indians of Southern California. Banning, CA: Maliki Museum Press.

Bean, L.J. and F.C. Shipek. 1978. Luiseño. In Handbook of North American Indians, Vol. 8: California, edited by R.F. Heizer, pp. 550-563. Washington, DC: Smithsonian Institution.

Chartkoff J.L. and K.K. Chartkoff 1984. The Archaeology of California. Menlo Park: Stanford University Press.

Fagan, B.M. 2003. Before California: An Archaeologist Looks at Our Earliest Inhabitants. Alta Mira Press

James, H.C. 1960. The Cahuilla Indians. Banning: Malki Museum Press.

Kroeber, A. L. 1925. Handbook of the Indians of California. Bureau of American Ethnology Bulletin No. 78. Washington, D.C.

Krober, A.L. and L. Hooper. 1978. Studies in Cahuilla Culture, Classics in California Anthropology no. 4. Malki Museum Press, Morongo Indian Reservation, Banning.

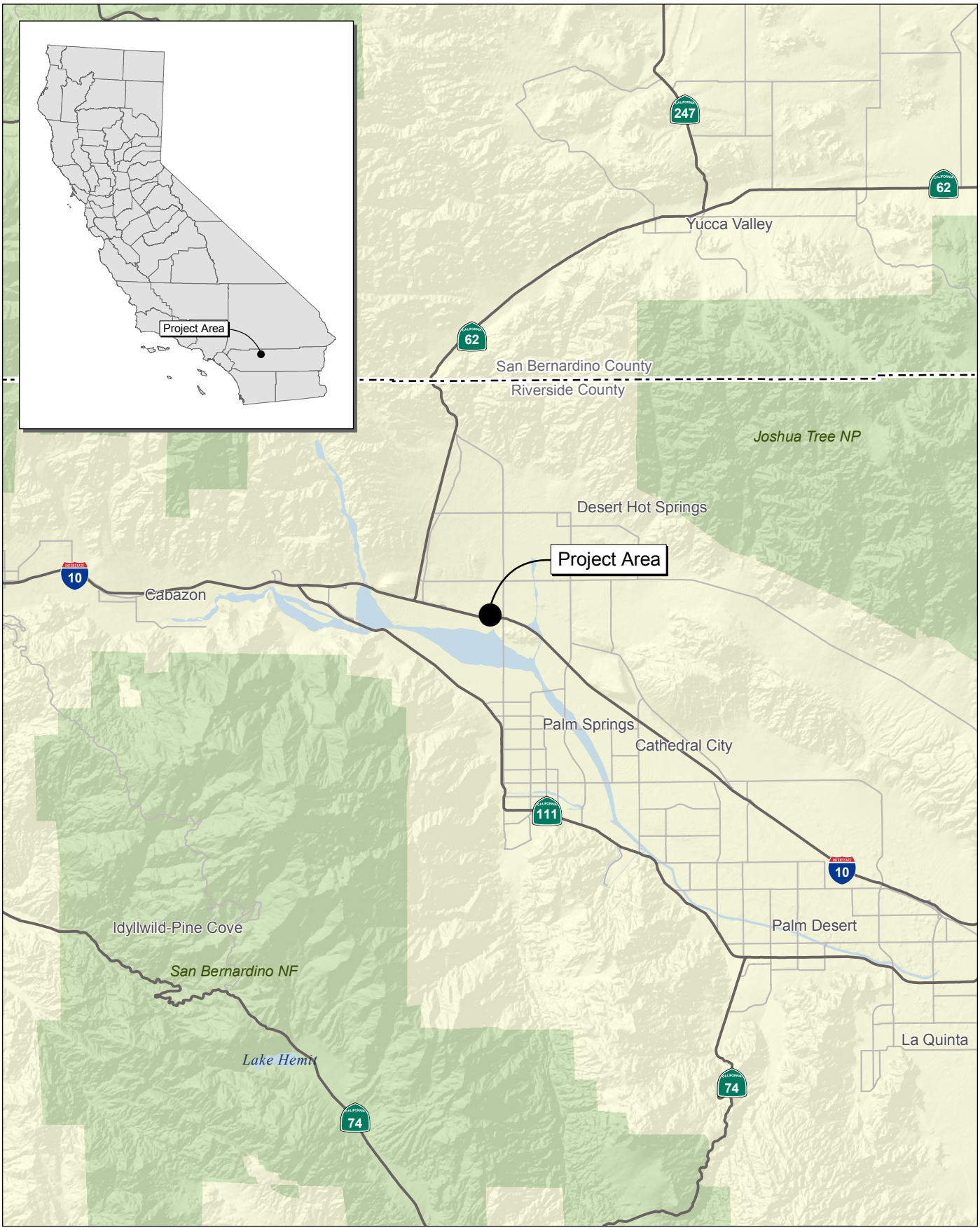
Moratto, M.J. 1984. California Archaeology. San Diego: Academic Press.

Oswalt, W.H. 1988. This Land Was Theirs, A Study of North American Indians. Mountain View: Mayfield Publishing Co.

Strong, W.D. 1972. Aboriginal Society in Southern California. Banning: Malki Museum Press.

Wallace, W.J. 1955. A Suggested Chronology for Southern California Coastal Archaeology. Southwestern Journal of Anthropology 11(3):214-230.

Wilke, P.J. and H.W. Lawton. 1975. Early Observations on the Cultural Geography of the Coachella Valley. In The Cahuilla Indians of the Colorado Desert: Ethnohistory and Prehistory, edited by L.J. Bean. Ballena Press Anthropological Papers, no. 3:9-37.



Source: Census 2000 Data, The CaSIL, MBA GIS 2009.

NORTH

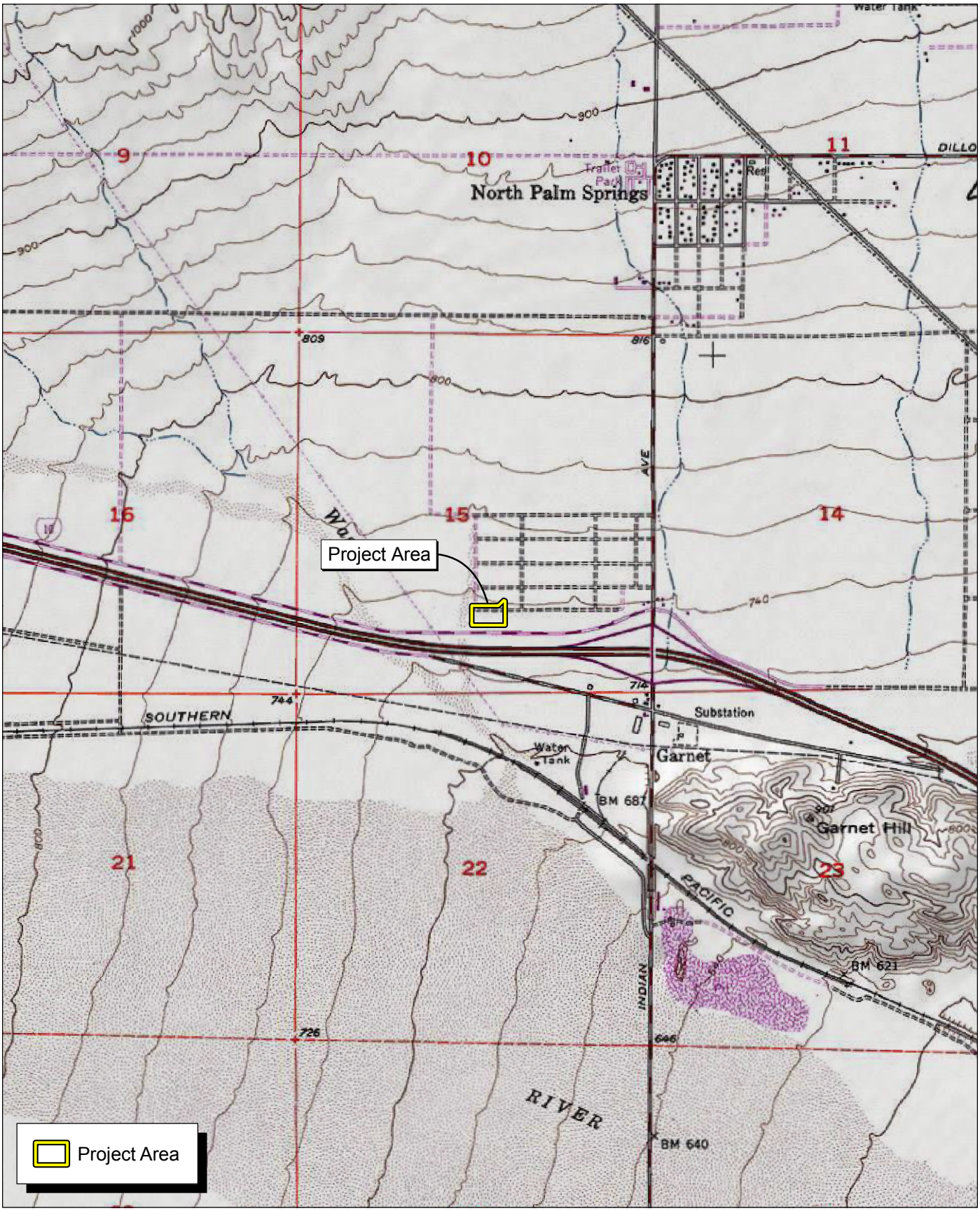
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Michael Brandman Associates

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Exhibit 1
Regional Location Map

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE



Source: TOPO! Desert Hot Springs (1978) 7.5' DRG.

Exhibit 2
Local Vicinity Map
Topographic Base

NORTH

2,000 1,000 0 2,000 Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE



Source: Google Earth Pro Aerial (January, 2006).

Exhibit 3
Local Vicinity Map
Aerial Base

NORTH

800 400 0 800

Feet

Michael Brandman Associates

27490030 • 09/2009 | 3_Local_Aerial.mxd

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE

Appendix A:
NAHC Request Letter (MBA)
NAHC Response Letter
MBA Staff Resumes

Michael Brandman Associates

Fresno
559.497.0310

Irvine
714.508.4100

Palm Springs
760.322.8847

Sacramento
916.447.1100

San Bernardino
909.884.2255

San Ramon
925.830.2733

September 18, 2009

Native American Heritage Commission
915 Capitol Mall, Suite 364
Sacramento, CA 95814-4801

VIA FACSIMILE: 916.657.5390

Subject: **Request for a Sacred Lands Records Search for the Roys Center IS Project located in the City of Palm Springs, California. (USGS Desert Hot Springs, CA. quad)**

County of Riverside, California.

To Whom It May Concern:

Michael Brandman Associates (MBA) would like to determine whether any listed sacred sites are located within or near a future development project on private land in the City of Palm Springs, CA. The project will involve modification of about 2 acres of land where three septic tanks will be undergrounded. Excavation during construction is required

As seen in the attached topographic map, the project area is located in Section 15 of Township 3 South and Range 4 East as found on the USGS Desert Hot Springs, CA. 7.5' topographic quadrangle.

Please notify us of any sacred Native American sites that may be affected by the undertaking. A full description of this project can be found in our archaeological survey report, which is forthcoming. A response can be sent to our FAX, 909-884-2113. If you have any more questions or need to speak with me, please feel free to call me at 714.742.0468. Thank you for your time and effort!

Sincerely,

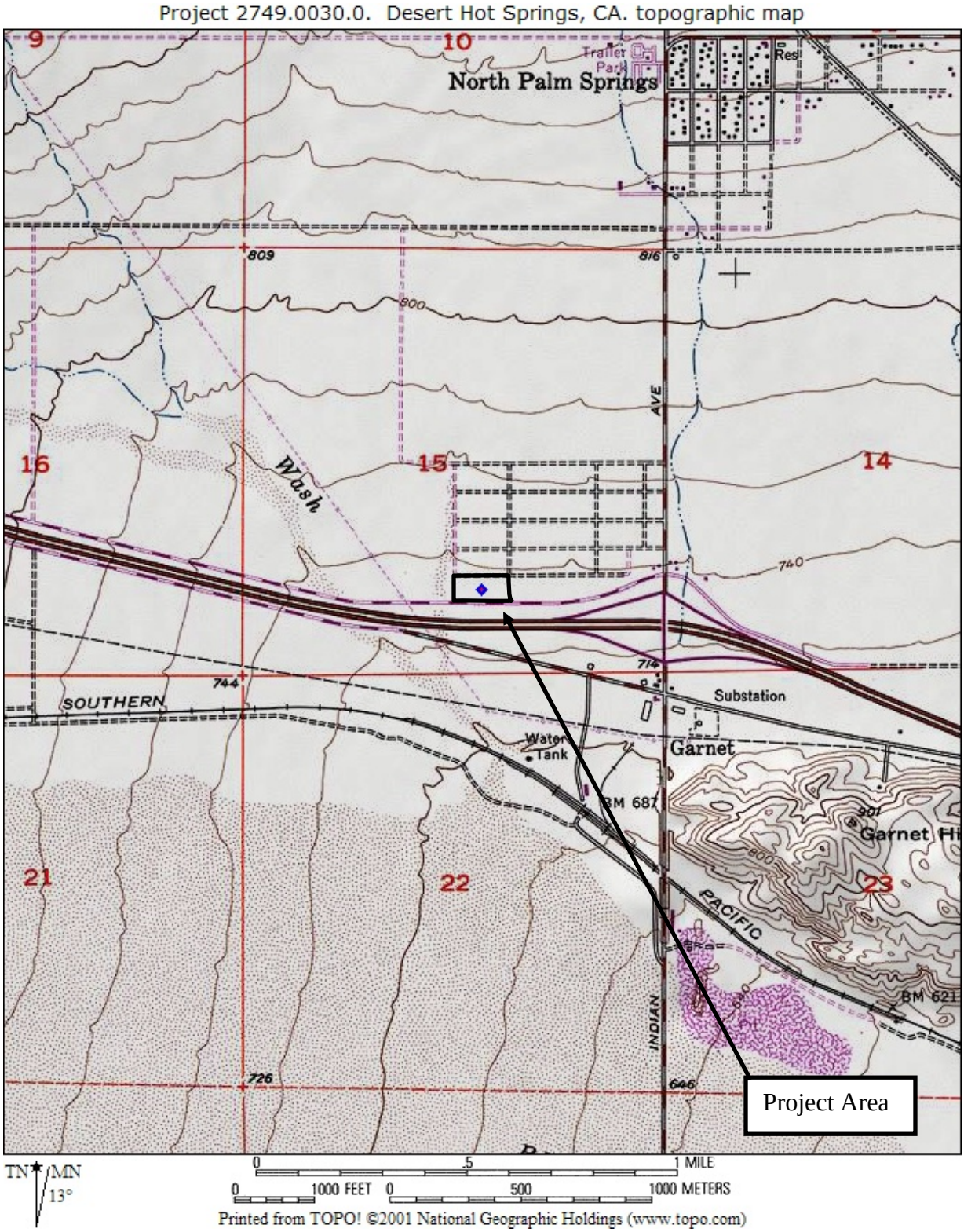


Michael H. Dice, M.A., R.P.A., Senior Archaeologist
Michael Brandman Associates
621 E Carnegie Drive Suite 100
San Bernardino, CA. 92408

Enclosures: Exhibit 1: Topographic Map

Q:\Michael Dice\2009 Projects\2749.0030.0\27490030 NAHC Letter.doc

MD:md



Source: Topo! @National Geographic Holdings.

Exhibit 1
Topographic Map
Roys Center Project • Cultural Resource RS

STATE OF CALIFORNIA Arnold Schwarzenegger, Governor

NATIVE AMERICAN HERITAGE COMMISSION
915 CAPITOL MALL, ROOM 364
SACRAMENTO, CA 95814
(916) 653-6251
Fax (916) 657-5390
Web Site www.nahc.ca.gov
ds_nahc@pacbell.net

September 21, 2009

Mr. Michael H. Dice, M.A., R.P.A., Senior Archaeologist
MICHAEL BRANDMAN ASSOCIATES
621 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

Sent by FAX to: 909-884-2113
Number of pages: 4

Re: Request for a Sacred Lands File Search and Native American Contacts List **for a Proposed. Roys Center IS Project;** located in the City of Palm Springs; Riverside County, California

Dear Mr. Dice:

The Native American Heritage Commission (NAHC), the State of California 'Trustee Agency' for the protection and preservation of Native American cultural resources (c.f. CA Public Resources Code §21070), was able to perform a record search of its Sacred Lands File (SLF) for the affected project area (APE) requested. The California Environmental Quality Act (CEQA; CA Public Resources Code Section 21000 – 21177)) requires that any project that causes a substantial adverse change in the significance of an historical resource, that includes archaeological resources, is a 'significant effect' requiring the preparation of an Environmental Impact Report (EIR) per the California Code of Regulations §15064.5(b)(c)(f) CEQA guidelines). Section 15382 of the 2007 CEQA Guidelines defines a significant impact on the environment as "a substantial, or potentially substantial, adverse change in any of physical conditions within an area affected by the proposed project, including ...objects of historic or aesthetic significance." The NAHC SLF search **did not indicate** the presence of Native American cultural resources within one-half - mile radius of the project area (APE) of the proposed project (APE). There are, however, Native American cultural resources in close proximity to the APE.

This letter includes state and federal statutes relating to Native American historic properties of religious and cultural significance to American Indian tribes and individuals as 'consulting parties' under both state and federal law.

Early consultation with Native American tribes in your area is the best way to avoid unanticipated discoveries once a project is underway. Enclosed are the names of the nearest tribes and interested Native American individuals that the NAHC recommends as 'consulting parties,' for this purpose, that may have knowledge of the religious and cultural significance of the historic properties in the project area (e.g. APE). We recommend that you contact persons on the attached list of Native American contacts. A Native American Tribe or Tribal Elder may be the only source of information about a cultural resource.. Furthermore we suggest that you contact the California Historic Resources Information System (CHRIS) at the Office of Historic Preservation Coordinator's office (at (916) 653-7278, for referral to the nearest Information Center of which there are 11..

Consultation with tribes and interested Native American consulting parties, on the NAHC list ,should be conducted in compliance with the requirements of federal NEPA (42 U.S.C. 4321-43351) and Section 106 and 4(f) of federal NHPA (16 U.S.C. 470 [f]*et se),* and NAGPRA (25 U.S.C. 3001-3013), as appropriate..

Lead agencies should consider avoidance, as defined in Section 15370 of the California Environmental Quality Act (CEQA) when significant cultural resources could be affected by a

project. Also, Public Resources Code Section 5097.98 and Health & Safety Code Section 7050.5 provide for provisions for accidentally discovered archeological resources during construction and mandate the processes to be followed in the event of an accidental discovery of any human remains in a project location other than a 'dedicated cemetery. Discussion of these should be included in your environmental documents, as appropriate.

The response to this search for Native American cultural resources is conducted in the NAHC Sacred Lands Inventory, established by the California Legislature (CA Public Resources Code §5097.94(a) and is exempt from the CA Public Records Act (c.f. California Government Code §6254.10) although Native Americans on the attached contact list may wish to reveal the nature of identified cultural resources/historic properties. Confidentiality of "historic properties of religious and cultural significance' may also be protected the under Section 304 of the NHPA or at the Secretary of the Interior' discretion if not eligible for listing on the National Register of Historic Places. The Secretary may also be advised by the federal Indian Religious Freedom Act (cf. 42 U.S.C, 1996) in issuing a decision on whether or not to disclose items of religious and/or cultural significance identified in or near the APE and possibly threatened by proposed project activity.

If you have any questions about this response to your request, please do not hesitate to contact me at (916) 653-6251.

Sincerely,

Dave Singleton
Program Analyst

Attachment: Native American Contacts List (NOTE: we further recommend that other forms of 'proof of mailing or proof of contact be utilized instead of 'Return Receipt Requested' Certified or Registered Mail.) Further, we suggest a follow-up telephone call to the contacts if the replies are not received or need clarification.

Native American Contact
Riverside County
September 21, 2009

Cabazon Band of Mission Indians
David Roosevelt, Chairperson
84-245 Indio Springs Parkway Cahuilla
Indio , CA 92203-3499
(760) 342-2593
(760) 347-7880 Fax

Santa Rosa Band of Mission Indians
John Marcus, Chairman
P.O. Box 609 Cahuilla
Hemet , CA 92546
srtribaloffice@aol.com
(951) 658-5311
(951) 658-6733 Fax

Los Coyotes Band of Mission Indians
Francine Kupsch, Spokesperson
P.O. Box 189 Cahuilla
Warner , CA 92086
loscoyotes@earthlink.net
(760) 782-0711
(760) 782-2701 - FAX

Augustine Band of Cahuilla Mission Indians
Mary Ann Green, Chairperson
P.O. Box 846 Cahuilla
Coachella , CA 92236
(760) 369-7171
760-369-7161

Ramona Band of Cahuilla Mission Indians
Joseph Hamilton, Chairman
P.O. Box 391670 Cahuilla
Anza , CA 92539
admin@ramonatribe.com
(951) 763-4105
(951) 763-4325 Fax

Morongo Band of Mission Indians
Michael Contreras, Cultural Heritage Prog. Coordinatr
12700 Pumarra Road Cahuilla
Banning , CA 92220 Serrano
mcontreras@monongo-nsn.
(951) 755-5025
(951)201-1866 - cell
(951) 922-0105 Fax

Torres-Martinez Desert Cahuilla Indians
Mary Resvaloso, Chairperson
PO Box 1160 Cahuilla
Thermal , CA 92274
mresvaloso@torresmartinez.or
(760) 397-0300
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Diana L. Chihuahua, Cultural Resources Coordinator
P.O. Boxt 1160 Cahuilla
Thermal , CA 92274
dianac@torresmartinez.org
760) 397-0300, Ext. 1209
(760) 272-9039 - cell (Lisa)
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Ernest Morreo
PO Box 1160 Cahuilla
Thermal , CA 92274
maxtm@aol.com
(760) 397-0300
(760) 397-8146 Fax

Los Coyotes Band of Mission Indians
Melody Sees, Environmental Director
P.O. Box 189 Cahuilla
Warner , CA 92086
(760) 782-0712
(760) 782-2730 - FAX

This list is current only as of the date of this document.
Distribution of this list does not relieve any person of statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code. and federal NEPA (42 USC 4321-43351), NHPA Sections 106, 4(f) (16 USC 470(f) and NAGPRA (25 USC 3001-3013)

This list is only applicable for contacting local Native Americans with regard to cultural resources for the proposed Roya Center I5 Project; located in the City of Palm Springs; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested.

Native American Contact
Riverside County
September 21, 2009

Agua Caliente Band of Cahuilla Indians THPO
Patricia Tuck, Tribal Historic Perservation Officer
5401 Dinah Shore Drive Cahuilla
Palm Springs , CA 92264
ptuck@aguacaliente-nsn.gov
(760) 699-6907
(760) 699-6800
(760) 699-6924- Fax

Cahuilla Band of Indians
Luther Salgado, Sr.
PO Box 391760 Cahuilla
Anza , CA 92539
tribalcouncil@cahuilla.net
915-763-5549

This list is current only as of the date of this document.
Distribution of this list does not relieve any person of statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code.
and federal NEPA (42 USC 4321-43351), NHPA Sections 106, 4(f) (16 USC 470(f) and NAGPRA (25 USC 3001-3013)

This list is only applicable for contacting local Native Americans with regard to cultural resources for the proposed Roys Center IS Project; located in the City of Palm Springs; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested.

Michael H. Dice, RPA

Senior Cultural Resource Specialist/Project Manager

Overview

- 30+ years experience
- Master's degree, Anthropology – Arizona State University, Tempe. 1993
- Bachelor's degree, Anthropology – Washington State University, Pullman. 1986
- Registered Professional Archaeologist (RPA 2000)
- Registered Archaeologist in Orange County and Riverside County

Michael H. Dice, MA, Senior Cultural Resource Specialist and Project Manager, has more than 30 years experience performing record searches, archaeological surveys, archaeological site testing projects, and data collection projects on private and public lands in the Southwestern United States. He has authored or co-authored more than 150 Cultural Resources Inventory Reports required for CEQA and/or NEPA level documents including several manuscripts for the National Park Service. Michael has extensive experience with California Native American Tribes, having provided direct consultation and coordination with the Agua Caliente Band, Gabrielino Band, Juaneno Band, Morongo Band, and Pechanga Band.

Related Experience

High Desert Archaeological Projects

Sky Harbor Ranch Specific Plan Project. 2008. Town of Yucca Valley. Mr. Dice undertook an archaeological survey of 640 acres located south of the Town of Yucca Valley and bordering Joshua Tree National Park. Mr. Dice surveyed the entirety of the section with two staff archaeologists, then wrote the report and recorded a single historic archaeological site. The survey was undertaken for a Specific Plan in the Town.

The Barstow Industrial Park Project. 2007-2009. City of Barstow. MBA is preparing an EIR for a new logistics center to handle multi-modal transport of goods in and out of the Los Angeles Basin and throughout the country. The center, being developed by IDA Real Estate Group, will be located on 1,200 acres along the Mojave River west of the City of Barstow. Technical studies will be completed and integrated into the EIR that will be used by the City of Barstow and the various regulatory agencies involved in the permitting process. The cultural resource analysis was led by Mr. Dice and consisted of a Phase 1 survey and Phase II test of various historic and historic archaeological resources. The final cultural resource element to the project is the crafting of a Phase III (data collection through subsurface excavation) program consistent with scientific studies that have taken place in the region in previous years. More than 30 cultural resources have been identified in the project area and consultations with Native Americans have taken place since project inception.

An Archaeological Survey of the Mastro Property. 2007. Yucca Mesa Area, County of San Bernardino. Mr. Dice undertook a survey of 30 acres in the Yucca Mesa region of Joshua Tree. Several archaeological resources were detected and recorded onto DPR523a form sets. Mitigation measures were recommended that asked for test excavations before the property was approved for subdivision by the County.

The Foxfire Ranch Project. 2005. City of Victorville. Mr. Dice performed a Phase 1 Cultural Resource Survey of a 65-Acre Property at Tentative Tract #16574 (Foxfire Ranch), located near Cobalt and Dos Palmas Roads, Section 26 of T.5N R.5W, City of Victorville, Including Parcel #3094-131-02. Century-Crowell Communities.

Cultural Survey Report for Two Planned Ryland Homes Developments in the City of Victorville. 2004 and 2006. City of Victorville. Mr. Dice performed a Phase I Cultural Resources Assessment and Paleontological Records Review Tract Nos. 16496 and 16905 in the City of Victorville. Ryland Homes of Corona.

Phase I Cultural Resources Survey for the Victorville Acres Project, Tentative Tract 16847, City of Victorville, San Bernardino County. Mr. Dice prepared a cultural resource survey report for planned development in the City of Victorville. Van Daele Homes, Inc.

Project Archaeologist for the California Lightweight Pumice Makayla Mine Expansion. Mr. Dice undertook a Class III Intensive Field Survey of mining lease properties located within Sections 21 and 28, T21S/R38W, Coso Junction Area, County of Inyo, California. Wrote research design, direct survey and recordation of more than 20 obsidian scatter and two quarries in an area southeast of Olancha and west of Coso Junction. All Native American coordination flowed through the BLM-Ridgecrest Field Office.

Cultural Resource Survey Reports for the Palm Desert Rock Project, and the Coachella Aggregates Expansion Project, Coachella Valley, Riverside County. Mr. Dice prepared cultural survey and inventory reports for planned mining development in the County of Riverside. Requires Section 106 and County of Riverside General Plan concurrence through the County Archaeologist.

High Desert Water-Related Cultural Resource Management Projects

The Victor Valley Recycled Water Project 2004-2006. Mr. Dice served as the Project Archaeologist for a series of studies in Hesperia, Victorville, Apple Valley and the County of San Bernardino for a proposed subregional facilities project that will treat excess and sewage for recycling in the noted towns and communities. The project was completed for Bauer Consulting, Irvine, Ca. A records search, survey and mitigation recommendations were made as part of an EIR/EIS. Contact with the SWCB (Cookie Hearn, Archaeologist) were made as part of the Section 106 (Federal) compliance process.

Navajo Road Sewer Project **2002-2004**. Mr. Dice served as the Project Archaeologist for a infrastructure improvement project in the Town of Apple Valley. A right-of-way for the new sewer was surveyed between the existing airport and the new Costco distribution center for Carter and Burgess Engineering of Fort Worth, Texas. Mr. Dice recommended testing and monitoring of the project

Professional Affiliations

- Member, California Historical Society
- Member, National Trust for Historic Preservation
- Certified County of Riverside Archaeologist
- Certified County of Orange Archaeologist

Arabesque Said

Staff Archaeologist

Overview

- 5 Years Experience
- Bachelor's degree, Anthropology – University of California, Riverside, California

Arabesque Said, BA, has been working in the archaeological field since 2004. She has conducted numerous pre-field assessments, archival research, pedestrian field surveys, site evaluation and testing, and data recovery and analysis. As an Archaeological crew member for the URS Corporation she has gained expertise in both prehistoric and historical site testing. Her projects have included testing on both private and public land throughout the Southwest and have allowed her to build relationships with various federal and state level entities.

Related Experience

Historical, Archaeological and Paleontological Resources

Solar 1, Mojave Desert, County of Riverside. Archaeological crew member for a 6,500 acre pedestrian survey for prehistoric and historic sites. This Phase I cultural resources survey was conducted on BLM land for a solar energy field that will include approximately 20,000 solar dishes by SES (Stirling Energy Systems).

Solar 2, Yuha Desert, County of Riverside. Archaeological crew member for a 7,500 acre pedestrian survey for prehistoric and historic sites. This Phase I cultural resources survey was conducted on BLM land for a solar energy field that will include approximately 20,000 solar dishes by SES (Stirling Energy Systems).

Chuckwalla Valley Project, Chuckwalla Valley, County of Riverside. Archaeological crew member for a 5,200 acre pedestrian survey for prehistoric and historic sites. Located previously recorded sites, taking and recording photographs of site and artifacts, and creating site map.

Redland Crossing Walmart EIR, Redlands, County of Riverside. Archaeological Field assistant for testing of numerous historical sites through out Redlands as part of the EIR process. Conducted excavation of trenches, artifact collection, screening and sidewall profile drawing with costs of $28,000.

EIR/EA- 800MHz Radio Tower Sites Project, Riverside County, CA. Currently assisting with the cultural resources assessment and technical reports for the Radio Tower project through out Southern California and Arizona. The Environmental Impact Report, Environmental Assessment and all related studies are for developing 75 800MHz radio tower sites throughout the County of Riverside. An opportunity and constraints analysis was conducted on each site using a specific set of criteria to determine which sites could be eliminated immediately due to a particular constraint (i.e., proximity to a known fault, habitat for a threatened or endangered species, proximity to a known site of significant cultural resource, land use constraints, etc.) and which sites could realistically be developed. The analysis included a summary of potential permitting requirements at the state, federal, and local levels.

Phase I Archaeological Survey 11-acres, City of Wildomar, CA. Currently assisting with the cultural resources assessment and phase 1 report for the development of an 11-acre site in Wildomar.

09 OCT 27 AM 10: 57

Kotake Trust

Via Certified United States mail

County of Riverside
Economic Development Agency
Claudia Steiding
3133 Mission Inn Avenue
Riverside, CA 92507

Date: October 26, 2009

Subject: Project Site - Instillation of 3 - 5,000 gallon septic tanks
19533 Mclane Street
Palm Springs, CA

Reference: Notice of Intent to a adopt a Negative Declaration
Geotechnical Study prepared by Consolidated Engineer Laboratories
Proposed site plan of project

Dear Ms. Claudia Steiding,

Although I see the need for your departments services in our area, and I understand the difficulties to find a suitable site; regretfully the North Palm Springs Business Center is not the place. The County of Riverside and its' project is in conflict of the land use.

I represent a trust that owns several properties located in the North Palm Springs Business Center. The area is zoned a Regional Business Center and I am sure habitation is not allowed on the premises. Properties located in the Business Center had been subdivided into half acre and above. All of the buildings in the center are on a septic system and there no sewer lines in the immediate area to tap into.

In reference to the department's plans for (I assume) 120 individuals - single men, single women, families and 30 employees will occupy the above mention facility at any given time. This plan is not suited for this use. It is my opinion that the Phase II of the department's plans to construct a kitchen, washing facility, extra toilets, showers and I assume a laundry facility, would taxed the soil in the immediate and surrounding areas. Yet the department has not stated or estimated the amount of raw sewage and or non – potable water that will be discharge into the septic system and ultimately end up in the leach line and in the soil.

Please be advised that the outdated geological study prepared by Consolidated Engineer Laboratories was submitted for the purpose to evaluate the site for an industrial

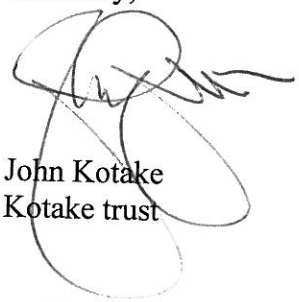
3 Upper Newport Plaza, Newport Beach CA 92660 · Phone (949) 756-2161 · Fax (949) 756-2515

warehouse and should not be used as a reference to the negative declaration. Although the study's conclusion ultimately allowed the construction of the subject building, I found that the scope of the study did not include any percolation tests. I would like to know if the county has done their due diligence to find out if the soils are able to retain the discharge from the facility, or what would happen to the soil if it became supersaturated. The soil also is porous. Is there a chance that the discharge can leach and contaminate to the ground water? Please note that the ground water is only located approximately 230 to 330 feet, as explained in the study.

I also examined the site plans for the project and did not find a pretreatment system for the discharge from the kitchen facility. Does the project address the reduction of BOD (Biochemical oxygen demand) before the non – potable water is discharged in to the septic system?

Lastly, if the county is going to adamantly pursue the project, I would ask if the county would be neighborly and pump the septic tanks during weekends and on off business hours. I thank you for your time, and I await your reply.

Sincerely,



John Kotake
Kotake trust

cc. North Palm Springs Business Association
AES Wind Generation, Inc.

3 Upper Newport Plaza, Newport Beach CA 92660 · Phone (949) 756-2161 · Fax (949) 756-2515

major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any the following:(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or,(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects of the project on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

Claudia Steiding 9/29/09

Signature Date

Sr. Env. Planner For County of Riverside

Claudia Steiding
Senior Environmental Planner
County of Riverside Economic Development Agency

COUNTY OF RIVERSIDE
ENVIRONMENTAL ASSESSMENT FORM: INITIAL STUDY

Environmental Assessment (E.A.) Number: EA08510003957
Project Case Type (s) and Number(s): N/A
Lead Agency Name: County of Riverside Economic Development Agency
Address: 3133 Mission Inn Avenue, Riverside, CA 92507
Contact Person: Claudia Steiding, Senior Environmental Planner
Telephone Number**:** 951-955-8174
Email: CSteiding@rivcoeda.org
Applicant's Name: County of Riverside Economic Development Agency
Applicant's Address: 3133 Mission Inn Avenue, Riverside, CA 92507

I. PROJECT INFORMATION

Project Description: The County of Riverside's Economic Development Agency (EDA) is proposing modification improvements to an existing septic sewer system for Roy's Desert Resource Center homeless shelter located at 19533 McLane Street in the City of Palm Springs, California (See Exhibits 1 through 3).

Background:
The Project's Phase I development involved the existing facility known as the Mental Health Safe Haven and Full Service Partnership Clinic. Owned and operated by the Coachella Valley Multi-Services Center (CVMSC), this facility occupies a total of 13,448 square feet, of the eastern portion of the existing building and has the current capability of accommodating up to 25 homeless, single men and women. The facility is comprised of 7,908 square feet for housing, kitchen and dining amenities and another 5,540 square feet dedicated for the full service Partnership Clinic, which consists of a doctor's office, a nurse's office, a triage, chart room, an administrative office with office cubicles, private offices, and file/storage space. Currently, Phase I development utilizes a 4,000 gallon septic tank, which adequately serves the project's size. Phase I development is completed at this time.

The Phase II development involves the western portion of the existing 47,000 square foot building, and is named as Roy's Desert Resource Center, in honor of the County's late Supervisor Roy Wilson. This facility will occupy 20,546 square feet and will be able to accommodate up to 120 single men, single women, and families. Phase II will be managed by a total of 30 employees. Currently, the facility has one (1) 1,500 gallon septic tank, which is undersized to serve the Roy's Desert Resource Center. Therefore, in order to serve Roy's Desert Resource Center the proposed Project will consist of the proposed Phase II development, replacing the existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and associated seepage pits. This modification improvement would be located between the facility's existing building and the existing building located to the north (Refer to Exhibits 4 and 5). Overall, this would add to a total septic tank capacity of 19,000 gallons. Roy's Desert Resource Center is scheduled to open in December 2009 and will be operated and maintained by the Coachella Valley Association of Governments (CVAG).

A. Project Location and Assessor Parcel Numbers (APNs)
The Project site consists of one parcel: APN 666-411-011 totaling approximately 3.53 acres and is located at 19533 McLane Street in North Palm Springs, California.

Type of Project: Site Specific ☒; Countywide ☐; Community ☐; Policy ☐.

B. Total Project Area: 3.53 acres

Industrial/Commercial Acres: 3.53 **Lots:** 1 **Sq. Ft. of Bldg. Area:** 20,546 **Est. No. of Employees:** 30

C. Assessor's Parcel No(s): 666-411-011

D. Street References: The Project site is located at the southwest corner side of McLane Street, approximately 0.45 miles west of Indian Avenue in the City of Palm Springs, California. The site location is at 19533 McLane Street.

E. Section, Township & Range Description or reference/attach a Legal Description: Section 15, Township 3 South, Range 4 East. Latitude/Longitude: 33° 54' 21.23" North/116° 33' 11.98" West.

F. Brief description of the existing environmental setting of the project site and its surroundings: The Project site consists of the replacement of one (1) 1,500 gallon septic tank with three (3) 5,000 gallon septic tanks and seepage pit expansion on 3.53 acres at 19533 McLane Street. The facility is owned and operated by Riverside County's Economic Development Agency (EDA) for the purpose of providing shelter care and assistance to the homeless. Surrounding land uses consist of an existing industrial/commercial building to the north, a vacant-graded undeveloped pad to the east, Interstate 10 freeway to the south, and vacant undeveloped land to the west.

II. APPLICABLE GENERAL PLAN AND ZONING REGULATIONS

A. General Plan Elements/Policies:

1. **Land Use:** The entire 3.53 acre property is located in the City of Palm Springs and the project will adhere to the goals and policies of the County of Riverside's General Plan. The Project is consistent with the City's General Plan.

2. **Circulation:** Access to the Project site is off of McLane Street and is consistent with the Goals and Policies of the City's Circulation Element and the County Fire Department.

3. **Multipurpose Open Space:** Not Applicable

4. **Safety:** The proposed septic sewer improvement modifications to the existing facility would adhere to the policies pertaining to flood, fire, hazardous waste and seismic hazards as outlined in the Safety Element of the County of Riverside General Plan.

5. **Noise:** The Project will comply with the County of Riverside regarding construction work hours.

6. **Housing:** The Project site does not contain residential use designated land and is not located adjacent to existing residences. All immediate land uses adjacent to the site are of non-residential land use designation.

7. **Air Quality:** The Project will adhere to the goals and policies for projects located within the Salton Sea Air Basin (SSAB) under the jurisdiction of the South Coast Air Quality Management District (SCAQMD).

B. General Plan Area Plan(s): Western Coachella Valley

C. Foundation Component(s): N/A

D. Land Use Designation(s): Regional Business Park

E. Overlay(s), if any: None

F. Policy Area(s), if any: None

G. Adjacent and Surrounding Area Plan(s), Foundation Component(s), Land Use Designation(s), and Overlay(s) and Policy Area(s), if any: District 4 Redevelopment Zone.

H. Adopted Specific Plan Information

1. **Name and Number of Specific Plan, if any:** None

2. **Specific Plan Planning Area, and Policies, if any:** None

I. Existing Zoning: Service/Manufacturing Zone (M-1)

J. Proposed Zoning, if any: None

K. Adjacent and Surrounding Zoning: Service/Manufacturing Zone (M-1) (west of Project site), Planned Research and Development Zone (MIP) (south of Project site and south of Interstate 10 freeway) and Service/Manufacturing Zone (M-1) (east of project site).

III. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below (x) would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Less than Significant with Mitigation Incorporated" as indicated by the checklist on the following pages.

☐ Aesthetics	☐ Hazards & Hazardous Materials	☐ Public Services
☐ Agriculture Resources	☐ Hydrology/Water Quality	☐ Recreation
☐ Air Quality	☐ Land Use/Planning	☐ Transportation/Traffic
☐ Biological Resources	☐ Mineral Resources	☐ Utilities/Service Systems
☐ Cultural Resources	☐ Noise	☐ Other
☐ Geology/Soils	☐ Population/Housing	☐ Mandatory Findings of Significance

IV. DETERMINATION

On the basis of this initial evaluation:

A PREVIOUS ENVIRONMENTAL IMPACT REPORT/NEGATIVE DECLARATION WAS NOT PREPARED
☒ I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project, described in this document, have been made or agreed to by the project proponent. **A MITIGATED NEGATIVE DECLARATION** will be prepared.
☐ I find that the proposed project MAY have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

A PREVIOUS ENVIRONMENTAL IMPACT REPORT/NEGATIVE DECLARATION WAS PREPARED
☐ I find that although the proposed project could have a significant effect on the environment **NOTHING FURTHER IS REQUIRED** because all potentially significant effects (a) have been adequately analyzed in an earlier Environmental Impact Report (EIR) or Negative Declaration pursuant to applicable legal standards and (b) have been avoided or mitigated pursuant to that earlier EIR or Negative Declaration, including revisions or mitigation measures that are imposed upon the proposed project.
☐ I find that although all potentially significant effects have been adequately analyzed in an earlier EIR or Negative Declaration pursuant to applicable legal standards, some changes or additions are necessary but none of the conditions described in California Code of Regulations, Section 15162 exist. An **ADDENDUM** to a previously-certified EIR or Negative Declaration has been prepared and will be considered by the approving body or bodies.
☐ I find that at least one of the conditions described in California Code of Regulations, Section 15162 exist, but I further find that only minor additions or changes are necessary to make the previous EIR adequately apply to the project in the changed situation; therefore a **SUPPLEMENT TO THE ENVIRONMENTAL IMPACT REPORT** is required that need only contain the information necessary to make the previous EIR adequate for the project as revised.
☐ I find that at least one of the following conditions described in California Code of Regulations, Section 15162, exist and **a SUBSEQUENT ENVIRONMENTAL IMPACT REPORT** is required: (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) Substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require

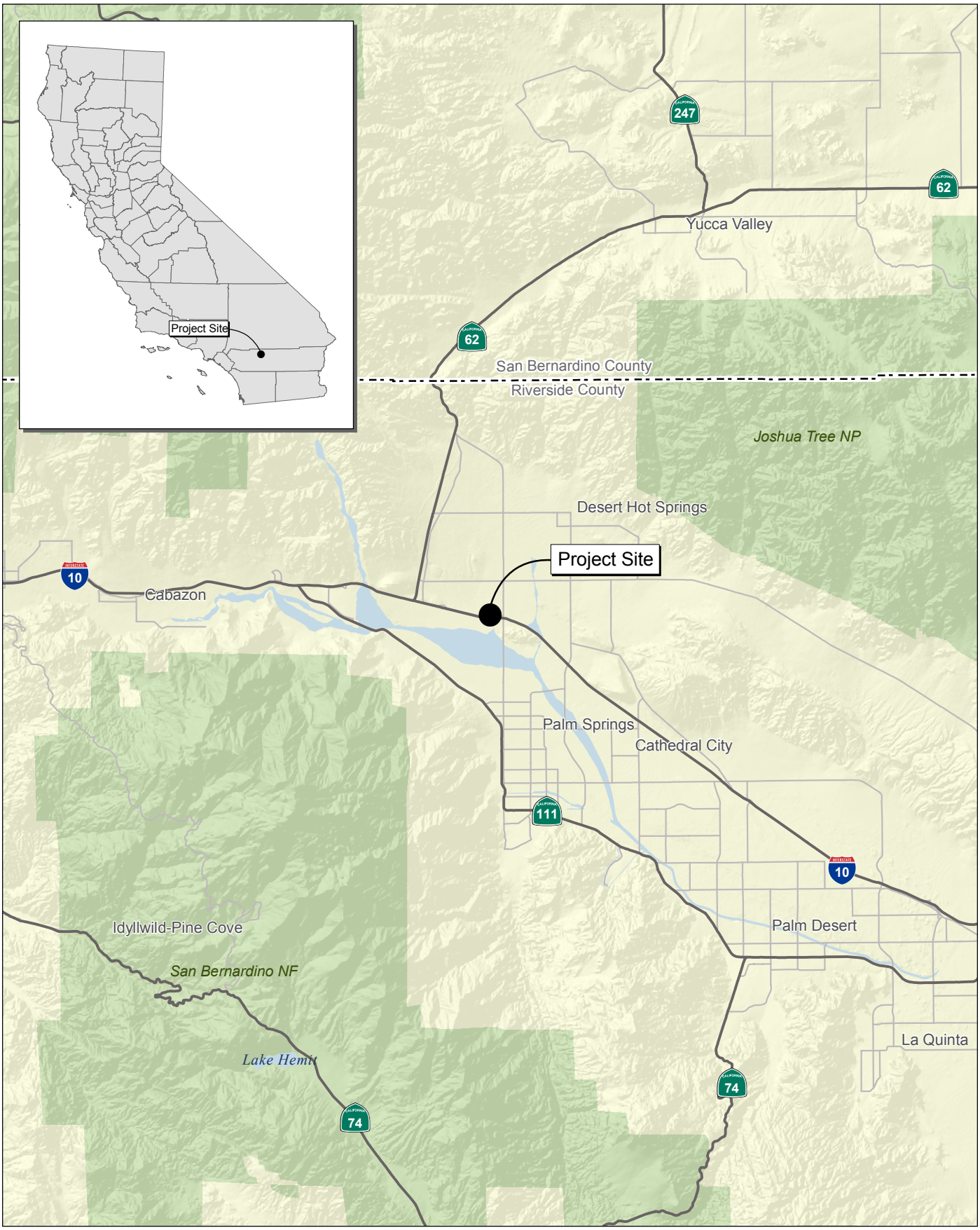
major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any the following:(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or,(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects of the project on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

Signature

Date

For

Claudia Steiding
Senior Environmental Planner
County of Riverside Economic Development Agency



Source: Census 2000 Data, The CaSIL, MBA GIS 2009.

NORTH

5 2.5 0 5 Miles

Michael Brandman Associates

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Exhibit 1
Regional Location Map

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: Google Earth Pro Aerial (January, 2006).

Exhibit 2
Local Vicinity Map
Aerial Base

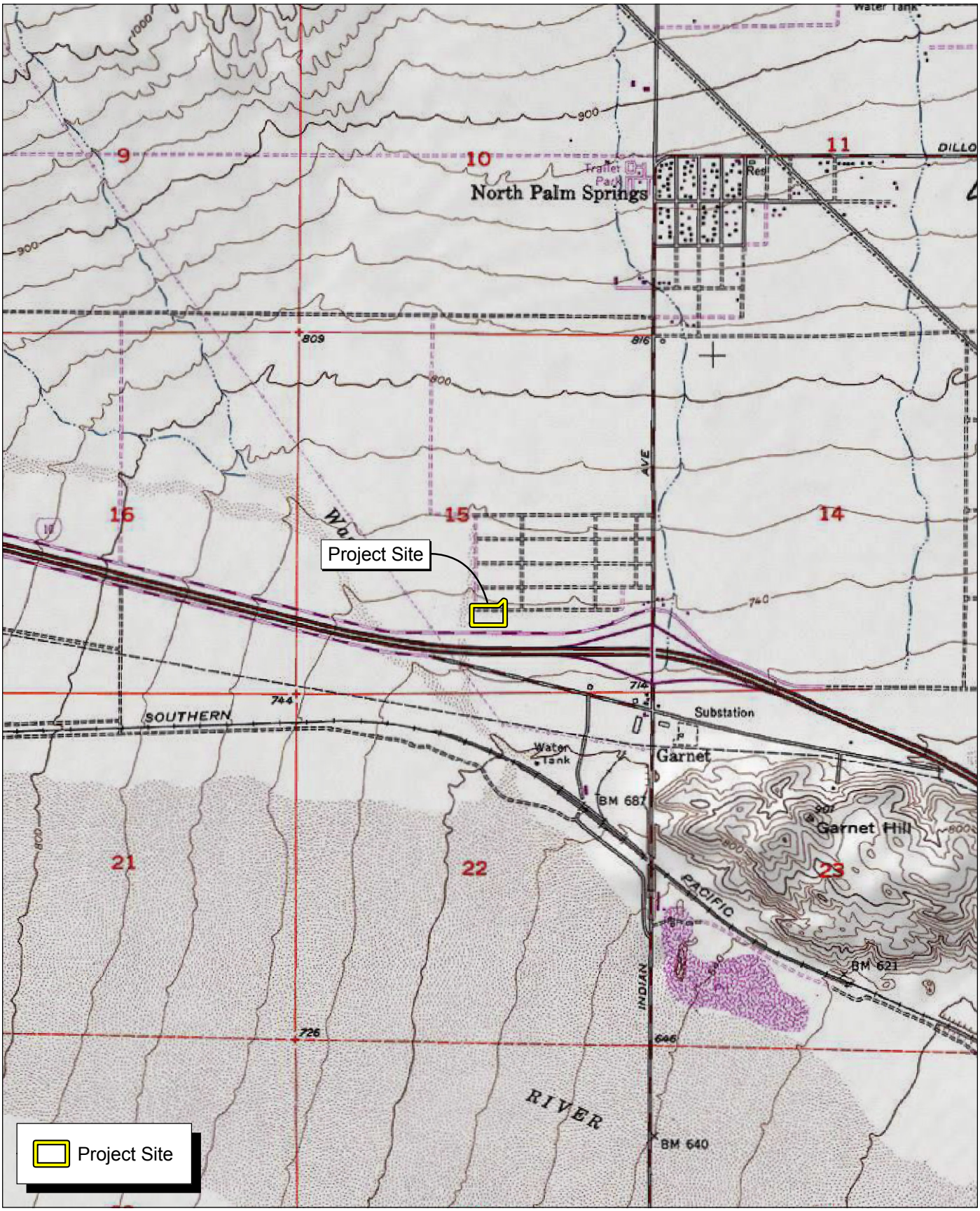
NORTH

800 400 0 800
Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: TOPO! Desert Hot Springs (1978) 7.5' DRG.

Exhibit 3
Local Vicinity Map
Topographic Base

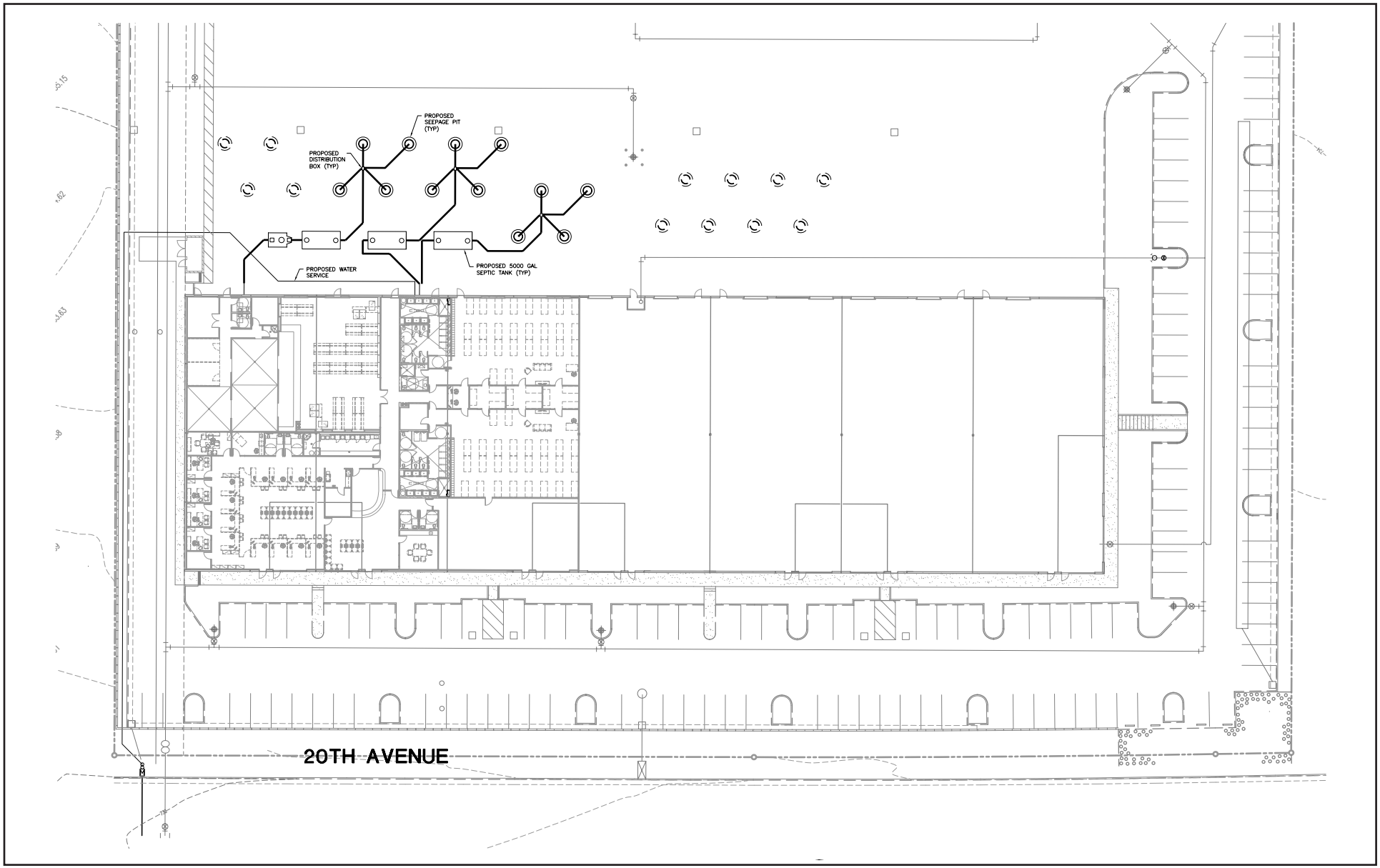
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Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: MSA Consulting, Inc. (2009).

NORTH

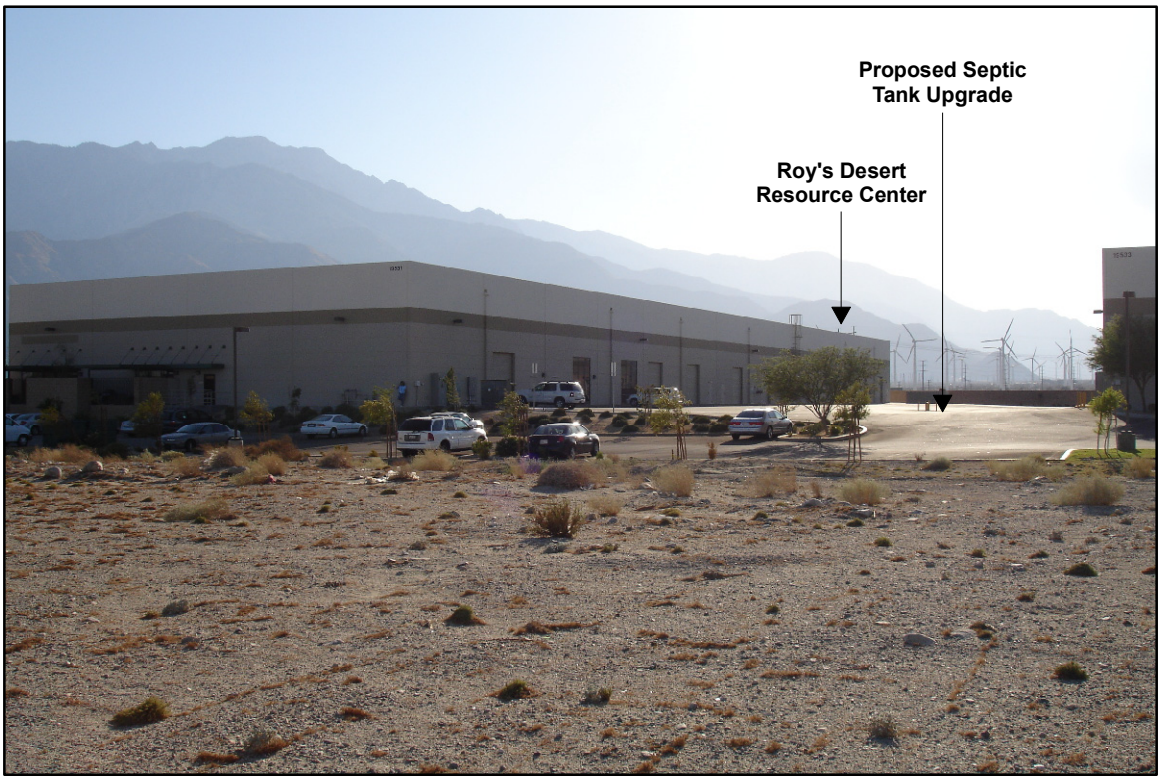
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Michael Brandman Associates

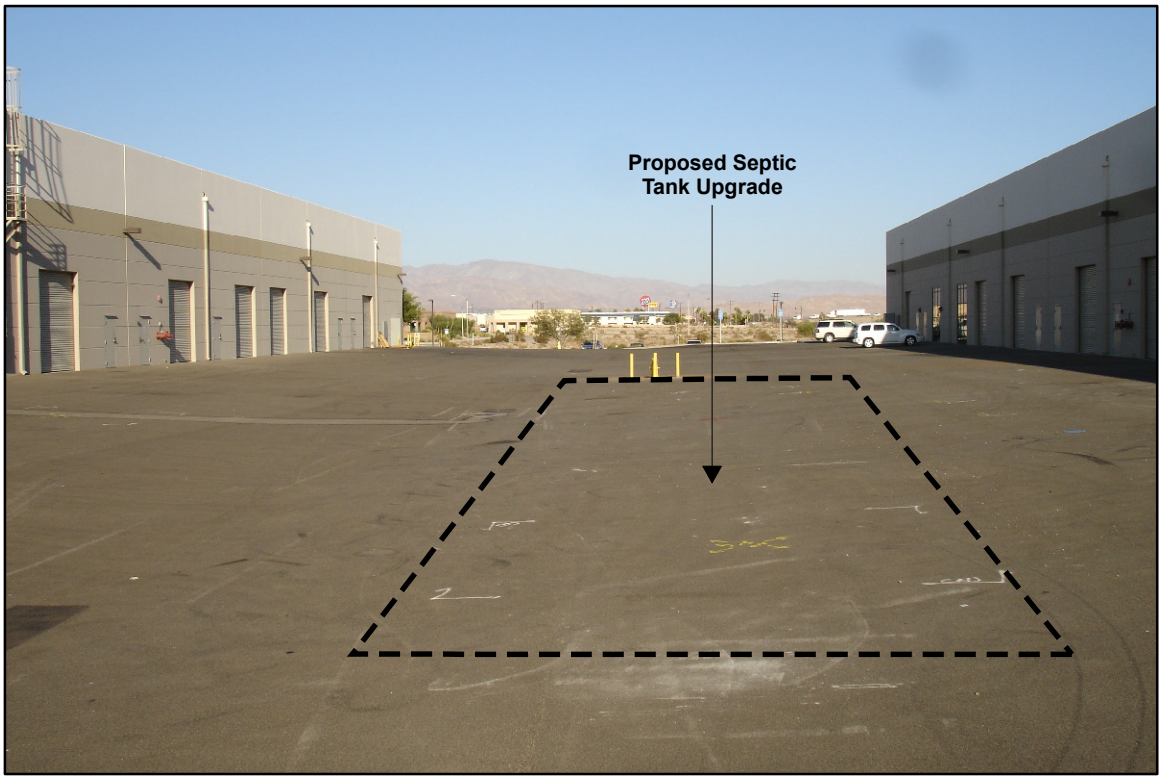
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Exhibit 4
Conceptual Site Plan

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Photograph 1: Looking west toward the project site.



Photograph 2: Facing proposed septic tank within the project site.

Source: Michael Brandman Associates, 2009.

Michael Brandman Associates

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Exhibit 5
Site Photographs

V. ENVIRONMENTAL ISSUES ASSESSMENT

In accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000-21178.1), this Initial Study has been prepared to analyze the Proposed Project and to determine any potential significant impacts upon the environment that would result from construction and implementation of the Project. In accordance with California Code of Regulations (CCR), Section 15063, this Initial Study is a preliminary analysis prepared by the Lead Agency, the County of Riverside, in consultation with other jurisdictional agencies, to determine whether a Negative Declaration, Mitigated Negative Declaration (MND), or an EIR is required for the Proposed Project. The purpose of this Initial Study is to inform the decision-makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the Proposed Project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
AESTHETICS Would the project				
1. Scenic Resources a) Have a substantial effect upon a scenic highway corridor within which it is located?	☐	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings and unique or landmark features; obstruct any prominent scenic vista or view open to the public; or result in the creation of an aesthetically offensive site open to public view?	☐	☐	☐	☒

Source: Caltrans California Scenic Highway Mapping System. County of Riverside, Riverside County Integrated Project (RCIP) Figure C-7 "Scenic Highways".

Findings of Fact:

a-b) The proposed Project involves the installation of the (3), 5,000 gallon septic tanks with seepage pits to an existing developed, paved surface of land and located between the facility's existing building and the existing adjacent building to the north (Refer to Exhibits: 4 and 5). The Project is not located within a scenic corridor, nor considered as a scenic resource. The Project's installation of septic tanks and seepage pits will be located underneath the existing truck parking lot with no visual obstructions created. Therefore, the Project will not have an impact to scenic resources. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

2. Mt. Palomar Observatory a) Interfere with the nighttime use of the Mt. Palomar Observatory, as protected through Riverside County Ordinance No. 655?	☐	☐	☐	☒

Source: RICP; TG; Ord. No. 655

Findings of Fact:

a) Light pollution occurs when an over abundance of artificial illumination enters the night sky and reflects off of airborne water droplets and dust particles causing a condition known as skyglow. It occurs when glare from improperly aimed and unshielded light fixtures cause uninvited illumination to cross over into adjacent property lines. The Mt. Palomar Observatory is located in San Diego County and requires limited nighttime lighting requirements in order for the night sky to be observed clearly. The proposed Project is located approximately 41 miles northeast of the Observatory. The proposed improvements include the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and seepage pits. The Project site is not within and will not affect the Mt. Palomar Nighttime Lighting Overlay Area. Therefore, the Project would not impact the Observatory's night sky viewing ordinance.

Mitigation: None required.

Monitoring: None required.

3. Other Lighting Issues a) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☐	☒
b) Expose residential property to unacceptable light levels?	☐	☐	☐	☒

Source: RCIP; Proposed project description, site evaluation.

Findings of Fact:

a-b) The Project's proposed installation of septic tanks and seepage pits will not involve the installation of permanent outdoor lighting and would not expose residential property to unacceptable light levels. There are no proposed modifications to the exterior lighting. There are no existing residences within close proximity to the Project site. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
AGRICULTURE RESOURCES Would the project				
4. Agriculture	☐	☐	☐	☒
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program (FMMP) of the California Resources Agency, to non-agricultural use?				
b) Conflict with existing agricultural use, or a Williamson Act (agricultural preserve) contract (Riv. Co. Agricultural Land Conservation Contract Maps)?	☐	☐	☐	☒
c) Cause development of non-agricultural uses within 300 feet of agriculturally zoned property (Ordinance No. 625 "Right-to-Farm")?	☐	☐	☐	☒
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	☐	☐	☐	☒

Source: RCIP Figure OS-17 "Agricultural Resources", GIS database and Project Materials.

Findings of Fact:

a-d) The project site is located in a developed portion of land currently designated as Service/Manufacturing (M-1) in the City of Palm Springs Zoning Ordinance. However, the Project is under jurisdiction of the County of Riverside. The Department of Conservation Farmland Mapping and Monitoring Program (FMMP) designates the site as Urban and Built-Up Land. The Project site is not located within an agricultural preserve or within a Williamson Act contract area. Therefore, no adverse agriculture impacts will occur as a result of the proposed Project

Mitigation: None required.

Monitoring: None required.

AIR QUALITY Would the project				
5. Air Quality Impacts	☐	☐	☒	☐
a) Conflict with or obstruct implementation of the applicable air quality plan?				
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☒	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	☐	☐	☒	☐
d) Expose sensitive receptors, which are located within 1 mile of the project site to project substantial point source emissions?	☐	☐	☒	☐
e) Involve the construction of a sensitive receptor located within one mile of an existing substantial point	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
source emitter?				
f) Create objectionable odors affecting a substantial number of people?	☐	☐	☒	☐
g) Result in an increase in greenhouse gas emissions that would significantly hinder or delay the State's ability to meet the reduction targets contained in AB 32?	☐	☐	☒	☐
h) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☒	☐

Source: Proposed project description, site evaluation

Findings of Fact:

a-h) Less than Significant Impact. The proposed project would generate short-term emissions during construction. Such emissions would include exhaust emissions from construction equipment and worker and delivery vehicles as well as fugitive dust generated during the construction process. Exhaust emissions are controlled by the rules promulgated by the CARB while fugitive dust emissions are controlled by SCAQMD Rule 403. Rule 403 requires the application of best management practices such as watering disturbed areas, restricting onsite traffic to 15 miles per hour or less, and cessesation of soil disturbing activities when wind speeds exceed 25 miles per hour. The construction of the proposed project must adhere to the requirements of Rule 403.

Short-term construction emissions from the proposed project were estimated during three construction activities: demolition of the existing septic tank area, replacement of the existing septic tank with three new ones, and the asphalt paving of the finished surface. The estimated construction emissions are shown in Table 1. The determination of the environmental significance of the project's construction emissions was determined by comparing the estimated emissions with the regional emission significance thresholds defined by the SCAQMD for construction activities which are also shown in Table 1.

Table 1: Estimated Daily Short-term Construction Emissions

Construction Activity	Emissions (pounds per day)(1)					
	VOC	NOx	CO	SOx	PM10	PM2.5
Demolition	4	35	16	0	8	3
Tank Replacement	0	4	2	0	2	1
Asphalt Paving	3	9	15	0	1	1

Table 1: Estimated Daily Short-term Construction Emissions (Cont.)

Construction Activity	Emissions (pounds per day)(1)					
	VOC	NOx	CO	SOx	PM10	PM2.5

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Max emissions in 1 day	4	35	16	0	8	3
Regional Threshold	75	100	550	150	150	55
Significant Impact?	No	No	No	No	No	No

Note:
(1) Emissions shown assume compliance with applicable emission regulations. The PM10 and PM2.5 fugitive dust emissions are in the "mitigated" output in URBEMIS because the project would comply with dust control measures as specified in SCAQMD Rule 403.

As shown in Table 1 above, the short-term construction emissions from the proposed project would not exceed any SCAQMD regional emission significance threshold during construction. Furthermore, the Project will not generate odors and due to the scale of the Project, will not impact plans to reduce greenhouse gas emissions Therefore, Project impacts are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

BIOLOGICAL RESOURCES Would the project				
6. Wildlife & Vegetation	☐	☐	☐	☒
a) Conflict with the provisions of an adopted Habitat Conservation Plan (HCP), Natural Conservation Community Plan, or other approved local, regional, or state conservation plan?				
b) Have a substantial adverse effect, either directly or through habitat modifications, on any endangered, or threatened species, as listed in Title 14 of the California Code of Regulations (Sections 670.2 or 670.5) or in Title 50, Code of Federal Regulations (Sections 17.11 or 17.12)?	☐	☐	☐	☒
c) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game (CDFG) or U. S. Wildlife Service (USFWS)?	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFG or USFWS?	☐	☐	☐	☒
f) Have a substantial adverse effect on federally	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				
g) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒

Source: MBA Consistency Analysis.

Findings of Fact:

a-g) No impact. The Project site is a 3.53 acre lot which is developed. The Proposed project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. No open space or undeveloped land would be involved with the installation of the septic tanks and seepage pits. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

CULTURAL RESOURCES Would the project				
7. Historic Resources	☐	☐	☐	☒
a) Alter or destroy an historic site?				
b) Cause a substantial adverse change in the significance of a historical resource as defined in California Code of Regulations, Section 15064.5?	☐	☐	☐	☒

Source: MBA Consistency Analysis. Native American Heritage Commission (NAHC).

Findings of Fact:

a-b) No impact. The Project site is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot Thus, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

8. Archaeological Resources	☐	☐	☐	☒
a) Alter or destroy an archaeological site.				
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
California Code of Regulations, Section 15064.5?				
c) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☒	☐
d) Restrict existing religious or sacred uses within the potential impact area?	☐	☐	☐	☒

Source: MBA Consistency Analysis. MBA Records Search.

Findings of Fact:

a, d) There are no archaeological sites or existing religious or sacred uses within the Project site as it is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

b, c) MBA conducted a archaeological records search of the Project site and found no documentation of archaeological resources being located on or near to the Project site. In addition, a records search was performed by the Native American Heritage Commission's Sacred Lands File (SLF) and concluded that no sites were found within or near to the Project site. (Appendix B).

Furthermore, the Project site is already graded and developed; and chances are minimal that archaeological resources would be encountered during the installation of the septic tanks, since the area would have had a better chance of finding archaeological resources in the initial construction phase for existing buildings. Nevertheless, the potential exists for sub-surface archaeological resources to be uncovered during excavation, grading, and other construction related activities for the three septic tanks.

As a standard procedure in the event that a sub-surface archaeological artifact were to be uncovered during project construction or ground-disturbing activities, the find would be redirected until the nature and extent of the find could be evaluated by a qualified archaeologist. As applicable, resources would be collected, curated, and provided to the Eastern Information Center at the University of California at Riverside. The archeologist would then coordinate with local Native American groups as necessary if tribal artifacts were found. Therefore, project impacts with regard to disturbing human remains will be less than significant.

Mitigation: None required.

Monitoring: None required.

9. Paleontological Resources	☐	☐	☐	☒
a) Directly or indirectly, destroy a unique				

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
paleontological resource, or site, or unique geologic feature?				

Source: Riverside County TLMA GIS.

Findings of Fact:

a) The Project site has a low potential for paleontological resources. The Project site is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. Therefore, no impacts are foreseen from Project development and no mitigation is required.

Mitigation: None required.

Monitoring: None required.

GEOLOGY AND SOILS Would the project				
10. Alquist-Priolo Earthquake Fault Zone or County Fault Hazard Zones	☐	☐	☒	☐
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death?				
b) Be subject to rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	☐	☐	☒	☐

Source: Geotechnical Engineering Study. Consolidated Engineering Laboratories. September 4, 2003 (Appendix A)

Findings of Fact:

a-b) The Project site is roughly 739 feet above sea level and is relatively flat. As indicated in the Geotechnical Engineering Study (Appendix A), soils are consistent of Quaternary-aged, alluvial deposits consisting of unconsolidated stream, river channel and alluvial fan deposits with local eolian sands. No known active faults transect the Project site. The Project site is not located within the Alquist-Priolo Special Studies or County Fault Hazard Zones. The nearest active fault is the Banning segment of the San Andreas Fault system, which is located 1.0 mile north of the Project site. The Project does not involve structural building, but involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, impacts from the proposed Project are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

11. Liquefaction Potential Zone	☐	☐	☒	☐
a) Be subject to seismic-related ground failure,				

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
including liquefaction?				

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A); Riverside County TLMA GIS (Liquefaction Map).

Findings of Fact:

a) In general, for the effects of liquefaction to be manifested at the surface, groundwater levels must be within 50 feet of the ground surface and the soils within the saturated zone must also be susceptible to liquefaction. As indicated in the Geotechnical Engineering Study, six bore holes were drilled to a maximum of 41.5 feet in depth and did not encounter groundwater, which would suggest groundwater levels to below 50 feet in depth. Nonetheless, laboratory and field data gathered in the Geotechnical Engineering Study concluded that the Project site does not have the potential for liquefaction to occur. Therefore, impacts from the proposed Project are considered less than significant.

Mitigation: None required.

Monitoring: None required.

12. Ground-shaking Zone a. Be subject to strong seismic ground shaking?	☐	☐	☒	☐

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Western Coachella Valley is traversed by several active and potentially active fault zones, including the San Andreas Fault, and has experienced several earthquakes of moderate magnitude since records have been kept. The primary seismic hazards, which result, are ground shaking and the potential for ground rupture along the surface trace of the fault. Secondary seismic hazards result from the interaction of ground shaking with existing soil and bedrock conditions, and include liquefaction, settlement, and landslides. The nearest active fault is the San Andreas Fault, which is located 2.46 miles northeast of the project site. At that distance, strong ground shaking can still be expected at the Project site.

Although the Project site is located within a ground-shaking zone, the Project does not involve any additional structural buildings to be constructed other than the installation of three septic tanks and seepage pits.

Furthermore, the Geotechnical Engineering Study (originally prepared in 2003) already addressed geologic issues with mitigation for the development of the Project area's existing buildings and parking lot and included mitigation in addressing the installation of existing septic tanks and seepage pits. Therefore, in compliance with proper Cal OSHA grading methods and with the County of Riverside grading requirements during

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

temporary excavations for the septic tanks, there will be a less than significant impact as a result of the project.

Mitigation: None required.

Monitoring: None required.

13. Landslide Risk	☐	☐	☐	☒
a) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, collapse, or rockfall hazards?				

Source: WCVAP Figures 15, "Steep Slopes" and 16, "Slope Instability"; Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Project site is not affected by landslide or rock falling risks. Topography on the site is generally flat, without boulders or steep slopes. Therefore, there is no impact associated with the Proposed Project.

Mitigation: None required.

Monitoring: None required.

14. Ground Subsidence	☐	☐	☒	☐
a) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in ground subsidence?				

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Geotechnical Engineering Study indicated that the Project site has a moderate susceptibility for settlement due to consolidation and dynamic compaction. However, laboratory and field data gathered at the site does not indicate near surface soils in the upper 15 feet to be susceptible to collapse. Nevertheless, as indicated above (Section 12a), the Project will comply with proper Cal OSHA grading methods and with the County of Riverside grading requirements during temporary excavations for the septic tanks Therefore, Project impacts with regard to ground subsidence will be considered as less than significant.

Mitigation: None required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Monitoring: None required.				
15. Other Geologic Hazards a) Be subject to geologic hazards, such as seiche, mudflow, or volcanic hazard?	☐	☐	☐	☒

Source: Site visit. Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Project is not affected by a geological hazard such as seiche, mudflow or volcanic hazard, since the site is not located near a body of water (seiche), steep topography (with mudflow potential) or volcanic hazards. Therefore, there is no impact to the Project with regard to other geologic hazards.

Mitigation: None required.

Monitoring: None required.

16. Slopes a) Change topography or ground surface relief features?	☐	☐	☐	☒
b) Create cut or fill slopes greater than 2:1 or higher than 10 feet?	☐	☐	☐	☒
c) Result in grading that affects or negates subsurface sewage disposal systems?	☐	☐	☒	☐

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).Staff Review, and Site Visit

Findings of Fact:

a-b) The Project will not change the topography or create cut or fill slopes since the Project site is already developed. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the project.

c) Grading has already been performed for the Project area at the time the existing building was constructed. Existing septic tank and seepage pit facilities for the building were already in place, and would be able to offer additional of septic sewer infrastructure installation if needed. Since the Project area was developed in compliance with mitigation listed in the Geotechnical Engineering Study, the Project site will only need to comply with proper Cal OSHA grading methods and County

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

of Riverside grading requirements during construction . Therefore, Project impacts in negating the operability of subsurface sewer disposal systems will be less than significant.

Mitigation: None Required.

Monitoring: None Required.

17. Soils a) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
b) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☐	☒

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).Staff Review, and Site Visit

Findings of Fact:

a) The Project site is not affected by significant topography, surface features or slopes or expansive soils. The Project site is currently developed in which septic tank and seepage pit installation will occur underneath the existing parking lot (Refer to Exhibit 5). Therefore, there will be no impact.

b) As indicated in Geotechnical Engineering Study, Project site soils are sandy and non-expansive. Therefore, impacts associated with expansive soils will not occur.

Mitigation: None Required.

Monitoring: None Required.

18. Erosion a) Change deposition, siltation, or erosion that may modify the channel of a river or stream or the bed of a lake?	☐	☐	☐	☒
b) Result in any increase in water erosion either on or off site?	☐	☐	☐	☒

Source: Staff Review, and Site Visit

Findings of Fact:

a-b) The Project site is currently developed. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot, which

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

has existing storm drainage installed. Therefore, there will be no impact as a result of the Project.

Mitigation: None Required.

Monitoring: None Required.

19. Wind Erosion and Blows sand from project either on or off site. a) Be impacted by or result in an increase in wind erosion and blowsand, either on or off site?	☐	☐	☒	☐

Source: Site visit.

Findings of Fact:

a) The Project site is currently developed in which septic tank and seepage pit installation will occur underneath an existing parking lot. As shown in Exhibit 5, roughly 11,000 square feet of soil would be temporarily exposed with the removal of asphalt during installation. Exposure of soils will be temporary, with occasional exposure to high winds, which are common to the region. However, since the Project is a temporary operation, and that appropriate dust suppression measures, per Air Quality Management District (AQMD's) Rule 403.1 (i.e. tarp covers) will be applied, impacts with regard to wind erosion will be reduced to less than significant.

Mitigation: None required.

Monitoring: None required.

HAZARDS AND HAZARDOUS MATERIALS Would the project				
20. Hazards and Hazardous Materials a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐
c) Impair implementation of or physically interfere with an adopted emergency response plan or an emergency evacuation plan?	☐	☐	☐	☒
d) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
e) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
environment?				

Source: California State Water Resources Control Board Geo Tracker. 2008. Staff Review, and Site Visit.

Findings of Fact:

a,b) The Project site will not create a significant hazard to the public through the routine transport or from accidental release of hazardous substances. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot for the purpose of sewage containment. Furthermore, the Project site plans will be submitted for review and approval by the California Regional Water Quality Control Board Colorado River Basin Region (CRWQCB) to assure that installation of septic tanks and seepage pits will not contaminate the local groundwater aquifer. Therefore Project impacts are considered to be less than significant.

c) The Project will not impair implementation of, or interfere with an adopted emergency response or evacuation plan The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impacts as a result of the Project.

d) The Project will not emit hazardous emissions or handle acutely hazardous materials within one-quarter mile of an existing or proposed school. The nearest school is the Grace Christian Learning Center, which is located 3.43 miles northwest of the Project site. Therefore, there will be no impacts as a result of the Project.

e) The State Water Resources Control Board GeoTracker Database indicates that no evidence of listed hazardous materials site(s) exist within or near to the Project site. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

21. Airports	☐	☐	☐	☒
a) Result in an inconsistency with an Airport Master Plan?				
b) Require review by the Airport Land Use Commission?	☐	☐	☐	☒
c) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
d) For a project within the vicinity of a private airstrip, or heliport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

Source: RCIP Figure S-19 "Airport Locations"

Findings of Fact:

a-d) The Project site is not within an airport influence area boundary or otherwise affected by airport issues as identified in the Western Coachella Valley Area Plan (WCVAP). The nearest airport is Palm Springs International Airport, which is located 5.13 miles to the southeast. Therefore, there will be no conflicts with an airport land use plan as a result of the Project and no impacts will occur as a result of the Project.

Mitigation: None required.

Monitoring: None required.

21. Hazardous Fire Area a) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒

Source: Site inspection.

Findings of Fact:

a) The Project site will not expose people of structures to a significant risk, loss, or death from wildland fires. The Project site is currently developed and will be located underneath the Project site's existing parking lot. Therefore, there will be no impact.

Mitigation: None required.

Monitoring: None required.

HYDROLOGY AND WATER QUALITY Would the project				
22. Water Quality Impacts a) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	☐	☐	☐	☒
b) Violate any water quality standards or waste discharge requirements?	☐	☐	☒	☐
c) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				
d) Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☒	☐
e) Place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
f) Place within a 100-year flood hazard area structures, which would impede or redirect flood flows?	☐	☐	☐	☒
g) Otherwise substantially degrade water quality?	☐	☐	☒	☐
h) Include new or retrofitted stormwater Treatment Control Best Management Practices (BMPs) (e.g. water quality treatment basins, constructed treatment wetlands), the operation of which could result in significant environmental effects (e.g. increased vectors and odors)?	☐	☐	☐	☒

Source: Riverside County Land Information System GIS

Findings of Fact:

a) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. The site already contains existing storm drainage infrastructure (i.e, curb and gutter). There are no additional storm drain improvements proposed or required at this time. Therefore, there will be no impact as a result of the Project.

b,g) The Project will adhere to Regional Water Board Order No. 97-500, General Waste Discharge Requirements for "On-site Subsurface Wastewater Disposal Systems for Mobile Home and Recreational Vehicle Parks and Other Similar Facilities." This Project qualifies under "Other similar facilities" and as such will be adequately designed, installed, and maintained such that it meets the requirement of Order NO. 97-500. Additionally, within one year of project approval the County will prepare a groundwater monitoring program for review and approval by the Colorado Regional Water Quality Control Board . With the adequate design of the septic system along with groundwater monitoring and adherence to Order 97-500, impacts to groundwater quality will remain less than significant.

c) The Project site will not deplete groundwater supplies or interfere with groundwater recharge. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

d) The Project will not create or contribute to runoff of water in exceeding the capacity of existing or planned stormwater drainage systems. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

e) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. Therefore, there would be no impact as a result of the Project.

f) No improvements are proposed within a 100-year designated flood plane area. The Project site falls within the 500-year designated flood plane area (0.2% flood chance). The Project area is developed and has existing storm drain improvements, all of which located on raised building pads. Therefore, there will be no impact as a result of the Project.

h) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. No stormwater treatment control BMP's are required. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

24. Floodplains

Degree of Suitability in 100-Year Floodplains. As indicated below, the appropriate Degree of Suitability has been checked.

NA - Not Applicable ☒ U - Generally Unsuitable ☐ R - Restricted ☐

a) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	☐	☐	☐	☒
b) Changes in absorption rates or the rate and amount of surface runoff?	☐	☐	☐	☒
c) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam (Dam Inundation Area)?	☐	☐	☐	☒
d) Changes in the amount of surface water in any	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
water body?				

Source: Staff Review, and Site Visit

Findings of Fact:

a-d) The Project site will not impact any of the above-listed discussion questionnaire with regard to alteration of existing drainage patterns, increase in surface runoff, changes in absorption rates, or expose people to significant risk from flooding . The Project area is developed and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

LAND USE/PLANNING Would the project				
25. Land Use	☐	☐	☐	☒
a) Result in a substantial alteration of the present or planned land use of an area?				
b) Affect land use within a city sphere of influence and/or within adjacent city or county boundaries?	☐	☐	☐	☒

Source: City of Palm Springs General Plan.

Findings of Fact:

a-b) The Project site will not result in a substantial alteration of present or planned land use nor would the Project affect land use within a city sphere of influence. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. The land use for the Project site is pre-existing and would not change as a result of Project implementation. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

26. Planning	☐	☐	☐	☒
a) Be consistent with the site's existing or proposed zoning?				
b) Be compatible with existing surrounding zoning?	☐	☐	☐	☒
c) Be compatible with existing and planned surrounding land uses?	☐	☐	☐	☒
d) Be consistent with the land use designations and	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
policies of the Comprehensive General Plan (including those of any applicable Specific Plan)?				
e) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?	☐	☐	☐	☒

Source: City of Palm Springs General Plan.

Findings of Fact:

a-e) The Project site will not interfere, disrupt or create an inconsistency with the Project area and region's existing and planned-for land uses. Although the Project site is located within the City's General Plan land use, the Project site alone (APN 666-411-011) is County-owned land, and therefore not considered as a part of the City and will be required to adhere to all of the County's goals and policies pertaining to the County of Riverside's General Plan and Ordinances. Nevertheless, both the City of Palm Springs and the County of Riverside permit the same type of use proposed for the Project site (septic sewer improvement). Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

MINERAL RESOURCES Would the project				
26. Mineral Resources	☐	☐	☐	☒
a) Result in the loss of availability of a known mineral resource in an area classified or designated by the State that would be of value to the region or the residents of the State?				
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒
c) Be an incompatible land use located adjacent to a State classified or designated area or existing surface mine?	☐	☐	☐	☒
d) Expose people or property to hazards from proposed, existing or abandoned quarries or mines?	☐	☐	☐	☒

Source: Staff Review, and Site Visit

Findings of Fact:

a-d) The Project site will not impact mineral resources. The Project site is developed with existing industrial warehouse buildings and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Thus, there will be no impact as a result of the Project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Mitigation: None required.

Monitoring: None required.

NOISE Would the project result in				
Definitions for Noise Acceptability Ratings Where indicated below, the appropriate Noise Acceptability Rating(s) has been checked. NA - Not Applicable A - Generally Acceptable B - Conditionally Acceptable C - Generally Unacceptable D - Land Use Discouraged				
28. Airport Noise a) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport would the project expose people residing or working in the project area to excessive noise levels? NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒
b) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: RCIP Figure S-19 “Airport Locations,” County of Riverside Airport Facilities Map

Findings of Fact:

a-b) The Project site is not within an airport influence area boundary or otherwise affected by airport issues as identified in the WCVAP. The nearest airport is Palm Springs International Airport, which is located approximately 5.13 miles to the southeast of the Project site. Therefore, there will be no impacts to an airport land use plan as a result of the Project.

Mitigation: None required.

Monitoring: None required.

29. Railroad Noise NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☒	☐

Source: RCIP Figure C-1 “Circulation Plan”, S-21 “Rail Facilities, Available Water, Oil and Natural Gas Pipelines Inventory Data”, Thomas Guide 2005 Edition, Site Visit

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Project site is located approximately 0.37 mile north of the heavily-traveled Union Pacific Railroad line. However, the area is located between existing industrial developed warehouses and located 0.10 mile north of the Interstate 10 freeway. The Project is expected to generate only sporadic noise from excavation activities and for a temporary period of time. Therefore, impacts with regard to railroad noise will be considered less than significant.

Mitigation: None required.

Monitoring: None required.

30. Highway Noise NA ☐ A ☒ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: Site Visit

Findings of Fact:

a) The Project site is located adjacent to existing industrial developed warehouses approximately 0.10 mile north of the Interstate 10 Freeway. The Project is a temporary construction operation involving the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

31. Other Noise NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: City of Palm Springs General Plan; project description and materials; site visit.

Findings of Fact:

a) The Project is not influenced by other unique noise issues as identified in the City of Palm Springs General Plan. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

32. Noise Effects on or by the Project a) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
b) A substantial temporary or periodic increase in	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
ambient noise levels in the project vicinity above levels existing without the project?				
c) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒
d) Exposure of persons to or generation of excessive ground-borne vibration or ground-borne noise levels?	☐	☐	☒	☐

Source: Project materials and project description

Findings of Fact:

a) The Project will not create a substantial permanent increase in ambient noise levels in the Project vicinity. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot Therefore, there will be no impact.

b) Temporary or periodic increases in noise levels would occur during Project installation of septic tanks and seepage pits. However, once construction is completed noise associated with construction equipment would cease. There are no sensitive receptors in the vicinity that would be affected by the construction noise. Therefore, Project impacts with regard to temporary increases in noise levels are considered to be less than significant.

c) The Project will not expose persons to noise levels in excess of standards established in the local general plan or noise ordinance. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact.

d) There are no sensitive receptors within the vicinity of the Project site. During construction temporary ground-borne noise and vibrations could occur during trenching and compaction from installation of septic tanks and seepage pits. Therefore, Project impacts will be considered as less than significant.

Mitigation: None required.

Monitoring: None required.

POPULATION AND HOUSING Would the project				
33. Housing	☐	☐	☐	☒
a) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				
b) Create a demand for additional housing, particularly housing affordable to households earning 80%	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
or less of the County's median income?				
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
d) Affect a County Redevelopment Project Area?	☐	☐	☐	☒
e) Cumulatively exceed official regional or local population projections?	☐	☐	☐	☒
f) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☒	☐

Source: Project description and materials, GIS

Findings of Fact:

a-e) The Project site will not result in the displacement of existing housing, creating a demand for additional housing, displacement of people, affecting a County Redevelopment Project Area, or cumulatively exceeding regional or local populations. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits. The Project would be located underneath the project area's existing parking lot for the purpose of accommodating homeless patron sheltering. Thus, there are no impacts as a result of the project.

f) The Project would not induce population growth in the area. The Project's potential to accommodate additional sewage discharge is directly related to accommodating additional homeless patrons (total of 120) for temporary sheltering. However, this increase is considered as minimal and temporary for homeless patron occupancy would fluctuate and not exceed a maximum of 120 patrons. Therefore, the Project's impact in inducing substantial population growth is considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

PUBLIC SERVICES Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
27. Fire Services	☐	☐	☒	☐

Source: RCIP Safety Element, Google Maps

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Riverside County Fire Department serves the Project area. The nearest facility is Station No. 36, which is located 5.13 miles north of the Project at 11535 Karen Avenue in Desert Hot Springs. The Project's proposed installation of septic tank upgrades and seepage pits are not anticipated to significantly impact the level of service for fire protection. Therefore, Project impacts to fire services are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

28. Sheriff Services	☐	☐	☒	☐

Source: RCIP, Google Maps.

Findings of Fact:

a) Police protection services for the Project area are provided by the City of Palm Springs Police Department, Police Headquarters located at 200 South Civic Drive in Palm Springs (6.33 miles southeast of Project site). The proposed Project is currently developed and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, the Project's impact to Sheriff Services is considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

29. Schools	☐	☐	☐	☒

Source: City of Palm Springs General Plan; Palm Springs Unified School District.

Findings of Fact:

a) The proposed Project will not affect school services. The Project site is currently developed in which septic tank and seepage pit installation would occur underneath the existing asphalt parking lot. Therefore, there will be no impact with regard to School Services.

Mitigation: None required.

Monitoring: None required.

30. Libraries	☐	☐	☐	☒

Source: RCIP, Google Maps.

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Proposed Project will not impact library services. The Project site is currently developed in which septic tank and seepage pit modification improvements will occur underneath the existing asphalt, parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

31. Health Services	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a) The proposed Project will not impact health services. The Project site is currently developed in which septic tank and seepage pit modification improvements would occur underneath the existing parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

RECREATION				
32. Parks and Recreation	☐	☐	☐	☒
a) Would the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	☐	☐	☐	☒
b) Would the project include the use of existing neighborhood or regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
c) Is the project located within a C.S.A. or recreation and park district with a Community Parks and Recreation Plan (Quimby fees)?	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

a-c) The proposed Project will not have an impact from park creation, park deterioration, or location within a C.S.A. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact with regard to existing parks and recreation facilities.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Mitigation: None required.

Monitoring: None required.

33. Recreational Trails	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

a) The proposed Project will not have an impact on recreational trails. The Project site is currently developed, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing asphalt parking lot. Therefore, there will be no impact.

Mitigation: None required.

Monitoring: None required.

TRANSPORTATION/TRAFFIC Would the project				
34. Circulation a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	☐	☐	☒	☒
b) Result in inadequate parking capacity?	☐	☐	☐	☒
c) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated road or highways?	☐	☐	☐	☒
d) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒
e) Alter waterborne, rail or air traffic?	☐	☐	☐	☒
f) Substantially increase hazards to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	☐	☐	☐	☒
g) Cause an effect upon, or a need for new or altered maintenance of roads?	☐	☐	☐	☒
h) Cause an effect upon circulation during the project's construction?	☐	☐	☐	☒
i) Result in inadequate emergency access or access to nearby uses?	☐	☐	☐	☒
j) Conflict with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	☐	☐	☐	☒

Source: RCIP

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact:

a-j) The Project site will not result in impacts to traffic. The Project site involves the temporary construction replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing asphalt parking lot. There are no proposed changes to the Project area's existing circulation pattern. The Project site's excavation area is small in relation to the size of the existing parking lot (See Exhibit 4) and that parking will temporarily be relocated to alternate locations of the parking lot during project construction. Therefore, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

35. Bike Trails	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a) Not applicable. The Project site will not have an impact on bike trails. The Project site involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. There are no proposed improvements outside of the site that would impact bike trails. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

UTILITY AND SERVICE SYSTEMS Would the project				
36. Water a) Require or result in the construction of new water treatment facilities or expansion of existing facilities, the construction of which would cause significant environmental effects?	☐	☐	☐	☒
b) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a-b) The proposed Project will not require the construction of new water treatment facilities nor would have an impact on sufficient water supplies to serve the Project. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the project.

Mitigation: None required.

Monitoring: None required.

37. Sewer	☐	☐	☒	☐
a) Require or result in the construction of new wastewater treatment facilities, including septic systems, or expansion of existing facilities, the construction of which would cause significant environmental effects?	☐	☐	☒	☐
b) Result in a determination by the wastewater treatment provider that serves or may service the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☒	☐

Source: Project description and materials

Findings of Fact:

a-b) The proposed Project does not require the construction of a new wastewater treatment facility. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Furthermore, the Project applicant, and their wastewater treatment provider feel that the proposed three (3) 5,000 gallon septic tanks and seepage pits would accommodate the projected 15,000 gallons of sewage to be discharged per day from Roy's Desert Resource Center. Therefore, Project impacts are considered to be less than significant as a result of the Project.

Mitigation: None required.

Monitoring: None required.

38. Solid Waste	☐	☐	☒	☐
a) Is the project served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☒	☐
b) Comply with federal, state, and local statutes and regulations related to solid wastes (including the CIWMP (County Integrated Waste Management Plan)?	☐	☐	☒	☐

Source: RCIP,

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact:

a-b) The Project area is currently served by Palm Springs Disposal Service which provides waste disposal services for the Project area. The Project site alone will not require these services as it involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, Project construction will only create minimal quantities of solid waste from construction that will comply with federal, state and local regulations concerning solid waste. Impacts will be considered as less than significant.

Mitigation: None required.

Monitoring: None required.

39. Utilities a) Would the project impact the following facilities requiring or resulting in the construction of new facilities or the expansion of existing facilities; the construction of which could cause significant environmental effects?				
a) Electricity?	☐	☐	☐	☒
b) Natural gas?	☐	☐	☐	☒
c) Communications systems?	☐	☐	☐	☒
d) Storm water drainage?	☐	☐	☐	☒
e) Street lighting?	☐	☐	☐	☒
f) Maintenance of public facilities, including roads?	☐	☐	☐	☒
g) Other governmental services?	☐	☐	☐	☒
h) Conflict with adopted energy conservation plans?	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a-h) The Project site will not have an impact on utilities. The Project site involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Once constructed, the Project is not reliant on existing utilities. Therefore, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

OTHER				
40. Other:	☐	☐	☐	☒

Source: Staff review

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact: No other issues of concern to report. No impacts will occur.

Mitigation: None required.

Monitoring: None required.

OTHER				
41. Other:	☐	☐	☐	☒

Source: Staff review

Findings of Fact: No other issues of concern to report. No impacts will occur.

Mitigation: None required.

Monitoring: None required.

OTHER				
42. Other:	☐	☐	☐	☒

Source: Staff review

Findings of Fact: No other issues of concern to report. No impacts will occur

Mitigation: None required.

Monitoring: None required.

MANDATORY FINDINGS OF SIGNIFICANCE				
43. Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare, or endangered plant or animal to eliminate important examples of the major periods of California history or prehistory?	☐	☐	☒	☐

Source: Staff review, Application materials

Findings of Fact:

a) Implementation of the proposed Project will not degrade the quality of the environment, substantially reduce the habitat of fish or wildlife species, cause fish or wildlife populations to

		Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

drop below self sustaining levels, threaten to eliminate a plant or animal community, or reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, impacts will be less than significant.

44.	Does the project have the potential to achieve short-term environmental goals, to the disadvantage of long-term environmental goals? (A short-term impact on the environment is one that occurs in a relatively brief, definitive period of time while long-term impacts will endure well into the future.)	☐	☐	☒	☐

Source: Staff review, Project description.

Findings of Fact:

a) The Proposed Project does not have the potential to achieve short-term environmental goals, to the disadvantage of long-term environmental goals. The Project involves the modification improvement of septic sewer infrastructure to the benefit of the Project area's long-term environmental goals with regard to wastewater management. Therefore, Project impacts with regard to long-term environmental goals will be considered less than significant.

45.	Does the project have impacts, which are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects as defined in California Code of Regulations, Section 15130)?	☐	☐	☐	☒

Source: Staff review, Project description.

Findings of Fact:

a) The Project does not have impacts, which are individually limited, but cumulatively considerable. There are no biological or cultural resources identified on the Project site that will be cumulatively impacted as the Project site is already developed. Furthermore, there will be no impacts with regard to water supply due to the nature (temporary construction) and location (developed land) of the Project site Therefore, there will be no impact.

46.	Does the project have environmental effects that will cause substantial adverse effects on human beings,	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
either directly or indirectly?				

Source: Staff review, project application

Findings of Fact:

a) The proposed Project will not result in environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly because the project is the expansion of an existing facility. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, no impacts will occur from Project implementation.

VI. EARLIER ANALYSES

Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration as per California Code of Regulations, Section 15063 (c) (3) (D). In this case, a brief discussion should identify the following:

Earlier Analyses Used, if any: No earlier analyses were used in this document.

RCIP: Riverside County Integrated Project.

Location Where Earlier Analyses, if used, are available for review:

Location: City of Palm Springs Planning Department
3200 E Tahquitz Canyon Way
Palm Springs, CA 92262-6959

County of Riverside Planning Department
4080 Lemon Street, 9th Floor
Riverside, CA 92505

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

47. REFERENCES

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Caltrans California Scenic Highway Mapping System. 2007. Accessed online: September 14, 2009. Website: http://www.dot.ca.gov/hq/LandArch/scenic_highways/index.htm.

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FEMA Mapping Information Platform. 2009. Accessed online: September 18, 2009. Website: https://hazards.fema.gov/femaportal/wps/portal/.

Native American Heritage Commission. September 18, 2009. Letter regarding: Roy's Desert Resource Center.

Riverside County Land Information System (RCLIS). 2008. Accessed online: September 14, 2009. Website: http://www3.tlma.co.riverside.ca.us/pa/rclis/index.html.

Riverside County Integrated Project (RCIP). 2003. Accessed online: September 14, 2009. Website: http://www.rcip.org/.

Appendix A:
Geotechnical Engineering Study

Appendix B:
Cultural Resource Review and
Initial Study Recommendations Letter

Geotechnical Engineering Study
Industrial Parcel
Between Southwest Corner of McLane/Rupert Street and 20th Avenue
North Palm Springs, California

Prepared for:
Buntain Construction
4531 Harlin Drive
Sacramento, California 95826

Prepared by:
CONSOLIDATED ENGINEERING LABORATORIES
7060 Koll Center Parkway, Suite 300
Pleasanton, California 94566
CEL Project No. G1357

CONSOLIDATED ENGINEERING
L A B O R A T O R I E S

September 4, 2003

Buntain Construction, Inc
4531 Harlin Drive
Sacramento, California 95826

Attention: Mr. Jarrod Short

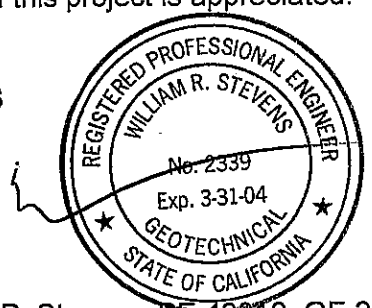
Subject: **Geotechnical Engineering Study**
Industrial Parcel
Between Southwest Corner of McLane/Rupert Street and 20th Avenue
North Palm Springs, California
CEL Project No. G1357

Dear Mr. Short:

In accordance with your authorization, Consolidated Engineering Laboratories (CEL) has completed a geotechnical engineering study for a proposed industrial parcel to contain warehouses between the southwest corner of McLane/Rupert Street and 20th Avenue, in North Palm Springs, California. Transmitted herewith are the results of our findings, conclusions, and recommendations for foundations, interior and exterior concrete slabs, pavement section design, site grading and drainage, temporary cut slope excavation and trench slope stability, drilled piers for light standards, retaining walls design for truck docks, utility trench backfilling, and guideline specifications for grading operations. In general, the proposed development at the site is considered to be geotechnically feasible provided the recommendations of this report are implemented in the design and construction of the project.

Should you or members of the design team have questions or need additional information, please contact the undersigned at (925) 485-5000. The opportunity to be of service to Buntain Construction, Inc., and to be involved in the design of this project is appreciated.

Sincerely,
CONSOLIDATED ENGINEERING LABORATORIES



Marc Hachey
Staff Geologist

William R. Stevens, PE 43010, GE 2339
Principal Geotechnical Engineer

Copies: 6 to Addressee (916/255-5000, Fax 916/255-5020)
2 to CEL Sacramento

MAH/WRS;pmf
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CONSOLIDATED ENGINEERING
LABORATORIES

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CONSOLIDATED ENGINEERING
LABORATORIES

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Sieve Analysis
Single-Point Consolidation
R-Value
Water-Soluble Sulfate

APPENDIX C
Grading and Earthwork Specifications

APPENDIX D
Pier Drilling and Construction Specifications

CONSOLIDATED ENGINEERING
LABORATORIES

GEOTECHNICAL ENGINEERING STUDY

Project: **Industrial Parcel**
North Palm Springs, California

Client: **Buntain Construction, Inc**
Sacramento, California

1.0 INTRODUCTION

1.1 Purpose and Scope

The purposes of this study were to evaluate the subsurface conditions at the site and prepare geotechnical recommendations for the proposed development. This study provides recommendations for the design and construction of proposed foundations, interior and exterior concrete slabs, pavement sections, site drainage, temporary cut slope and trench slope stability, retaining wall design for truck docks, utility trench backfill, drilled piers, and grading. This study was performed in accordance with the scope of work outlined in our proposal dated July 29, 2003.

The scope of this study included the review of pertinent published and unpublished documents related to the site, the drilling of several subsurface borings, laboratory testing of selected samples retrieved from the borings, engineering analysis of the accumulated data, and preparation of this report. The conclusions and recommendations presented in this report are based on the data acquired and analyzed during this study, and on prudent engineering judgment and experience. This study did not include an assessment of potentially toxic or hazardous materials that may be present on or beneath the site or a comprehensive evaluation of the corrosion potential of the site soils.

1.2 Site Description

The subject site is located at the southwest corner of McLane Street and extends west and southward to 20th Avenue in North Palm Springs, California as shown on Figure 1, Site Vicinity. Some maps indicate McLane Street to be Rupert Street; we do not know which one is correct. The site is approximately 31,000 square feet in size and rectangular in shape. The site is covered in gravelly sand with scattered surface boulders and cobbles, and is relatively flat with some local

relief. There are scattered piles of cobbles and boulders throughout the site, with the east half of the site exhibiting more surficial rock than the west. The western perimeter of the site is bounded by a rock retaining wall consisting of boulder sized rock, which separates the site and the open field to the west. The area to the west of the site is approximately 6 to 7 feet lower in elevation than the subject site. It appears the wall was placed to stabilize fill soil used to grade the entire industrial park to its existing grade. The site is bounded on the north by an empty lot, on the east by McLane Street, on the west by open field, and on the south by 20th Avenue. The site is situated at approximately 33.91° north latitude and 116.55° west longitude at approximately 740 feet above mean sea level.

1.3 Proposed Development

The proposed development includes two, one-story warehouse buildings, each approximately 55,000 sf in size. Both buildings may be up to 35-feet tall and are anticipated to have shallow foundations and concrete floor slabs. Grading is expected to be minor for drainage purposes and to mitigate possible collapsible surficial soils. Other improvements include asphalt paved parking and driveways, landscape areas, truck loading docks, concrete hardscapes and pavement, underground utilities, and light poles.

1.4 Validity of Report

This report is valid for two years after publication. If construction begins after this time period, CEL should be contacted to confirm that the site conditions have not changed significantly. If the proposed development differs considerably from that described above, CEL should be notified to determine if additional recommendations are required. Additionally, if CEL is not involved during the geotechnical aspects of construction, this report may become wholly or in part invalid; CEL's geotechnical personnel verifies that the subsurface conditions anticipated preparing this report are similar to the subsurface conditions revealed during construction. CEL's involvement should include site grading and foundation plan review; monitoring site clearing, mass grading and building pad construction; foundation excavation and pier drilling observations; testing retaining wall and utility trench backfill, and subgrade preparation and baserock placement in paved areas.

2.0 PROCEDURES AND RESULTS

2.1 Literature Review

Pertinent geologic and geotechnical literature pertaining to the site area was reviewed. These included various USGS, DMG and other agency publications and maps.

2.2 Drilling and Sampling

A subsurface exploration program was undertaken to evaluate the soil conditions at the site. A total of six borings were drilled at the site on August 12, 2003. The borings were drilled using a truck-mounted drill rig equipped with 8-inch diameter, hollow-stem augers. Seven test pits were excavated with a backhoe on August 18, 2003 to categorize near surface soils more closely.

The materials encountered in the borings and test pits were visually classified according to the Unified Soil Classification System by a CEL representative as the borings and test pits were advanced. Relatively undisturbed soil samples were recovered at selected intervals using a 3-inch outside diameter Modified California split spoon sampler containing 6-inch long brass liners, and a 2-inch outside diameter Standard Penetration Test (SPT) sampler. The samplers were driven by means of a 140-pound downhole safety hammer with an approximate 30-inch fall. Resistance to penetration was recorded as the number of hammer blows required to drive the sampler the final foot of a 12 or 18-inch drive. Bulk samples were obtained in the upper few feet of the borings from the auger cuttings.

The boring and test pits logs with descriptions of the various materials encountered in each boring and test pit, the penetration resistance values, and some of the laboratory test results are presented in Appendix A. The approximate locations of the borings and test pits are shown on the Site Plan, Figure 2.

2.3 Laboratory Testing

Laboratory tests were performed on selected samples to determine some of the physical and engineering properties of the subsurface soils. The results of the laboratory testing are presented on the boring logs, and are included in Appendix B. The following soil tests were performed for this study:

Dry Density and Moisture Content (ASTM D2216 and ASTM D2937) – In-situ density and moisture tests were conducted to determine the in-place dry density and moisture content of the subsurface materials. These properties provide information for evaluating the physical characteristics of the subsurface soils.

Particle Size Analysis (Wet and Dry Sieve) and Hydrometer (ASTM D422, D1140, and CT202) - Sieve analysis testing is conducted on selected samples to determine the soil particle size distribution. This information is useful for the evaluation of liquefaction potential and characterizing the soil type according to USCS.

Collapse Potential Test (ASTM D5333) – A single point consolidation test that provides information on hydroconsolidation potential of a soil after introducing additional stress and then saturating the soil.

R-Value (ASTM D2844) - R-Value testing was performed in accordance with Caltrans Test Method 301 to develop design parameters for asphalt concrete pavement recommendations.

Water Soluble Sulfate (ASTM D4327 and CT417) - Water soluble sulfate tests are utilized to determine the type of concrete required for underground construction and is required by the UBC, CBC, and IBC.

3.0 FINDINGS

3.1 Geologic Setting

According to published geologic maps for the area, the subject site is underlain by Quaternary aged, alluvial deposits consisting of unconsolidated stream, river channel and alluvial fan deposits, with local eolian sand.

3.2 Subsurface Soil Conditions.

The earth materials encountered in CEL's exploratory borings and test pits can be described as approximately six to seven feet of light, moderate and grayish-brown, dry to slightly moist, medium dense to dense, poorly to well-graded sand (SP/SW) with silt, gravel, cobbles and some boulders. The gravel, cobbles, and boulders were observed to be subangular to subrounded. The upper six to seven feet of soil is considered fill material, but no discernible contact between fill and native soils was observed in the borings or test pits. Fill thickness was interpreted from the elevation change along the western perimeter of the site. Cobbles and boulders were encountered throughout the site, mainly in the upper five feet. Some areas exhibited more cobbles and boulders. The sandy soils encountered to the maximum depth explored consisted of poorly to well graded, dry to slightly moist, medium to very dense sand (SP/SW) with silt and some fine gravel. Details of site soils encountered in the CEL borings and test pits are contained in Appendix A.

The entire soil profile is non-expansive and a bulk sample collected from the upper three feet had an R-Value of 77. Sieve analysis tests were performed on a bulk samples collected from Boring 7 and 11, at eight feet and seven feet respectively. The sample from Test Pit 1 had 93% of sand, 5% gravel and 2% of silt. The sample from Test Pit 5 had 87% of sand, 9% gravel and 4% of silt. Sieve analyses of the cobble and boulder content was not included in the samples tested. Cobbles are defined as rock between 3 to 12 inches in diameter, and boulders are over 12 inches in diameter according to the Unified Soil Classification System. In-situ densities and moistures ranged from 107.1 psf to 130.6 psf and 0.9% to 5.5%.

Single point consolidation tests were performed on 8 samples collected from in-situ samples at depth ranging from 3 to 15 feet. The samples were loaded to 4,000 psf, and then water was added.

The initial loading determines the consolidation (compressibility) of the soil, and adding the water determines the collapse potential of the soil. The soils were not found to be collapsible since the samples consolidated less than about 1 percent when water was added. The total consolidation of the soil was found to be less than about 3.5 percent under a 4,000 psf load. One sample consolidated nearly 6 percent, and 2 samples about 2 percent.

3.3 Groundwater

Groundwater was not encountered in the borings or test pits to the maximum depth explored of 41.5 feet. Examination of Department of Water Resources well data indicates that the groundwater is approximately 230 to 330 feet deep in nearby wells from the Palm Springs and Desert Hot Springs area (DWR, 2002). Groundwater levels can vary in response to time of year, variations in seasonal rainfall, well pumping, irrigation, and alterations to site drainage. Determining the detailed groundwater characteristics of the site was not included in our scope of work.

3.4 Water-Soluble Sulfate

Water-soluble sulfate can affect the concrete mix design for concrete in contact with the ground, such as shallow foundations, piles, piers, and concrete slabs. The UBC, CBC, and IBC provides the following evaluation criteria:

Sulfate Exposure	Sulfate Percent by Weight or (mg/kg)	Cement Type	Max. Water Cementitious Ratio by Weight	Min. Unconfined Compressive Strength, psi
Negligible	0.00-0.10 (0-1,000)	NA	NA	NA
Moderate	0.10-0.20 (1,000-2,000)	II, IP (MS), IS (MS)	0.50	4,000
Severe	0.20-2.00 (2,000-20,000)	V	0.45	4,500
Very Severe	Over 2.00 (20,000)	V plus pozzolan	0.45	4,500

For the bulk sample collected from the borings and test pits, the results reported a 54 mg/kg concentration. Hence, the water-soluble sulfate content in the site soil has a negligible impact on buried concrete at the site. However, it should be pointed out that the water-soluble sulfate concentrations can vary due to the addition of fertilizer, irrigation, and other possible development activities. An appropriate expert should be contacted if a detailed evaluation is required.

3.5 Expansive Soil

The onsite soil is sandy and non-expansive.

3.6 Liquefaction Induced Phenomena

Soil liquefaction is a phenomenon in which loose, saturated, cohesionless soil experiences a temporary loss of strength during strong cyclic loading such as that produced by earthquakes. Typically, liquefaction potential increases with increased duration and magnitude of cyclic loading. Soil most susceptible to liquefaction is loose, clean, saturated, uniformly graded, fine-grained sand. On the basis the field and laboratory data, it is our opinion that there is not a potential for liquefaction to occur at the site.

3.7 Flooding

According to the ESRI (Environmental Systems Research Institute) and FEMA (Federal Emergency Management Agency) website, the subject site is situated in a zone prone to estimated 500-year flood potential. An assessment of flooding potential was not in our scope of work for this project, and a flood risk specialist should be contacted for a more detailed interpretation.

3.8 Settlement Due to Consolidation, Dynamic Compaction, and Collapse

Settlement of soil can be caused by consolidation, dynamic compaction, and collapsible soil. Consolidation is the densification of soil into a more dense arrangement from additional loading, such as fill or foundations. Consolidation of clayey soils is usually a long-term process, whereas sandy soils consolidate relatively rapidly with an introduction to a load. Dynamic compaction is the densification of predominantly sandy soil caused by vibration, such as an earthquake or vibrating machinery. Collapsible soils are fine sandy and silty soils that have been laid down by the action of flowing water, usually in alluvial fan deposits. The soil particles are usually bound together with a mineral precipitate. The loose structure is maintained in the soil until a load is imposed on the soil and water is introduced. The water breaks down the inter-particle bonds and the newly imposed loading densifies the soil. It is our opinion that the soil matrix within the fill and the upper few feet of the native soils have a moderate susceptibility for settlement due to consolidation and dynamic compaction. The laboratory data does not indicate the near surface soil in the upper 15 feet to be susceptible to collapse.

3.9 Seismicity and Faulting

The site is located in an area of high seismic activity associated with the San Andreas Fault Zone and would be influenced by major earthquakes along nearby active faults. The active, Type A San

Andreas Fault is located approximately 1 miles (1.6 km) north of the site. In 1986, this segment of the San Andreas was observed to experience visible fault creep slippage. The Type B Gorgonio Pass Fault Zone is located approximately 3.5 miles (5.8 km) to the west of the site. The site is located approximately 12 miles (19.5 km) south of the Type B Pinto Mountain Fault. The Type B Morongo Valley Fault is located approximately 10.2 miles (16.5 km) north of the site. The site is located in an area which has been subject to five earthquakes larger than 6.0 since 1932.

3.10 Surface Fault Rupture

According to DMG Special Publication 42 (Hart, 1994), the site does not lie within an Earthquake Fault Zone, as defined by the Alquist-Priolo Act of 1972. According to published mapping by DMG, no known fault traces cross the site, and no evidence of surface ground rupture was noted during our site reconnaissance. Therefore, it is our opinion that the likelihood of surface fault rupture at the site is low.

3.11 Other Geologic Hazards

The site is not considered subject to other potential geologic hazards, including landslides, soil erosion, volcanism, mass wasting, loss of mineral resources, or loss of unique geologic features. This is due to the sites topography, geology, and land use. Subsidence due to groundwater withdrawal is possible, but should not impact the site detrimentally since this phenomena is more regional than local.

4.0 CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations are based upon the analysis of the information gathered during the course of this study and our understanding of the proposed improvements.

4.1 General

The site is considered geotechnically suitable for the proposed development provided the recommendations of this report are incorporated into the design and implemented during construction. The predominant geotechnical and geological issues that will need to be addressed are:

Seismic Considerations – The site is located within a seismically active region. The building design should consider the effects of seismic activity.

Differential Settlement – The site is underlain by undocumented fill and native soil that appears to consist of a dense sandy and gravelly soil matrix with cobbles and boulders. However, differential settlement will have to be addressed since portions of a footing may be on a sandier matrix and portions on a more rocky condition. We recommend that the foundations be designed for a lower bearing pressure rather than excessive overexcavation and replacement grading in the building pads.

Excavation of Footings and Utilities due to Cobbles and Boulders – The subsurface soil contains cobbles (3 to 12 inch size) and boulders (over 1-foot size), and excavating foundations and underground utilities may produce either oversized excavations or unstable excavation walls. We are suggesting, but not requiring, that the building pad be overexcavated, the large rocks removed, and the soil replaced as engineered fill. If this is performed, an added benefit would be higher allowable bearing capacities for the shallow foundations.

4.2 UBC Seismic Design Parameters

According to the 1997 UBC, the site is located within Seismic Zone 4. Site soils are of soil profile type S_D. Near-source acceleration and velocity factors are determined by the UBC based upon the

site's soil profile and proximity to Type A and Type B faults. Based on the site soil profile and the 1.6 km distance from the site to the Type A San Andreas fault, the Near-Source Acceleration Factor, *Na* for site is 1.5, and the Near-Source Velocity Factor, *Nv* is 2.0.

4.3 Site Grading

Site grading should be performed in accordance with these recommendations and the Grading and Earthwork Specifications in the appendices. A pre-construction conference should be held at the jobsite with representatives from the owner, general contractor, grading contractor, and CEL prior to starting the stripping and demolition operations at the site.

4.3.1 Site Preparation and Demolition

The site should be cleared of vegetation, large surface rocks greater than six inches in diameter, debris, and other deleterious materials. Existing underground utilities to be abandoned at the site should be properly grouted, closed or removed as needed. If the utilities are removed, the excavations should be backfilled with properly compacted fill or other material approved by the Geotechnical Engineer.

4.3.2 Building Pad Grading

The areas of proposed buildings should be thoroughly saturated for at least four to six hours and compacted to at least 92 percent relative compaction in accordance with ASTM D1557 with a large, smooth drum vibratory loader. Large boulders and cobbles greater than 6 inches at the ground surface should be excavated and removed from the soil. Engineered fill can then be placed in no greater than one-foot thick lifts, moisture conditioned to at least 2 to 3 percent over optimum moisture and compacted to at least 92 percent relative compaction.

OPTION: If higher allowable bearing capacities and the easier utility and footing excavations are desired, the building pad should be overexcavated at least 4 feet, and the soil replaced as engineered fill. The soil should be compacted to at least 92 percent relative compaction. Scarifying the bottom of the overexcavation is not required. However, an option would be to overexcavate 3.5 feet and scarify 6 inches. The overexcavation should extend at least 5-feet beyond the building perimeter. Rocks larger than about 4 inches in largest dimension should be removed prior to utilizing the material as engineered fill. Lifts should be less than 8-inches thick.

4.3.3 General Grading

Site grading is anticipated to consist of approximately up to 2 feet of cut and fill for drainage purposes and to level the site. Onsite soil generated from cut areas following clearing and grubbing

that is free of excess organic material (3 percent or less by weight) or debris may be suitable for use as structural fill at the site.

Pavement and concrete hardscape areas should be completely saturated by means of water truck for at least four to six hours and compacted. Areas supporting vehicles should be compacted to at least 95 percent relative compaction in accordance with ASTM D1557 with a large, smooth drum vibratory loader. Pedestrian areas can be compacted to at least 92 percent relative compaction. Boulders and cobbles greater than 6 inches encountered during scarification should be excavated and removed from the soil. Engineered fill can then be placed in no greater than one-foot thick lifts, moisture conditioned to over optimum moisture content and compacted.

If used, imported fill materials should be non-expansive, having a Plasticity Index of 12 or less, an R-Value greater than 30, and fines so the soil can bind together. Imported materials should be free of organic materials and debris, and should not contain rocks or lumps greater than 3 inches in maximum size. Import fill materials should be approved by the geotechnical engineer prior to use on site.

Final grading should be designed to provide positive drainage away from structures. Soil areas within 10 feet of proposed structures should slope at a minimum of 2 percent away from the buildings. Roof leaders and downspouts should discharge onto paved surfaces sloping away from the structure or into a closed pipe system which outfalls to the street gutter pan or directly to the storm drain system.

If grading occurs in the winter rainy season, unstable subgrade conditions may be present. These conditions may require stabilizing the subgrade with admixtures, such as cement kiln dust, cement, or lime. Additional recommendations can be provided, if required, during construction.

4.4 Utility Trench Construction

Utility trenches may be backfilled with native soil above the utility bedding and shading materials. If rocks larger than 4 inches in maximum size are encountered, they should be removed from the fill material prior to placement in the utility trenches. Backfill in the upper 5 feet of utility trenches should be compacted to at least 92 percent relative compaction. Trench backfill deeper than 5 feet should be compacted to at least 95 percent relative compaction. Utility bedding and shading compaction requirements should be in conformance with the requirements of the local agencies having jurisdiction. Jetting of trench backfill is not recommended.

Pea gravel, rod mill, or other similar self-compacting material can be utilized for trench backfill in the building pad. However, the self-compacting material should be compacted with a whacker and placed in minimum 2-foot lifts. The upper foot of backfill in the building pad subgrade should consist of Class 2 baserock. Self-compacting backfill material should not be used in exterior underground trenches due to the potential for water seeping into the trench backfill. Fines may migrate into the voids in the pea gravel or rod mill, which could cause settlement of the ground surface above the trench.

Utility trenches should be sealed with concrete, clayey soil, sand-cement slurry, or controlled density fill (CDF) where the utility enters the building under the perimeter foundation. This would reduce the potential for migration of water beneath the building through the shading material in the utility trench.

4.5 Temporary Excavations

The contractor should utilize proper Cal OSHA methods during construction. Excavations in soil more than 5 feet deep for utility trenches should have side slopes constructed at 1.5H:1V (horizontal to vertical). The grading contractor, based upon the materials encountered during the excavation, should make selection of temporary side slopes. Maximum slope ratios provided above are assumed to be uniform from top to toe of the slope. Adequate provisions should be made to prevent water from ponding on top of the slope and from flowing over the slope face. Surcharge loads should not be permitted within 10 feet of the top of the slope. Desiccation or excessive moisture in the excavation could reduce stability and require shoring or laying backside slopes.

4.6 Building Foundations

The proposed structures can be supported on spread footings. Shallow strip perimeter footings should be founded a minimum of 18 inches below lowest adjacent finish grade. Interior footings can be founded 12 inches below building pad subgrade. The allowable bearing capacity for the proposed foundations is 2,200 pounds per square foot (psf) for dead plus live loads. The allowable bearing capacity may be increased by 1/3 for temporary seismic or wind loading. The allowable bearing capacity can be increased to 3,500 psf if the building pad is overexcavated and replaced as engineered fill (see option in building pad grading section).

For resistance to lateral loads, a coefficient of friction of 0.35 between the base of the foundation elements and underlying material is recommended. In addition, an allowable passive resistance equal to an equivalent fluid weighing 350 pounds per cubic foot (pcf) acting against the foundation may be used to resist lateral forces. The top foot of passive resistance at foundations should be neglected unless the ground surface around the footing is covered by concrete or pavement. If both friction and passive resistance is utilized, a 50 percent reduction is recommended for either of them.

Footing excavations should have firm bottoms and be free from excessive slough prior to concrete or reinforcing steel placement. Where utility trenches are to be located adjacent to foundations, the bottom of the footing should be located below an imaginary 1:1 (horizontal to vertical) plane projected upward from the nearest bottom edge of the utility trench.

The foundation excavations should be observed by a representative of Consolidated Engineering Laboratories prior to placement of reinforcing steel or concrete to evaluate the exposed soil conditions.

Total static and dynamic settlement of the building is anticipated to be about 1-inch. Differential static settlement between isolated columns and perimeter footings is anticipated to be about 3/4-inch. Most of the settlement should occur during construction.

4.7 Drilled Piers

Drilled piers may be used to support awnings for covered walkways, light poles or similar structures. Pier drilling and construction specifications are provided in the appendices. The allowable skin friction for these piers resisting vertical downward loads can be considered to be 450 psf. End

bearing should be neglected. Piers resisting vertical upward (tension) should be designed using an allowable skin friction of 3000 psf. A passive pressure of 350 psf is allowed for lateral resistance. The upper foot of skin friction and passive resistance should be neglected unless the surrounding area is covered by concrete. The piers should be spaced a minimum of 3 diameters apart. Pier spacings less than 3 diameters will require a reduction in allowable skin friction. Passive resistance for less than 6 pier diameters will need to be reduced. For piers spaced at 3 diameters, the passive resistance should be reduced by half. Full passive resistance is allowed for piers spaced on 6 diameter spacings. The amount of reduction for passive resistance between 3 pier diameters to 6 diameters can be considered to be linear. Passive resistance for less than 3 pier diameter spacings should be determined during the plan review process.

The bottom of the piers should be properly cleaned out after drilling. A CEL representative should observe the drilling of the piers to confirm final depths and proper cleaning of the bottom of the piers. Soil should be prevented from falling into the pier hole after drilling. This can be accomplished by removing excess soil cuttings from the top of the pier hole and covering the hole. The pier hole cover should also prevent persons or objects from falling into the hole. Additionally, piers drilled during the day should have the reinforcing cages installed in the hole and filled with concrete before the end of the day.

Because of the presence of near surface cobbles and boulders encountered in our exploratory borings and test pits, the drilling of piers may be difficult in the top five to six feet of soil. The pier contractor should be made aware of the presence of cobbles boulders so the necessary equipment can be utilized. Boulders and cobbles will need to be removed if encountered during pier drilling operations, and the location of piers may need to have some flexibility to account for this condition.

4.8 Concrete Slabs on Grade

Non-structural concrete slab-on-grade floors should be a minimum of 4 inches in thickness. Reinforcing requirements should be determined by the structural engineer. The concrete floor slab can be constructed on 4 inches of Class 2 aggregate baserock compacted to a minimum 95 percent relative compaction. If the floor slab will have high rack loading or fork lift traffic, the slabs should be at least 5-inches thick and underlain by at least 6 inches of Class 2 baserock. If the floor will have moisture sensitive floor coverings, the baserock should be replaced with a vapor barrier over a minimum of 2-inches of angular, clean sand. The civil engineer should determine if a thin sand layer

is required on top of the vapor barrier. If construction occurs in the winter months, the vapor barrier may prevent the vertical percolation of rainwater. Exterior concrete flat work can be placed on the existing site soil. The subgrade beneath the flatwork should be compacted to at least 92 percent

relative compaction as discussed in the grading section of the report. Where flatwork is contiguous to the building at doorways and entrances, the flatwork should be doweled into the building foundation to reduce potential tripping hazards.

4.9 Retaining Wall Design

Proposed retaining walls can be supported on spread footings as discussed above. The anticipated retaining wall pressures for the on-site soil conditions are provided in Figure 3. The active and at rest pressures for soils shown on Figure 3 assume the backfill behind the retaining wall is a gravel blanket or wall drain with native soil or gravel.

Drainage should be provided behind the retaining walls. The drainage system should consist of a minimum of 4-inch diameter perforated pipe placed at the base of the retaining wall and surrounded by 3/4-inch drain rock wrapped in a Mirafi 140N filter fabric, or equivalent approved by the geotechnical engineer. The drain rock wrapped in fabric should be at least 12 inches wide and extend from the base of the wall to within 2 feet of the ground surface. The upper 2 feet of backfill should consist of compacted native soil. The retaining wall drainage system should be sloped to outfall to the storm drain system or other appropriate facility.

As an alternative to the drain rock and fabric, Miradrain 2000, or approved equivalent, may be used behind the retaining wall. The Miradrain 2000 should extend from the base of the wall to within 2 feet of the ground surface. A perforated pipe should be placed at the base of the wall in direct contact with the Miradrain 2000. The Miradrain fabric at the base of the Miradrain 2000 panel should be wrapped around the perforated pipe to prevent soil intrusion into the pipe

The foundation excavations should be observed by a representative of Consolidated Engineering Laboratories prior to placement of reinforcing steel or concrete to evaluate the exposed soil conditions.

4.10 Pavement Design

Recommendations for the design of asphalt concrete pavement sections were developed in accordance with the procedures outlined in the latest edition of the Caltrans Highway Design Manual. The Caltrans design method uses Traffic Indices (TI) to represent anticipated wheel loads and frequency of usage for a given design life. A design life of 20 years is typically used. Factors such as surface and subsurface drainage have an effect on the overall life of a pavement section.

An R-Value of 70 were obtained for a near surface soil samples at the site. An R-Value of 70 was used for design. The following are recommended structural asphalt concrete (AC) pavement sections.

Pavement (Traffic Index)	Asphalt Concrete (Inches)	Class 2 Aggregate Baserock (Inches)	Total Section (Inches)
Car Parking (4.5)	2.5	4	6.5
Car Driveways (5.0)	3.0	4	7.0
Heavy Duty (6.0)	3.5	6	9.5
Street (7.0)	4.0	6	12.0

Asphalt concrete should be designed per Caltrans standards. Car parking areas should be ½-inch maximum medium mix, and the other pavements should be ¾ inch max medium mix. The asphalt pavement should be placed in minimum 1-1/2 inch thick compacted lifts and a maximum 4-inch thick lifts.

The subgrade underlying pavement areas should be prepared per the recommendations provided in the Site Grading section. Aggregate base materials should be compacted to a minimum of 95 percent of the maximum dry density within two percent of the optimum moisture content as determined by ASTM D1557.

4.11 Plan Review

It is recommended that Consolidated Engineering Laboratories be provided the opportunity to review the final project plans prior to construction. The purpose of this review is to assess the general compliance of the plans with the recommendations provided in this report and the incorporation of these recommendations into the project plans and specifications.

4.12 Observation and Testing During Construction

It is recommended that Consolidated Engineering Laboratories be retained to provide observation and testing services during site preparation, site grading, utility construction, foundation excavation, pier drilling and to observe final site drainage. This is to observe compliance with the design concepts, specifications and recommendations, and to allow for possible changes in the event that subsurface conditions differ from those anticipated prior to the start of construction.

REFERENCES

California Building Code, International Conference of Building Officials, 1998.

California Department of Transportation (Caltrans), California Standard Specifications, 1992.

Division of Mines and Geology (DMG), Geologic Map of California, Santa Ana Sheet, 1966.

Division of Mines and Geology (DMG), Probabilitistic Seismic Hazard Assessment for the State of California, DMG Open-File Report 96-08, 1996.

Division of Mines and Geology (DMG), California Geologic Data Map Series, Map No. 6, 1994. Fault Activity Map of California and Adjacent Areas with Locations and Ages of Recent Volcanic Eruptions. Scale 1:750,000.

Division of Mines and Geology (DMG), Guidelines for Evaluating and Mitigating Seismic Hazards in California, DMG Special Publication 117, March 13, 1997.

Division of Mines and Geology (DMG), Epicenters of and Areas Damaged by M> 5, California Earthquakes, 1800-1999

FEMA and ESRI website, Flood Hazard Maps

National Center for Earthquake Engineering Research, Proceedings of the NCEER Workshop on Evaluation of Liquefaction Resistance of Soils, Technical Report NCEER-97-0022, December 31, 1997.

Pradel, Daniel, "Procedure to Evaluate Earthquake-Induced Settlements in Dry Sandy Soils," Journal of Geotechnical and Geoenvironmental Engineering, April 1998.

Uniform Building Code, International Conference of Building Officials, April 1997.

LIMITATIONS AND UNIFORMITY OF CONDITIONS

The recommendations of this report are based upon the soil and conditions encountered in the borings. If variations or undesirable conditions are encountered during construction, Consolidated Engineering Laboratories (CEL) should be contacted so that supplemental recommendations may be provided.

This report is issued with the understanding that it is the responsibility of the owner or his representatives to see that the information and recommendations contained herein are called to the attention of the others members of the design team and incorporated into the plans and specifications, and that the necessary steps are taken to see that the recommendations are implemented during construction.

The findings and recommendations presented in this report are valid as of the present time for the development as currently proposed. However, changes in the conditions of the property or adjacent properties may occur with the passage of time, whether by natural processes or the acts of other persons. In addition, changes in applicable or appropriate standards may occur through legislation or the broadening of knowledge. Accordingly the findings and recommendations presented in this report may be invalidated, wholly or in part, by changes outside our control. Therefore, this report is subject to review by CEL after a period of three (3) years has elapsed from the date of issuance of this report. In addition, if the currently proposed design scheme as noted in this report is altered CEL should be provided the opportunity to review the changed design and provide supplemental recommendations as needed.

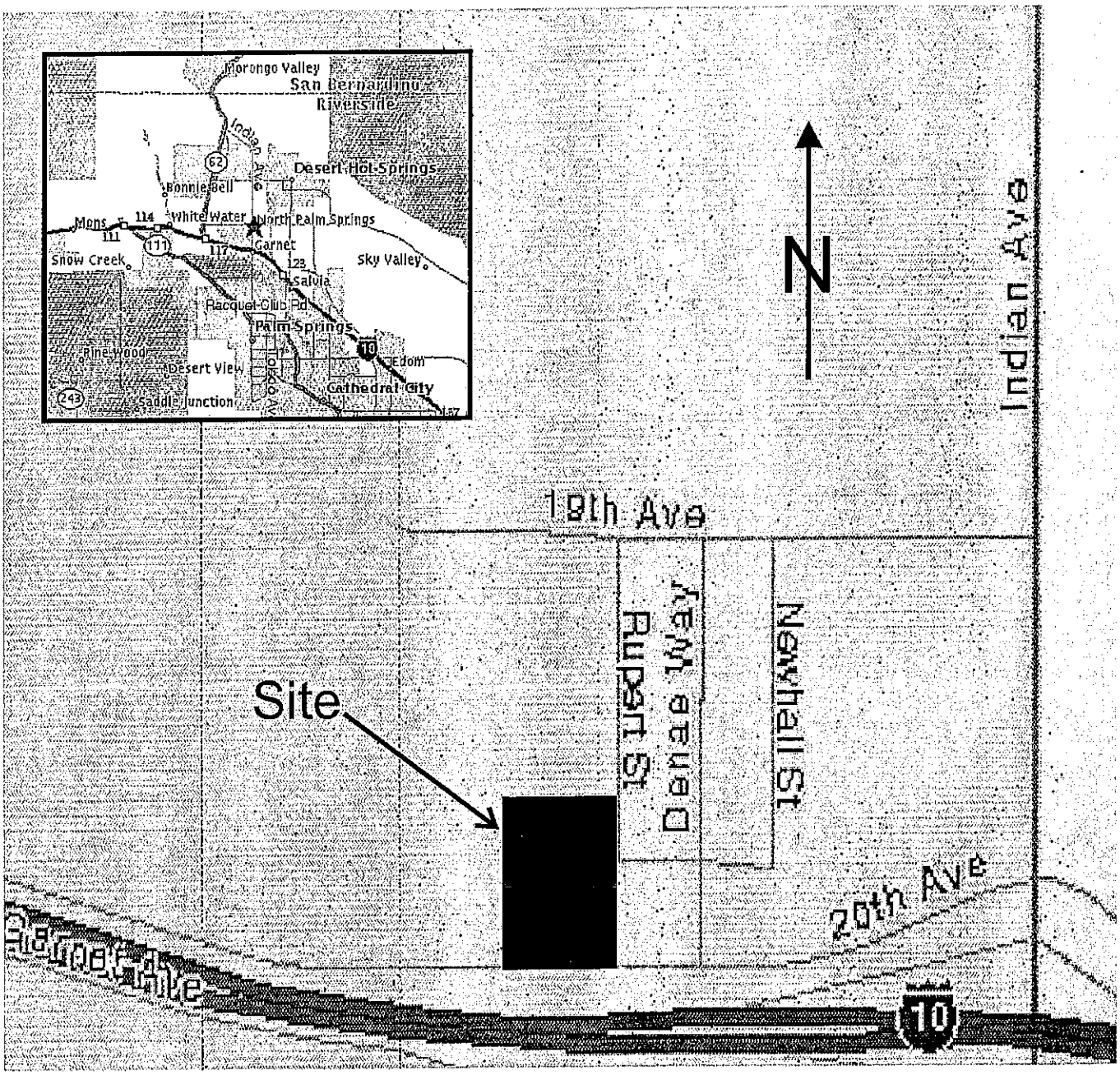
Recommendations are presented in this report which specifically request that CEL be provided the opportunity to review the project plans prior to construction and that we be retained to provide observation and testing services during construction. The validity of the recommendations of this report assumes that CEL will be retained to provide these services.

This report was prepared upon your request for our services, and in accordance with currently accepted geotechnical engineering practice. No warranty based on the contents of this report is intended, and none shall be inferred from the statements or opinions expressed herein.

The scope of our services for this report did not include an environmental assessment or investigation for the presence or absence of wetlands or hazardous or toxic materials in the soil, surface water, groundwater or air, on, below or around this site. Any statements within this report or on the attached figures, logs or records regarding odors noted or other items or conditions observed, are for the information of our client only.

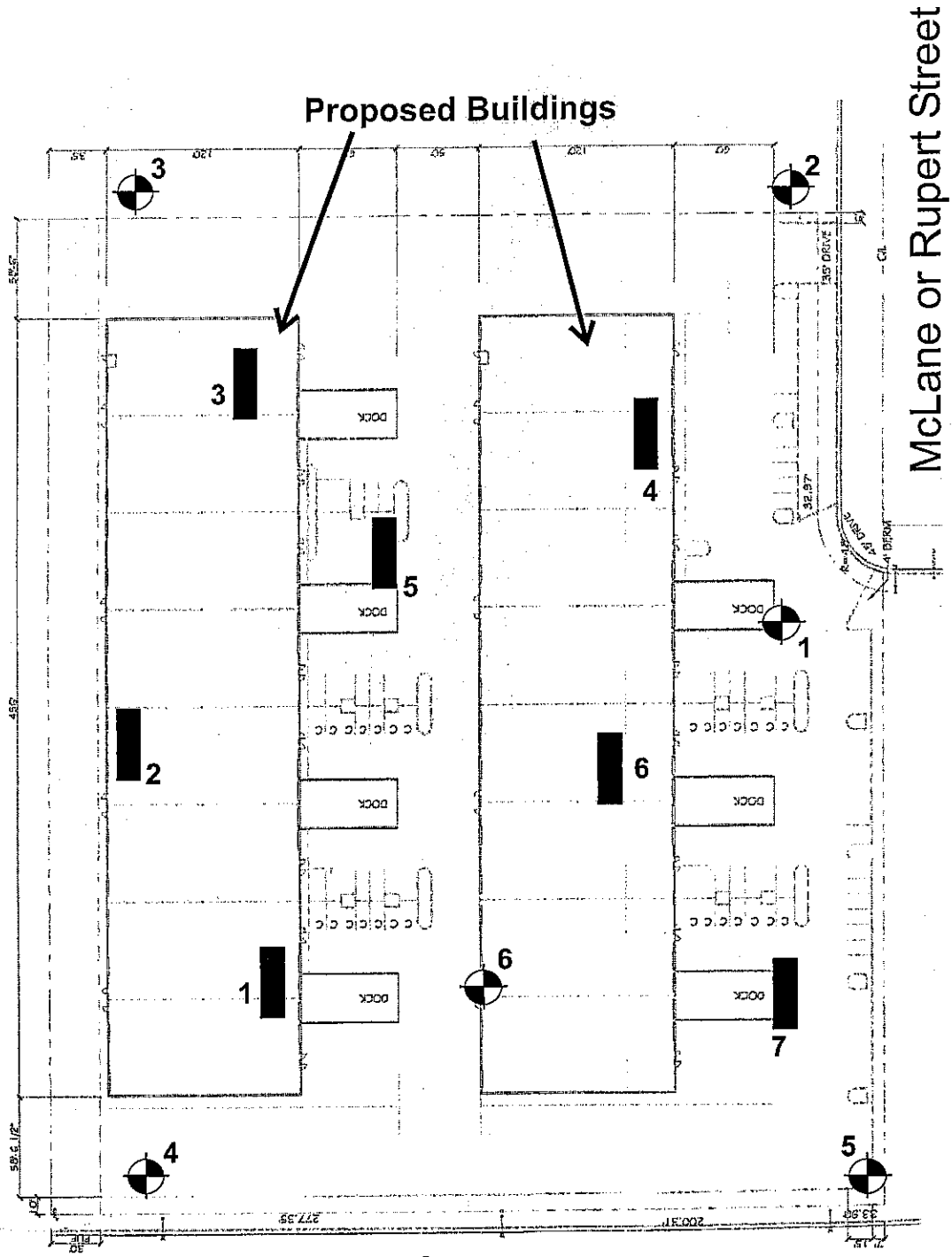
FIGURES

Figure 1 - Site Vicinity
Figure 2 - Site Plan
Figure 3 - Retaining Wall Pressures



No Scale

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Site Vicinity	Figure 1



- Approximate Boring Location

- Approximate Test Pit Location

No Scale

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Site Plan	Figure 2

NOTES

A: Restrained and unrestrained retaining wall schematic.

B: Equivalent fluid pressure for level backfill.

C: Lateral load from vehicles near top of wall.

D: Lateral load from uniform surcharge (S psf) on wall backfill.

E: P = Dynamic thrust on retaining wall from earthquakes utilizing a pseudostatic acceleration of 0.15g.
h = Point of application of dynamic thrust.

1) Assumed drained backfill condition.

2) Equivalent fluid pressure increase for sloping backfill:
Restrained wall; add 1.5 pcf for each degree of backfill inclination.
Unrestrained wall; add 1 pcf for each degree of backfill inclination.

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Retaining Wall Pressures	Figure 3

APPENDIX A

Key to Boring Logs
Logs of Borings and Test Pits

Key to Boring Logs



3-inch O.D. Modified California Sampler



2-inch O.D. Standard Penetration Test (SPT)



Bulk Sample



2.5-inch O.D. Split Spoon Sampler



3-inch O.D. Shelby Tube (hydraulically advanced)



Groundwater Level Encountered During Drilling



Groundwater Level Measured After Drilling

25 Blow Count To Drive Sampler One Foot

1. The boring locations were determined by pacing, sighting and/or measuring from site features. Elevations of borings (if included) are determined by interpolation between plan contours. The location and elevation of borings should be considered accurate only to the degree implied by the method used.

2. The stratification lines represent the approximate boundary between soil types. The transition may be gradual.

3. Water level readings have been made in the drill holes at times and under conditions stated on the boring logs. This data has been reviewed and interpretations made in the text of this report. However, it must be noted that fluctuations in the level of the groundwater may occur due to variations in rainfall, tides, temperature and other factors at the time measurements were made.

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 1
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light brown, poorly to well-graded, medium to coarse SAND with silt and gravel. Fill.	Dry	Med. Dense	SP/ SW	0
							R-Value = 77				
5		28	1-1		104.9	6.0	Becoming less silty and gravelly. Fill?	Dry	Med. Dense	SP/ SW	5
							Practical drilling refusal at 5.5 feet. No groundwater encountered.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 2
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light brown, poorly to well-graded, medium to coarse SAND with silt and gravel. Fill.	Dry	Med. Dense	SP/ SW	0
5		32	2-1	(no recovery)							5
		52	2-2		130.6	0.9	Becoming gray and white with feldspar grains, medium to coarse grained, poorly graded. Native	Dry	Med. Dense To Dense	SP	
10		24	2-3		107.1	1.5	Sand with abundant quartz grains, medium to coarse grained with trace gravel.	Dry	Med. Dense	SP	10
15		37	2-4		108.3	1.6	Becoming coarser with more feldspar grains.	Dry	Med. Dense	SP	15
20		54	2-5				Becoming finer, poorly to well-graded.	Dry	Dense	SP/ SW	20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

GF 004

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Boring No.:** 2
Location: N. Palm Springs, California	**Drilling Method:** Mobile B-57, 8" hollow-stem augers, 140 lb hammer		**Date Drilled:** 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
25		34	2-6		110.9	5.5	Moderate brown, fine to medium grained with trace coarse, poorly graded SAND with silt.	Dry To Slight. Moist	Med. Dense	SP	25
30		44	2-7				Becoming brown with white quartz and some gravel.	Dry To Slight. Moist	Dense	SP	30
35		50	2-8				Grading to medium to coarse, poorly-graded, medium to coarse SAND with gravel.	Dry	Dense	SP	35
40		68	2-9				Salt and pepper colored, fine to medium, poorly graded SAND grading to well-graded SAND with gravel.	Dry To Slight. Moist	Dense	SP/ SW	40
45							Boring terminated at 41.5 feet. No groundwater encountered.				45
50											50

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 3
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish to moderate brown, fine to medium, poorly graded SAND with silt binder. Fill.	Slight. Moist	Dense	SP	0
		54	3-1		117.7	3.1					
5											5
		22	3-2		110.0	1.9	Becoming medium to coarse with trace fines and gravel. Native.	Dry	Med. Dense	SP/ SW	
10											10
		45	3-3				Becoming less gravelly.	Dry	Dense	SP/ SW	
15											15
		50	3-4				Becoming fine to medium with trace silt.	Dry	Dense	SP	
20							Boring terminated at 18.5 feet. No groundwater encountered.				20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 4
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Moderate brown, fine to medium, poorly to well-graded SAND with silt and gravel. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
5		74	4-1		109.6	2.5	Becoming siltier and grayish-brown. Fill?	Dry	Very Dense	SP/ SW	5
10		35	4-2		100.0	2.6	Fine to medium with some coarse and silt, poorly graded SAND. Native.	Dry	Med. Dense	SP	10
15		34	4-3				Becoming poorly to well-graded SAND.	Dry	Med. Dense	SP/ SW	15
20		44	4-4				Becoming fine to coarse, well graded.	Dry	Dense	SW	20
25		51	4-5				Trace coarse gravel.	Dry	Dense	SW	25

GF 004

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Boring No.:** 4
Location: N. Palm Springs, California	**Drilling Method:** Mobile B-57, 8" hollow-stem augers, 140 lb hammer		**Date Drilled:** 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
25							Rocky zone, approximately 2 feet thick				25
30		71	4-6				Fine to medium, poorly graded SAND with trace gravel and silt.	Dry	Very Dense	SP	30
35		23	4-7				Moderate brown, fine silty SAND.	Slight. Moist	Med. Dense	SM	35
40		16	4-8				Grading to moderate brown, fine to medium, poorly graded SAND.	Slight. Moist	Loose	SP	40
45							Boring terminated at 40.0 feet. No groundwater encountered.				45
50											50

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 5
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Tannish-brown to grayish-brown silty, fine, poorly-graded SAND with gravel. Fill.	Dry	Med. Dense	SP/ SM	0
5		27	5-1				Native.				5
10							Practical refusal at 8.0 feet. No groundwater encountered.				10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 6
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light grayish-brown, silty to poorly-graded SAND. Fill.	Dry	Med. Dense	SM/ SP	0
5		39	6-1		104.5	2.9		Dry	Med. Dense	SM/ SP	5
10		30	6-2		101.0	4.2	Salt and pepper colored, fine to medium, poorly-graded SAND. Native.	Dry	Med. Dense	SP	10
15		29	6-3					Dry	Med. Dense	SP	15
20		35	6-4				Becoming moderate brown, fine to medium, poorly graded SAND with silt.	Slight. Moist	Med. Dense	SP	20
25							Boring terminated at 21.5 feet. No groundwater encountered.				25

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Test Pit No.:** 1
Location: N. Palm Springs, California	**Excavation Method:** Backhoe with Modified California sampler		**Date Excavated:** 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, fine to medium, poorly-graded SAND with gravel, silt and some cobbles. Fill.	Dry	Med. Dense	SP	0
							Becoming medium to coarse with less silt.	Dry	Dense	SP/	
							Difficult digging, becoming moderate brown.	Dry	Dense	SP/ SW	
5							Becoming pebbly. Native?	Dry	Dense	SP/ SW	5
		8	7-1	(no recovery)			Becoming less cobbly, digging easier, large quartz sand grains, little to no silt binder.	Dry	Med. Dense	SP	
10							Test Pit terminated at 9.0 feet. Minor collapsing in top 1.5 feet of pit. No visible fill contact.				10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 2
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly-graded to well-graded, fine to coarse SAND with silt and gravel. Some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
							Becoming moderate brown, less coarse, more silt.	Dry	Dense	SP	
		40	8-1		106.6	3.9					
5		24	8-2		107.9	2.0		Dry	Med. Dense	SP	5
							Test Pit terminated at 6.0 feet. No fill contact visible.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 3
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming moderate brown and slightly more coarse.				
		35	9-1		113.0	2.5					
5							2-boulders 1.5 feet in diameter. 3-boulders 3/4' to 1' in diameter.	Dry	Med. Dense To Dense	SP/ SW	5
							Becoming more coarse. Native.				
							Test Pit terminated at 8.0 feet. Very little to no collapsing of pit.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 4
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Three boulders to 2 feet in diameter. Some pit collapsing. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming coarser sand.				
							Less boulders and cobbles.				
	■	12	10-1	(no recovery)							
5							Digging easier, less cohesion. Native?	Dry	Med. Dense	SP/ SW	5
							Test Pit terminated at 7.0 feet. No visible fill contact.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 5
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming moderate brown, some boulders, fine to medium with silt.	Dry	Med. Dense	SP	
		23	11-1		115.4	2.6					
5											5
							Becoming fine to coarse. Native?	Dry	Med. Dense	SP/ SW	
		8	11-2	(slough)							
							Test Pit terminated at 7.5 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 6
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
	■	20	12-1				Becoming cobbly and bouldery, moderate to tannish-brown.				
5							Becoming less cobbly, less cohesive. Native?				5
							Test Pit terminated at 6.0 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 7
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
							Becoming moderate brown, fine to medium. Some coarse grains.	Dry	Med. Dense	SP	
							Becoming more cobbly and some boulders.				
							Less cohesion.				
5							Easier digging, fine to coarse, very little cobbles. Native?	Dry	Med. Dense	SP/ SW	5
							Test Pit terminated at 8.0 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

APPENDIX B

LABORATORY TEST RESULTS

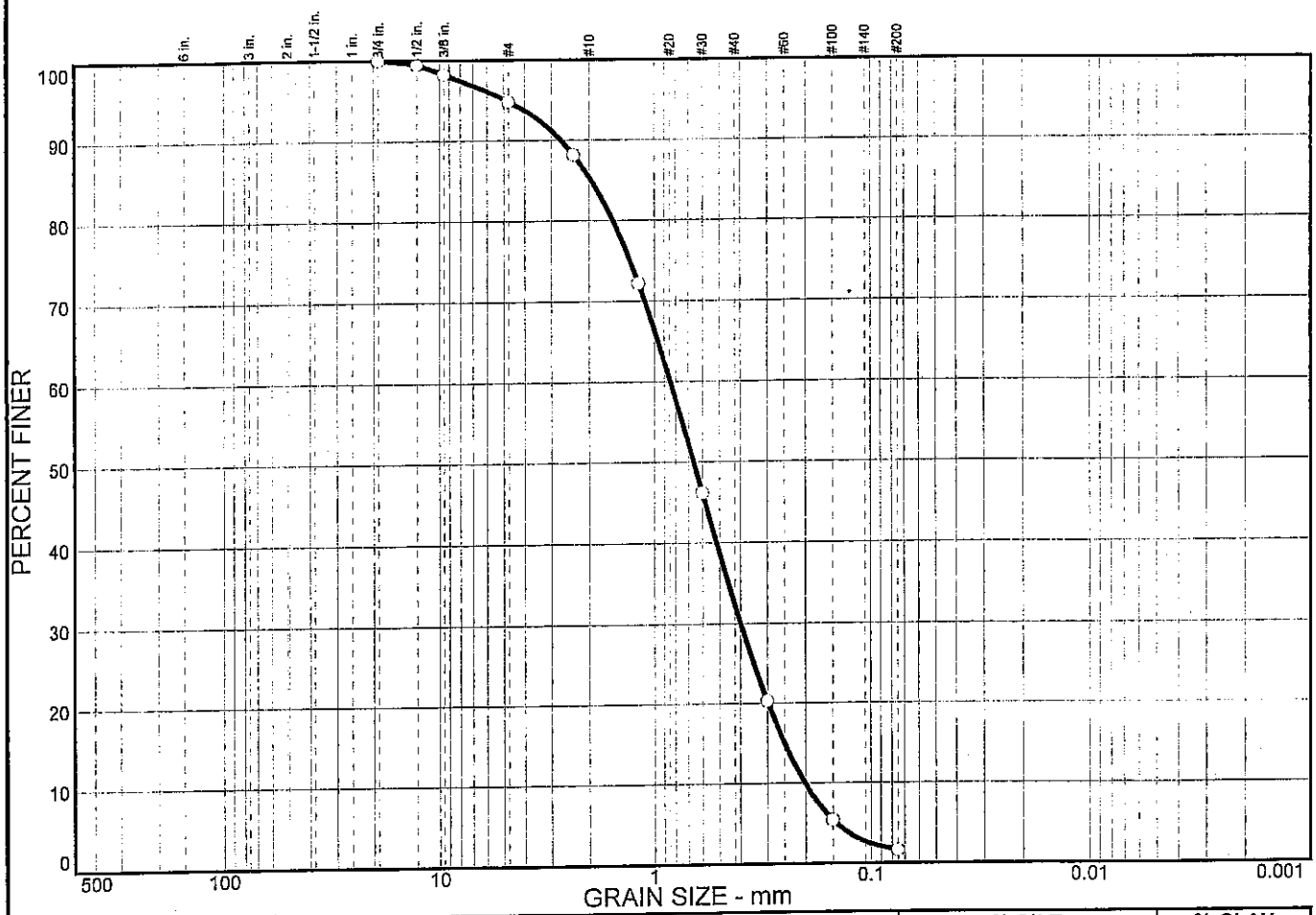
Sieve Analysis

Single Point Consolidation

R-Value

Water Soluble Sulfate

Particle Size Distribution Report



% COBBLES	% GRAVEL	% SAND	% SILT	% CLAY
0.0	5.2	93.2	1.6	

SIEVE SIZE	PERCENT FINER	SPEC.* PERCENT	PASS? (X=NO)
3/4 in.	100.0		
1/2 in.	99.4		
3/8 in.	98.2		
#4	94.8		
#8	88.2		
#16	72.2		
#30	46.2		
#50	20.3		
#100	5.4		
#200	1.6		

* (no specification provided)

Soil Description

7-1: brown sand with some rock

Atterberg Limits

PL= LL= PI=

Coefficients

D_{85}= 1.95 D_{60}= 0.842 D_{50}= 0.658
D_{30}= 0.398 D_{15}= 0.249 D_{10}= 0.200
C_u= 4.21 C_c= 0.94

Classification

USCS= AASHTO=

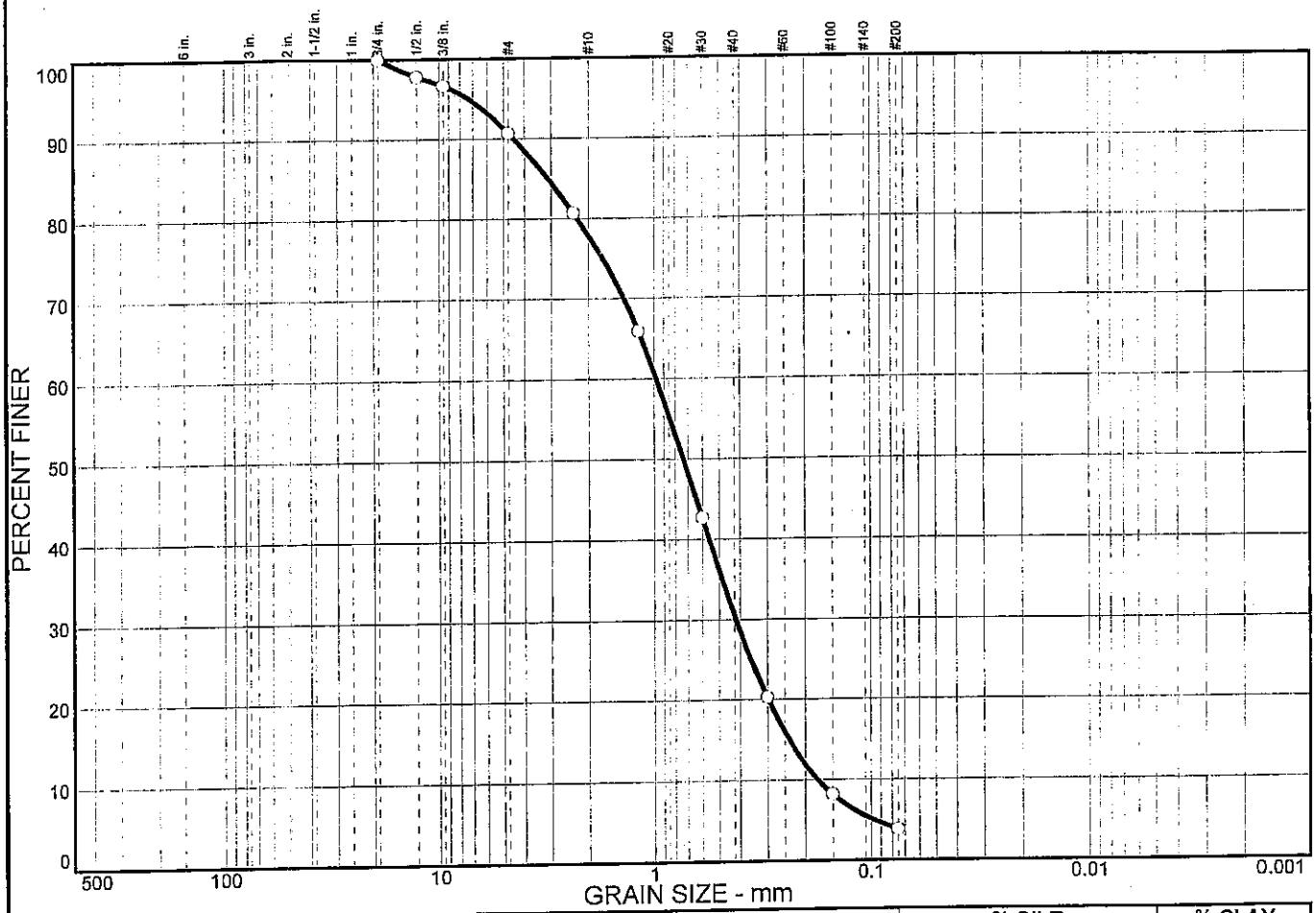
Remarks

Sample No.: S0820-05: 7-1 Source of Sample: Date:
Location: Elev./Depth: 8.0'-8.5'

CONSOLIDATED ENGINEERING LABORATORIES

Client:
Project: Palm Springs
Project No: G1357 Plate 7-1

Particle Size Distribution Report



% COBBLES	% GRAVEL	% SAND	% SILT	% CLAY
0.0	9.3	86.9	3.8	

SIEVE SIZE	PERCENT FINER	SPEC.* PERCENT	PASS? (X=NO)
3/4 in.	100.0		
1/2 in.	97.8		
3/8 in.	96.7		
#4	90.7		
#8	80.7		
#16	65.9		
#30	42.7		
#50	20.3		
#100	8.2		
#200	3.8		

* (no specification provided)

Soil Description

11-2: brown sand with some rock

Atterberg Limits

PL= LL= PI=

Coefficients

D_{85}= 3.10 D_{60}= 0.975 D_{50}= 0.733
D_{30}= 0.417 D_{15}= 0.237 D_{10}= 0.175
C_u= 5.58 C_c= 1.02

Classification

USCS= AASHTO=

Remarks

Sample No.: S0820-05: 11-2 **Source of Sample:** **Date:**

Location: **Elev./Depth:** 6.5'-7.5'

CONSOLIDATED ENGINEERING LABORATORIES

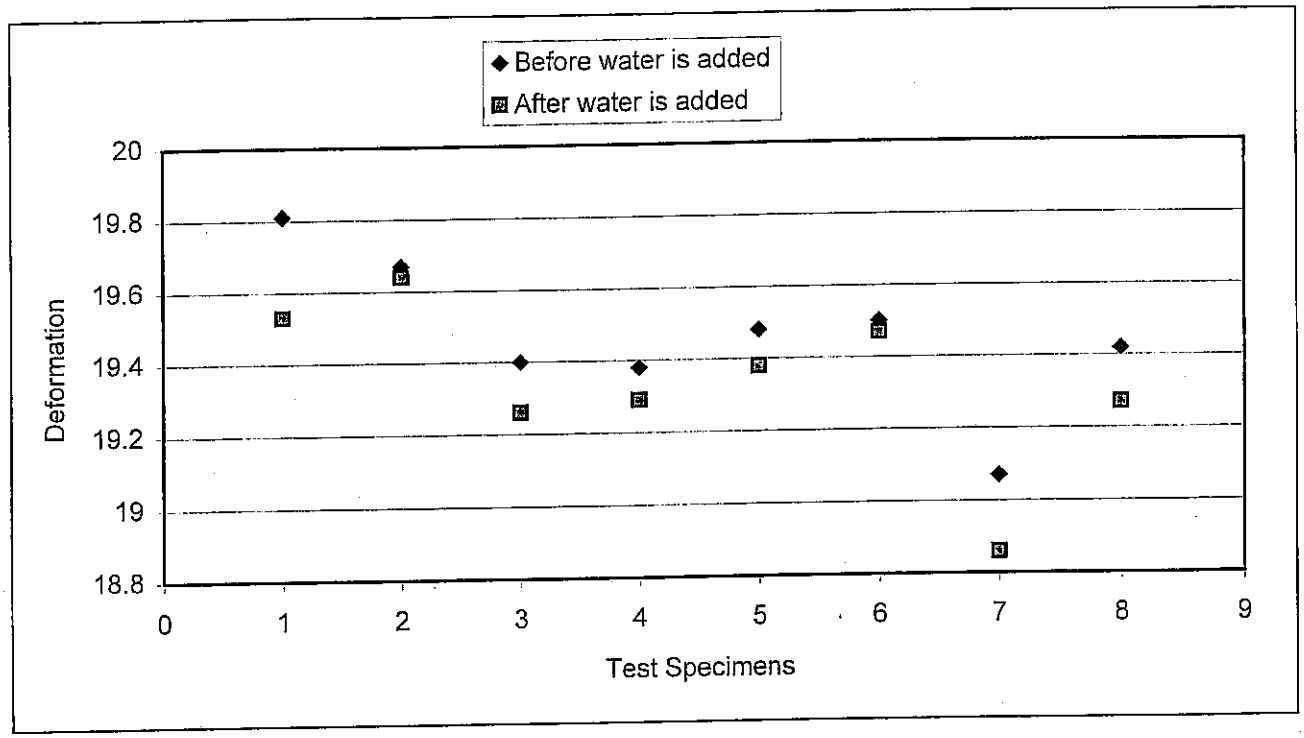
Client:

Project: Palm Springs

Project No: G1357 **Plate** 11-2

CEL# G1357
Project: Palm Springs
Lab No.: S0820-05

One Dimensional Consolidation



Initial Height, mm: 20
Load, psf: 4000

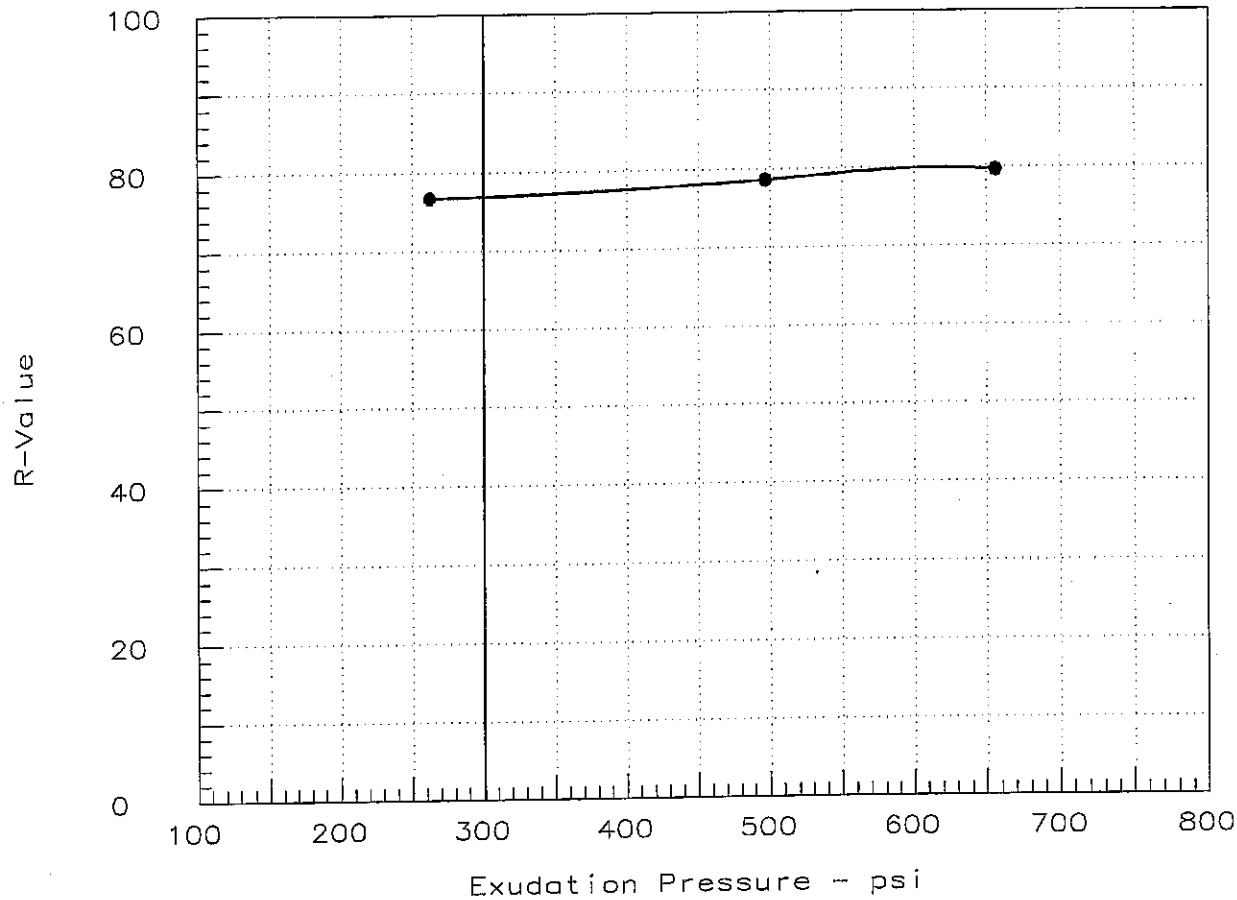
Height of Specimens after Loading

Specimen ID	1-1	3-3	4-1	4-2	6-1	6-3	8-1	8-3
Test Specimen	1	2	3	4	5	6	7	8
Before Water Added	19.81	19.67	19.40	19.38	19.48	19.50	19.07	19.42
After Water Added	19.53	19.64	19.26	19.29	19.38	19.47	18.86	19.27
Deform'n before water, mm	0.188	0.333	0.602	0.617	0.518	0.500	0.927	0.584
Deformation after water, mm	0.470	0.356	0.742	0.706	0.620	0.533	1.140	0.723
* Dry Density, pcf	104.9	98.1	109.6	100.0	104.5	101.0	106.6	107.9
* Moisture Content, %	6.0	4.3	2.5	2.6	2.9	4.2	3.9	2.0
Final Moisture Cont, %	18.8	21.0	17.2	18.4	18.0	21.8	15.3	17.5

* as prepared

Specimen ID	Depth, ft	Material Description
1-1	4.5-5.0	light brownish gray silty sand
3-3	13.0-13.5	light gray coarse sand (moisture added before set up)
4-1	4.5-5.0	brown sand with silt (partially disturbed, removed 1/4" rock)
4-2	9.5-10.0	light brown sand (partially disturbed, removed 1-1/2" rock)
6-1	6.0-6.5	light brown sand
6-3	16.0-16.5	light brownish gray sand
8-1	2.5-3.0	brown sand with some silt
8-3	4.5-5.0	brown sand with some silt

R-VALUE TEST REPORT



Resistance R-Value and Expansion Pressure - ASTM D 2844

No.	Compact. Pressure psi	Density pcf	Moist. %	Expansion Pressure psi	Horizontal Press. psi @ 160 psi	Sample Height in.	Exud. Pressure psi	R Value	R Value Corr.
1	350	121.3	7.8	0.00	26	2.50	263	77	77
2	350	121.5	7	0.00	25	2.51	497	79	79
3	350	122.0	6.8	0.00	22	2.50	657	80	80

TEST RESULTS	MATERIAL DESCRIPTION
R-Value @ 300 psi exudation pressure = 77	brown sand with some gravel
Project No.: G1357 Project: Palm Springs Location: Bulk sample Date: 8-29-2003	Tested by: YD Checked by: CG Remarks: Lab NO. S0820-05
R-VALUE TEST REPORT **Consolidated Engineering Laboratories**	Fig. No.

ETS
Environmental Technical Services
-Soil, Water & Air Testing & Monitoring
-Analytical Labs
-Technical Support
1343 Redwood Way
Petaluma, CA 94954
(707) 795-9605 / FAX 795-9384

Serving people and the environment so that both benefit.

SPECIAL SOIL REPORT

To: Marc Hachey
Consolidated Engineering Labs
7060 Koll Center Parkway, #300
Pleasanton, CA 94566-3108

Date: August 27, 2003
Lab #: 00143-1
Received: August 20, 2003
Tech(s): H. Banwait
Lab Supervisor: D. Jacobson
Lab Director: G.S. Conrad, Ph.D.
Sample ID(s): PS1/C

Sample of: soil (grab)
File Number: G1357
Site Location/Job: Palm Springs, California.

RESULTS

SAMPLE ID	SAMPLE DESCRIPTION	SULFATE (SO_4)
PS1/C	Grab/Bulk	**54 mg/kg**

COMMENTS

This sample has a low sulfate level in terms of adverse engineering impacts at just over 50 ppm. Therefore, as long as this sample is representative of the soil as a whole, the soil is well within acceptable limits for this particular parameter as concerns its potential impact on concrete, mortar, grout and cement.

NOTES:
This test was done in a manner consistent with EPA, DHS, and LUFT protocols, i.e., Standard Methods UC Davis, Methods of Soil Analysis, Association of Test Materials (ASTM), CalTrans or other appropriate protocols: Cal Test - 417 (CalTrans).

APPENDIX C

Grading and Earthwork Specifications

CONSOLIDATED ENGINEERING
L A B O R A T O R I E S

GRADING AND EARTHWORK SPECIFICATIONS

A geotechnical engineering study has been prepared for this site by Consolidated Engineering Laboratories. The contractor shall become familiar with the site conditions and the recommendations contained within this report.

Definition of Terms

1. The term "Geotechnical Engineer," as used in this specification, shall mean a state registered professional engineer or his representative qualified to observe and test earthwork construction, and provide geotechnical engineering and consulting services.

2. "Engineered Fill" shall be earth material mechanically compacted to the degree specified by the Geotechnical Engineer. The Geotechnical Engineer shall make sufficient observations and tests to verify that fills have been placed in accordance with applicable specifications and the recommendations contained in the project geotechnical report.

3. The term "Relative Compaction" is defined as the ratio of in-place field dry density to the theoretical maximum dry density determined in the laboratory by the ASTM D1557 test procedure. The optimum moisture content is the moisture content at which the maximum theoretical dry density has been achieved in the laboratory by the ASTM D1557 test procedure.

Materials

4. Engineered fill shall be either on-site or imported material which is free of organic material, debris or other deleterious material. Engineered fill materials shall be approved by the Geotechnical Engineer prior to their use on the site. Engineered fill material shall not contain rocks or lumps larger than 6 inches in maximum dimension unless otherwise specified or approved by the Geotechnical Engineer. When used for trench backfill, engineered fill shall not contain rocks or lumps larger than 4 inches in maximum dimension.

5. Imported fill materials should meet the requirements of "Engineered Fill," be predominantly non-expansive, and have a Plasticity Index (PI) of 15 or less. Additional requirements for imported fill may be also specified by the Geotechnical Engineer.

6. Paving materials and their placement shall be in conformance with the requirements of the State of California, Department of Transportation (Caltrans) Standard Specifications, except that relative compaction shall be based on the ASTM D1557 test procedure. Aggregate base materials used for pavement construction shall be Caltrans Class 2 Aggregate Base, meeting the requirements of the Caltrans Standard Specifications, current edition.

7. Aggregate subbase materials used for pavement construction shall be Caltrans Class 2 Aggregate Subbase, meeting the requirements of the Caltrans Standard Specifications, current edition.

8. Material used as a capillary break beneath interior concrete slab-on-grade floors shall be clean gravel or crushed rock of 3/4-inch maximum size with less than 5 percent passing the No. 4 sieve. The material should have a Durability Index (CTM 229) of not less than 40.

Site Clearing, Stripping, and Demolition

9. Prior to placement of engineered fills or construction of site improvements, the site shall be cleared of existing abandoned structures, pavements, underground utilities, debris, and other deleterious materials, within proposed development areas. Debris resulting from the removal of these items shall be removed from the site, unless otherwise permitted.

10. Underground utilities shall be located prior to commencing grading operations. If underground utilities are abandoned, they shall be entirely removed, or fully grouted closed, unless otherwise directed by the Geotechnical Engineer. After removal, the excavations shall be backfilled with approved fill material and compacted to at least 90 percent relative compaction.

11. Following demolition and site clearing operations, areas to receive fill, concrete flatwork, structures and/or pavements shall be stripped of surface vegetation, trees and their root systems, existing loose fill materials, organic-laden soils, soft or wet soils and other deleterious materials.

Excavations resulting from the removal of such items shall be cleaned out to firm soil, as directed by the Geotechnical Engineer, and backfilled with engineered fill compacted in accordance with these specifications.

12. The depth of stripping of surface vegetation shall be at least 3 inches, and as necessary to remove organic materials. Tree removal shall include removal of the major root systems, including roots larger than 2 inches in diameter. Excavations in tree removal areas shall be dished to allow through passage of compaction equipment. The stripped materials shall be removed from the site, unless otherwise permitted. Organic-laden soils may be suitable for use in landscape areas with the approval of the owner and the Geotechnical Engineer.

General Grading

13. Following clearing and stripping operations, the exposed soil in areas to receive fill, structures, and/or concrete flatwork shall be scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 90 percent relative compaction at a moisture content at or above optimum, except where otherwise specified in the Geotechnical Engineering Study. Soil areas disturbed during demolition operations shall be sub-excavated to firm native soil, scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 90 percent relative compaction at a moisture content at or above optimum.

14. Processing of soil for compaction shall consist of aerating the material if it is too wet or adding water to the material if it is too dry. When the moisture content of a material is too high to allow the specified degree of compaction to be achieved, the material shall be aerated by plowing, blading, spreading, or other suitable means until the proper moisture content has been achieved. When the moisture content of a material is below optimum, water shall be added and the material thoroughly mixed until the proper moisture content has been achieved.

15. Fill materials shall be placed in lifts not exceeding 8 inches in uncompacted thickness. Each layer shall be thoroughly mixed to promote uniformity in each layer. Engineered fill materials shall be compacted uniformly to at least 90 percent relative compaction at a moisture content at or above optimum, except where otherwise specified in the Geotechnical Investigation Report. Filling operations shall continue until the final grades have been attained in accordance with the approved plans. Structural fills shall extend at least 5 feet beyond the footprints of proposed structures.

16. The Geotechnical Engineer shall observe the placement of fill/backfill and conduct in-place field density tests on the fill/backfill to check for adequate moisture content and relative compaction as outlined herein. Where less than the specified relative compaction is obtained, additional compactive effort shall be applied and the fill moisture-conditioned as necessary until the specified relative compaction is attained. The Contractor shall provide safe and timely access to the Geotechnical Engineer at the grading site, to permit monitoring and testing.

17. Fills constructed on ground sloping steeper than 6H:1V (horizontal to vertical) shall be keyed and benched into the natural grade, as specifically recommended by the Geotechnical Engineer. Subsurface drains shall be installed in areas of observed seepage, as recommended by the Geotechnical Engineer.

18. Fill slopes should be constructed by overfilling and cutting the slope to final grade. Track walking of a slope to achieve slope compaction is not an acceptable procedure for slope construction, unless otherwise permitted by the Geotechnical Engineer.

19. In general, cut and fill slopes should be designed and constructed at slope gradients not steeper than 2H:1V (horizontal to vertical). Interceptor drainage ditches should be constructed at 30-foot vertical intervals on slopes higher than 30 feet. These interceptor drainage ditches should be constructed on drainage terraces that are at least 6 feet wide. The drainage terrace shall be constructed to provide adequate access for periodic maintenance of the drainage ditch. The drainage terrace shall have a minimum cross slope of 2 percent into the hillside, and toward the drainage ditch. Interceptor ditches should be constructed above the tops of slopes where natural drainage is toward the slope. Erosion control planting should be established as soon after grading as possible.

20. Cut slopes should be observed by the Geotechnical Engineer or Engineering Geologist to check for possible adverse geologic conditions. If unfavorable conditions are exposed, supplementary recommendations shall be developed to mitigate possible slope instability.

21. Wherever, in the opinion of the Owner's or the Geotechnical Engineer's representative, an unstable condition is being created either by cutting or filling, work should not proceed in that area until an investigation has been made and the grading operations revised, if found necessary.

Trenches

22. Trench backfill materials shall meet the requirements of "Engineered Fill," as specified in this report, and shall not contain rocks or lumps larger than 4 inches in maximum size. Trench backfill shall be placed in lifts not exceeding 8 inches in uncompacted thickness, and be mechanically compacted to at least 90 percent relative compaction at a moisture content at or above optimum.

23. Where access to construction personnel is required, trenches in excess of 5 feet deep shall be shored or have their side walls sloped back in accordance with OSHA and other applicable regulations.

24. Jetting of trench backfill materials shall not be permitted as a means of obtaining the required compaction. Jetting shall be permitted only within the sand bedding and shading material around buried utilities.

25. Open trenches adjacent and parallel to existing foundations shall not extend below an imaginary 2H:1V (horizontal to vertical) plane projected downward from the nearest edge of the base of the adjacent footing without specific review and recommendation by the Geotechnical Engineer.

Pavement Subgrade and Aggregate Base Preparation

26. The top 8 inches of soil subgrade in pavement areas shall be compacted to at least 95 percent relative compaction. In cut areas, the subgrade soils shall be scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 95 percent relative compaction at a moisture content at or above optimum. The finished subgrade shall be graded to provide a firm and stable base for support of the specified pavement section.

27. Aggregate base and subbase materials within pavement areas shall be placed in lifts not exceeding 8 inches in uncompacted thickness. These materials shall be compacted to at least 95percent relative compaction, at a moisture content at or above optimum. All final grades shall be firm and stable prior to placement of pavement.

28. Where unstable subgrade is encountered, the Geotechnical Engineer shall provide mitigation recommendations as required. The contractor shall minimize the amount of construction traffic on unstable or potentially unstable areas, as defined by the Geotechnical Engineer. If rutting or other instability is caused by the contractor's excessive construction traffic in area designated as unstable or potentially unstable, these areas shall be repaired at the contractor's expense.

Seasonal Limits

29. Fill materials shall not be placed, spread or rolled during unfavorable weather conditions, unless otherwise permitted by the Geotechnical Engineer. Fill operations shall not be resumed until field tests by the Geotechnical Engineer indicate that the moisture contents of subgrade and fill materials are satisfactory. Placement of fill material on frozen ground shall not be permitted.

30. Surface drainage provisions shall be made by the contractor, as necessary during construction, to prevent the ponding of water on engineered fill and pavement subgrade areas during construction. The contractor shall implement erosion control measures as necessary to protect the work.

APPENDIX D

Pier Drilling and Construction Specification

CONSOLIDATED ENGINEERING
LABORATORIES

PIER DRILLING AND CONSTRUCTION SPECIFICATIONS

1. The drilled caisson excavation should be advanced with a single-flight auger or bucket auger to the design depth (the completed excavation should be verified by observations and measurement to be clean and free of water to the specified depth). After reaching the design depth, the auger should be placed back in the hole and two additional passes made without advancement to remove loose material from the bottom of the hole.

2. If the drilled hole is left open, the hole should be covered to prevent tools, soil, or personnel from falling into the drilled hole. During rains, water should be prevented from flowing into the drilled hole.

3. The caisson excavation shall be drilled such that the vertical alignment does not deviate by more than 1/2 caisson diameter from top to bottom.

4. Reinforcing cages should have spacers or centralizers to ensure at least 2 inches of concrete cover.

5. Concrete should be placed through a hopper or other device approved by CEL so that it is channeled in such a manner to free-fall and clear the walls of the excavation and reinforcing steel until it strikes the bottom. Adequate compaction of the concrete will be achieved by free fall up to the top 8 feet or depth of the anchors, whichever is deeper. Above 8 feet the concrete should be vibrated to achieve proper density.

6. If groundwater is present in the caisson excavation it should be pumped dry prior to concrete placement or tremie placement of the concrete should be performed.

7. Concrete placed using the tremie method should be pumped into the excavation with sufficient head to lift the groundwater and spoils present in the excavation to the ground surface. The concrete should be placed in one continuous pour and should continue until "clean" concrete is observed at the top of the excavation.

8. Continuous observation of the construction should be provided by CEL. Our geotechnical engineering personnel should confirm proper diameter, depth and cleaning, and should also confirm the nature of the materials encountered in the caisson excavation. Concrete placement should be continuously observed to confirm that it meets requirements. A quality control report should be submitted on the caisson, verifying that details of the caisson construction have been observed.

Michael Brandman Associates

Bakersfield
661.334.2755

Fresno
559.497.0310

Irvine
714.508.4100

Palm Springs
760.322.8847

Sacramento
916.447.1100

San Bernardino
909.884.2255

San Ramon
925.830.2733

September 24, 2009

Claudia Steiding, Senior Environmental Planner
County of Riverside Economic Development Agency
3133 Mission Inn Avenue, Riverside, CA 92507

Subject: **Cultural Resource Review and Initial Study Recommendations for the Roy's Desert Center (Western Coachella Valley Multi-Service Center) Project located at 19-531 McLane Street, North Palm Springs, California.**

Dear Ms. Steiding:

Michael Brandman Associates (MBA) is providing the County of Riverside Economic Development Agency (EDA) with environmental compliance documents in support of this Project. The EDA is proposing interior improvements on an existing 48,000 square foot building and the installation of three (3) additional septic tanks. The shelter is located at 19-531 McLane Street in the City of Palm Springs, California. New construction will occur in areas that have been previously graded for office building construction.

MBA undertook a records search on September 18, 2009 for cultural resources at the Eastern Information Center (EIC) at the Department of Anthropology, University of California - Riverside. The records search was conducted by MBA Senior Archaeologist Michael Dice, M.A. This report summarizes the results of the analysis, and then provides the proper language for insertion into the Initial Study cultural resource section.

Cultural Resource Records Search

The project area is located in Section 15, Township 3 South, Range 4 East as depicted on the Desert Hot Springs, California, United States Geological Survey (USGS) 7.5-minute topographic quadrangle map. A one-mile radius was used for the records search. The results of the records search indicated that few cultural resources (Table 1) have been recorded within the search radius of the project area, and none are located within the boundaries of the proposed project. The project study radius exhibits two nearby cultural resources: the nearest recorded cultural resource is about 600 meters to the southeast.

Table 1: Known Cultural Resources Located in a 1-Mile, 0.5 Mile and 0.25-Mile Radius of the Roys Desert Project

Site Number	Location Section	Resource Description	~0.5-mile Radius	~0.25-mile Radius	On Site?
CA-RIV-3441H	22	Historic Garnet siding site assoc. with the historic railroad grade	●	—	No
33-9498	various	Historic SP and UP railroad grades	—	●	No

Twenty-one area-specific cultural resource reports are on file with the EIC for the search radius. None of these reports directly surveyed the project area. This suggests that the project area has never been surveyed by a qualified archaeologist previously.

Prehistoric Cultural Setting

Four general, but distinctive cultural periods have been identified by Wallace (1955) for the prehistoric occupation of southern California (Early Hunter; Milling Stone; Intermediate; Late). Fagan (2003), Moratto (1984), and Chartkoff and Chartkoff (1984) provide more recent overviews of California archaeology and historical reviews of the inland southern California coast, among other locales. These authors use a modified version of Wallace's period format, updated to reflect newer research efforts.

Early Man Period (before 9500 B.P.) sites are characterized by large projectile points, and other stone implements adapted to chase big game animals. The large size and weight of the points suggest that the primary weapon for hunting was the dart, propelled by a spear thrower. Lack of grinding tools, suggest that the inhabitants were not exploiting the plant foods to the extent that later cultures were. They were nomadic in hunters, following the game throughout the seasons. Archaeological sites representing this early period are not common.

The Milling Stone Period (about 9500 B.P. to 3000 B.P.) represents a long period of time characterized by small, highly mobile groups of Native Americans. These groups probably had a seasonal round of settlement that included both inland and coastal residential bases. They relied primarily on grasses and seeds for food. Characteristic inland sites include numerous manos, metates, and hammerstones. Shell middens are more common at coastal sites.

The Intermediate Period occurred from approximately 3000 B.P. to 1250 B.P. Mortars and pestles first appear in this period, indicating knowledge of acorn leaching. Use of the acorn probably permitted greater sedentism, especially at inland locations. Large projectile points suggest use of spear throwers rather than the bow and arrow. Settlement patterns during this period are not well understood. Exchange between the coast and Colorado River groups becomes apparent in the archaeological record.

The Late Period (1250 B.P. to Historic Contact) saw a more semi-sedentary settlement pattern. Smaller project points suggest introduction of the bow and arrow and less or no reliance on the spear thrower. Lifestyle is little unchanged from the previous period, but influxes of Shoshonean speakers are evident in linguistic studies. Differences in archaeological deposits are representative of changes in population ancestry. Pottery-making is introduced.

The Cahuilla

According to Bean (1978), the Cahuilla traditional use area extends north-south from the summit of the San Bernardino Mountains in the north, to Borrego Springs and the Chocolate Mountains in the south, and extends east-west from the eastern slopes of the Palomar Mountains in the west to the Colorado Desert east of the Orocopia Mountain to the east. This description of Cahuilla territory includes the project area within their traditional use area. Bean (1972, 1978) forms the primary modern reference for this cultural group. Bean notes that of all the southern California Indians, the Cahuilla existed within the most geographically diverse region, constrained only by water supplies and topography.

Pre-contact Cahuilla territory encompassed the extremely rugged San Bernardino Mountain ranges at an elevation of 11,000 feet to the Salton Sink (Salton Sea), which is 273 feet below sea level. The upper Coachella Valley and Palm Springs areas exhibited protohistoric Cahuilla villages near defined water sources, with good access to food-gathering locales. Village sites were usually located near alluvial fans, streams or at the base of the San Jacinto Mountains for protection against the winds, while some Desert

Cahuilla settlements were located around hand dug wells and watering holes. Typically, one clan or family occupied several food-gathering locations and aggressively guarded these areas against other Cahuilla clans (Bean 1972 and 1978, Oswalt 1988, Strong 1972).

The Cahuilla have had definitive historical relationships with the Hopi of Arizona, the Gabrielino and Digueño of the southern Californian coast, the Serrano, and the Luiseño of Riverside County as well as other desert tribes such as the Kamia, Chemehuevi, and Paiute. It is thought the Cahuilla population prior to Spanish contact may have been as numerous as 6,000 people in an area over 2,400 square miles in size (Bean 1978, Bean and Saubel 1972, Strong 1972).

The prehistoric Cahuilla were characterized by the occupation of sedentary villages in subsistence territories that permitted them to reach the majority of their resources within a day's walk. Villages were commonly located near reliable sources of water. During October to November, much of the village population moved to temporary camps in the mountains to harvest acorns and hunt game. Inland groups also had fishing and gathering spots on the coast that they visited annually. In comparison with the Gabrielino and Luiseño, the Cahuilla appear to have had a lower population density and a less rigid social structure. The Cahuilla patterns may have been relatively stable until mission secularization in 1834, due to the policy of the Catholic Mission fathers or padres to maintain imported European traditional style settlement and economic patterns (Bean and Shipek 1978).

Pre-contact Cahuilla homes were generally constructed with forked posts, which supported the wood cross members and were completely covered in thatch, which was then sealed with sand or soil. In some cases the floor was subterranean. Each house was positioned so that a measure of privacy was attained (Bean 1978, Kroeber and Hooper 1978). Wilke confirms Blakes' earlier observations, that the Cahuilla homes were generally hidden in the mesquite groves and consequently overlooked when explorers searched for their villages (Wilke and Lawton 1975).

Cahuilla (Patayan) pottery has been stylistically and ornamentally compared to that of an ancient Pueblo style, as well as that made by Colorado River Indians, the Digueño, Luiseño and Mohave clans (Bean and Lawton 1975, Kroeber and Hooper 1978). Cahuilla pottery was constructed in coil form, then shaped with a polishing stone and wooden paddle, occasionally incised for decorative purposes and then finally sun baked and fired (Bean and Lawton 1975, Kroeber and Hooper 1978). Kroeber and Hooper suggest that the Cahuilla had four definitive pottery forms; an open bowl or dish, a cooking pot, a small-rimmed vessel and a wider opening rimmed vessel (1978), while Bean and Lawton suggest that ladles, trays, and pipes were also manufactured (1975).

Baskets were also an important item, and were manufactured in a variety of shapes and sizes, but always produced from coiled and woven mesquite branches, willow or palm leaves. Grasses were used in the foundation. The only tools used to manufacture these baskets were either a needle made from the leg bone of a deer or a heavy cactus needle, set into a wooden handle (Bean 1978).

Ceremony and ritual was of great importance to the Cahuilla (Bean 1978). Deep ceremonial ties existed between the Serrano and the Cahuilla, and in many cases the desert Cahuilla are thought to have adopted many of the ceremonial practices from the Serrano (Strong 1972). Frequently practiced ceremonies include multiple rituals for the mourning of the dead, the eagle dance, separate initiation rites ceremonies for boys and girls, and a summer and winter solstice celebration (James 1960, Strong 1972). This cultural linkage between the Cahuilla and Serrano is then furthered by inferences from Mission baptismal records and Serrano oral tradition.

According to personal communication with Britt W. Wilson, Cultural Resource Coordinator for the Morongo Band of Mission Indians, the relationship between the Cahuilla and Serrano is borne out of Mission baptismal records, available on-line from the Huntington Memorial Library. From these records, it may be inferred that Cahuilla people from White Water married into people from Serrano villages, such as Gupiabit located in the Cajon Pass region. In addition, the Cahuilla people accepted groups of Serrano peoples from Twentynine Palms, after a migration of Chemehuevi peoples into the Twentynine Palms area. Then, according to Serrano oral tradition, the Cahuilla adopted many of the Serrano songs because they had lost their own traditional songs (Britt W. Wilson, personal communication, 05/29/07).

The first European contact with the Coachella Valley region and the Cahuilla peoples occurred in 1774 and 1775-76, as the Juan Bautista de Anza expedition was looking for an inland route between Sonora, Mexico and the coast. This expedition passed through the Santa Rosa Mountains and established a route between Sonora and newly established Alta California settlements. Thereafter, the Cahuilla remained relatively isolated from Euro-American expansion, as their territory was distanced from the Spanish missions and unsuitable for large-scale ranching and farming. Contact increased in the 1820s with expeditions to find inland routes to the missions, and the first known Europeans to cross the Coachella valley were members of the Jose Romero expedition to Yuma between 1823 and 1825.

The Desert Cahuilla were able to maintain relative autonomy until the Colorado River gold rush of the 1860s. This event brought miners and emigrants to California along the Bradshaw Trail, which later became the route of modern I-10. This event, in conjunction with the 1863 smallpox epidemic and extended droughts, decimated the Cahuilla population. As the populations decreased, old villages were abandoned and traditional Cahuilla lands were rapidly lost to the encroaching settlers. The Cahuilla were finally granted allotments of land when the Morongo, Cabazon and Torres-Martinez Reservations were established by President Grant on May 15, 1876. The Mission Indian Agency was created for southern California in 1877. Today, Cahuilla Reservations include Santa Rosa, Cahuilla and Ramona in addition to the aforementioned Reservations established under President Grant.

Native American Sacred Lands Search and Consultation

The project is very unlikely to affect any cultural resources, nonetheless, a Sacred Lands File search request was sent to the Native American Heritage Commission (NAHC) on September 18, 2009 in an effort to determine whether any scared sites are known within the vicinity of the project area. Our efforts are associated with fact-finding only. The NAHC responded on September 22, 2009 and indicated that no known sacred sites are located in or near the project area. The NAHC indicated that 12 tribal organizations may have additional information associated with the project area. Should the County be required to contact any local Tribes as part of future environmental compliance for this project (i.e.: SB18), we suggest that the attached list be used for this purpose.

It must be noted that the entirety of the project area was graded during construction of the existing office building. This would have resulted in an engineering of topsoil to code. It is highly likely that the upper 5-6 feet of topsoil was disturbed and recompacted at the spot where the existing structures now stand. There is a low-to-none chance that significant buried Native American resources will be impacted during grading of ground below the existing buildings.

Paleontological Impacts

According to an on-line paleontological sensitivity review of the Desert Center parcels using the County's TLMA website (APN 666411011 and 666411012), the property is considered Low in paleontologic sensitivity. The property is covered with recent Holocene Alluvium and Aeolian sand deposits, which is a

soil and rock strata considered too young to exhibit significant paleontological resources. It is very unlikely that fossil resources would be uncovered during excavation for the septic tanks.

Initial Study Analysis

V. CULTURAL RESOURCES -- Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?	☐	☐	☐	☒
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?	☐	☐	☐	☒
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☒

Historical Resource: Would the project cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?

There is no potential for a substantial adverse change in the significance of a historic resource during construction of this project. Records indicate that no historical resources have ever been located on the project site, and that the chance that historic resources could be encountered during grading is extremely low. Therefore, a mitigation-monitoring plan to mitigate for potential impacts to historic resources during construction is not recommended. The Initial Study check box should read "No effect".

Archaeological Resource: Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?

Because it is highly unlikely that most of the subsurface soils on the project site are intact, there is a low-to-none potential for a substantial adverse change in the significance of a prehistoric resource during construction of this project. Records indicate that no prehistoric resources have ever been found on or within one mile of the project site (despite numerous surveys near the project), and that the chance that prehistoric resources could be encountered during grading is extremely low. Therefore, a mitigation-monitoring plan to mitigate for potential impacts to prehistoric resources during construction is not recommended. The Initial Study check box should read "No effect".

Paleontological Resource or Geologic Feature: Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

There is no potential for a substantial adverse change in the significance of a paleontologic resource during construction of this project. Data indicates that paleontologic resources are extremely unlikely to be found during grading because any strata having good potential for fossil resources are not located in the project area. Therefore, a monitoring plan to mitigate for potential impacts to prehistoric resources during construction is not recommended. The Initial Study check box should read "No effect".

Human Remains: Would the project disturb any human remains, including those interred outside of formal cemeteries?

There is little chance that human remains will be encountered during construction-related grading. Records indicate that no human remains have ever been found on or near the project site, and that the chance that human remains could be encountered during grading is extremely low due to heavy disturbance. Therefore, a plan to mitigate for potential impacts to human remains during construction is not required. The Initial Study check box should read "No effect". State law requires that if In the event of an accidental discovery or recognition of any human remains, California State Health and Safety Code § 7050.5 dictates that no further disturbance shall occur until the County Coroner has made the necessary findings as to origin and disposition pursuant to California Environmental Quality Act (CEQA) regulations and Public Resources Code (PRC) § 5097.98.

Summary

Based on the results of the records search, the existing land-use, and development within and adjacent to the project area, and the parameters of the proposed construction, the potential for impacts to buried and potentially significant cultural resources is considered low. Under these conditions and following CEQA guidelines, cultural and paleontological resource mitigation-monitoring is not recommended.

Unanticipated Discoveries

It is always possible that ground-disturbing activities during construction may uncover previously unknown, buried cultural resources without a monitor or archaeologist present. In the event that buried cultural resources are discovered during construction, operations shall stop in the immediate vicinity of the find and a qualified archaeologist shall be consulted to determine whether the resource requires further study. The qualified archeologist shall make recommendations to the Lead Agency on the measures that shall be implemented to protect the discovered resources, including but not limited to excavation of the finds and evaluation of the finds in accordance with §15064.5 of the CEQA guidelines. Cultural resources could consist of, but are not limited to, stone artifacts, bone, wood, shell, or features, including hearths, structural remains, or historic dumpsites. Any previously undiscovered resources found during construction within the project area should be recorded on appropriate Department of Parks and Recreation (DPR) forms and evaluated for significance in terms of CEQA criteria.

If the resources are determined to be unique historic resources as defined under §15064.5 of the CEQA Guidelines, mitigation measures shall be identified by the monitor and recommended to the Lead Agency. Appropriate mitigation measures for significant resources could include avoidance or capping, incorporation of the site into green space, parks, or open space, or data recovery excavations of the finds. No further grading shall occur in the area of the discovery until the Lead Agency approves the measures to protect these resources. Any archaeological artifacts recovered as a result of mitigation shall be donated to a qualified scientific institution approved by the Lead Agency where they would be afforded long-term preservation to allow future scientific study. In addition, reasonable efforts to avoid, minimize, or mitigate adverse effects to the property will be taken, and the State Historic Preservation Office (SHPO) and Native American tribes with concerns about the property, as well as the Advisory Council on Historic Preservation (ACHP), will be notified within 48 hours in compliance with 36 CFR 800.13(b)(3).

In the event of an accidental discovery or recognition of any human remains, Public Resource Code (PRC) §5097.98 must be followed. In this instance, once project-related earthmoving begins and if there is accidental discovery or recognition of any human remains in any location other than a dedicated cemetery, the following steps shall be taken:

1) There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until the County Coroner is contacted to determine if the remains are Native American and if an investigation of the cause of death is required. If the coroner determines the remains to be Native American, then the coroner shall contact the NAHC within 24 hours, and the NAHC shall identify the person or persons it believes to be the "most likely descendant" of the deceased Native American. The most likely descendent may make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in PRC §5097.98, or

2) Where the following conditions occur, the landowner or his authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity either in accordance with the recommendations of the most likely descendant or on the property in a location not subject to further subsurface disturbance:

- The NAHC is unable to identify a most likely descendent or the most likely descendent failed to make a recommendation within 24 hours after being notified by the commission;
- The descendant identified fails to make a recommendation; or
- The landowner or his authorized representative rejects the recommendation of the descendant, and the mediation by the NAHC fails to provide measures acceptable to the landowner.

MBA appreciates the opportunity to assist you on this project. If we can assist further, or if you have questions, please contact me at 909.884.2255 extension 1208.

Sincerely,



Michael H. Dice, M.A., RPA
Senior Archaeologist
Michael Brandman Associates
621 E Carnegie Drive
San Bernardino, CA. 92408

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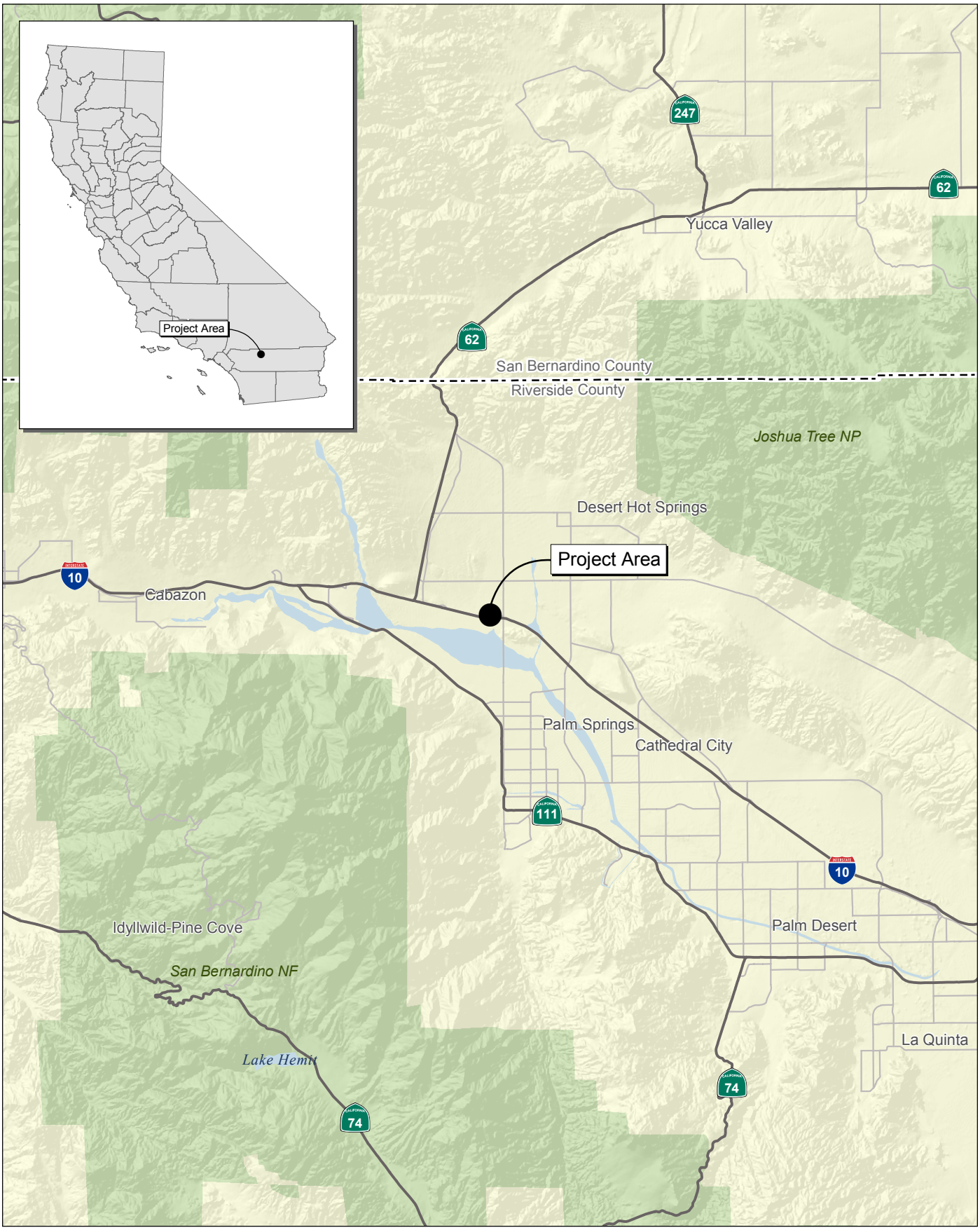
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Source: Census 2000 Data, The CaSIL, MBA GIS 2009.

NORTH

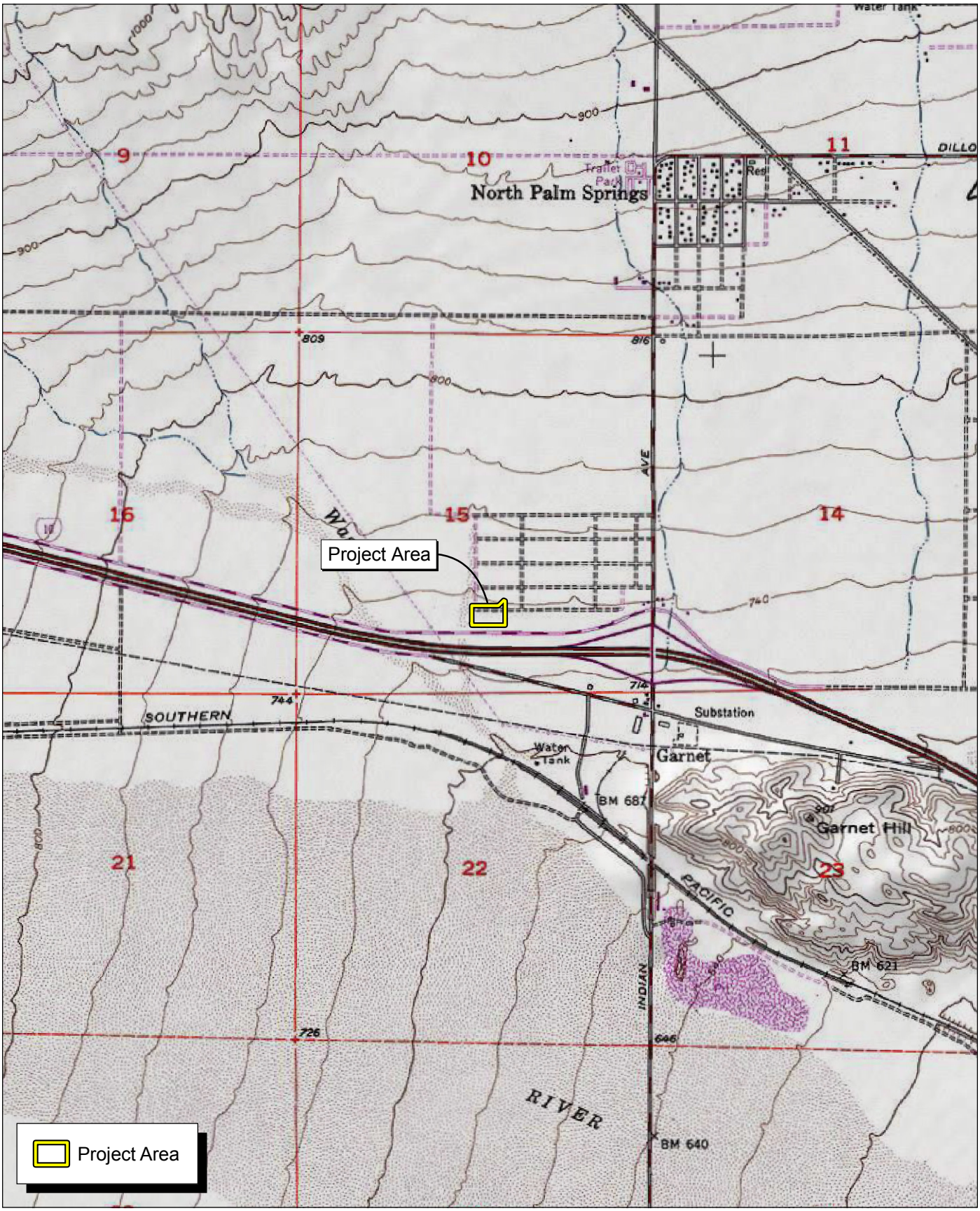
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Michael Brandman Associates

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Exhibit 1
Regional Location Map

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE



Source: TOPO! Desert Hot Springs (1978) 7.5' DRG.

Exhibit 2
Local Vicinity Map
Topographic Base

NORTH

2,000 1,000 0 2,000 Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE



Source: Google Earth Pro Aerial (January, 2006).

Exhibit 3
Local Vicinity Map
Aerial Base

NORTH

800 400 0 800

Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE

Appendix A:
NAHC Request Letter (MBA)
NAHC Response Letter
MBA Staff Resumes

Michael Brandman Associates

Fresno
559.497.0310

Irvine
714.508.4100

Palm Springs
760.322.8847

Sacramento
916.447.1100

San Bernardino
909.884.2255

San Ramon
925.830.2733

September 18, 2009

Native American Heritage Commission
915 Capitol Mall, Suite 364
Sacramento, CA 95814-4801

VIA FACSIMILE: 916.657.5390

Subject: **Request for a Sacred Lands Records Search for the Roys Center IS Project located in the City of Palm Springs, California. (USGS Desert Hot Springs, CA. quad)**

County of Riverside, California.

To Whom It May Concern:

Michael Brandman Associates (MBA) would like to determine whether any listed sacred sites are located within or near a future development project on private land in the City of Palm Springs, CA. The project will involve modification of about 2 acres of land where three septic tanks will be undergrounded. Excavation during construction is required

As seen in the attached topographic map, the project area is located in Section 15 of Township 3 South and Range 4 East as found on the USGS Desert Hot Springs, CA. 7.5' topographic quadrangle.

Please notify us of any sacred Native American sites that may be affected by the undertaking. A full description of this project can be found in our archaeological survey report, which is forthcoming. A response can be sent to our FAX, 909-884-2113. If you have any more questions or need to speak with me, please feel free to call me at 714.742.0468. Thank you for your time and effort!

Sincerely,

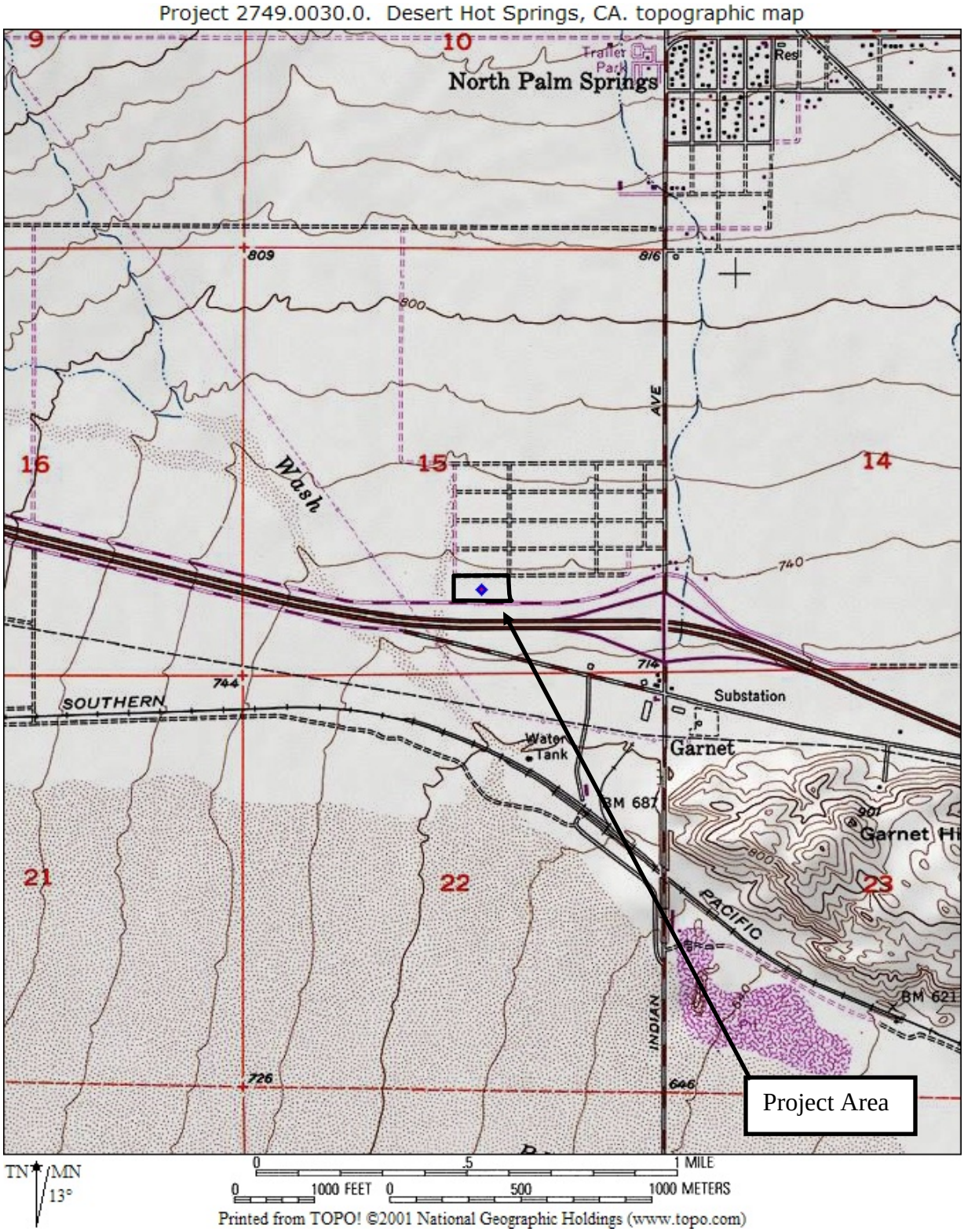


Michael H. Dice, M.A., R.P.A., Senior Archaeologist
Michael Brandman Associates
621 E Carnegie Drive Suite 100
San Bernardino, CA. 92408

Enclosures: Exhibit 1: Topographic Map

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MD:md



Source: Topo! @National Geographic Holdings.

Exhibit 1
Topographic Map
Roys Center Project • Cultural Resource RS

STATE OF CALIFORNIA Arnold Schwarzenegger, Governor

NATIVE AMERICAN HERITAGE COMMISSION
915 CAPITOL MALL, ROOM 364
SACRAMENTO, CA 95814
(916) 653-6251
Fax (916) 657-5390
Web Site www.nahc.ca.gov
ds_nahc@pacbell.net

September 21, 2009

Mr. Michael H. Dice, M.A., R.P.A., Senior Archaeologist
MICHAEL BRANDMAN ASSOCIATES
621 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

Sent by FAX to: 909-884-2113
Number of pages: 4

Re: Request for a Sacred Lands File Search and Native American Contacts List **for a Proposed. Roys Center IS Project;** located in the City of Palm Springs; Riverside County, California

Dear Mr. Dice:

The Native American Heritage Commission (NAHC), the State of California 'Trustee Agency' for the protection and preservation of Native American cultural resources (c.f. CA Public Resources Code §21070), was able to perform a record search of its Sacred Lands File (SLF) for the affected project area (APE) requested. The California Environmental Quality Act (CEQA; CA Public Resources Code Section 21000 – 21177)) requires that any project that causes a substantial adverse change in the significance of an historical resource, that includes archaeological resources, is a 'significant effect' requiring the preparation of an Environmental Impact Report (EIR) per the California Code of Regulations §15064.5(b)(c)(f) CEQA guidelines). Section 15382 of the 2007 CEQA Guidelines defines a significant impact on the environment as "a substantial, or potentially substantial, adverse change in any of physical conditions within an area affected by the proposed project, including ...objects of historic or aesthetic significance." The NAHC SLF search **did not indicate** the presence of Native American cultural resources within one-half - mile radius of the project area (APE) of the proposed project (APE). There are, however, Native American cultural resources in close proximity to the APE.

This letter includes state and federal statutes relating to Native American historic properties of religious and cultural significance to American Indian tribes and individuals as 'consulting parties' under both state and federal law.

Early consultation with Native American tribes in your area is the best way to avoid unanticipated discoveries once a project is underway. Enclosed are the names of the nearest tribes and interested Native American individuals that the NAHC recommends as 'consulting parties,' for this purpose, that may have knowledge of the religious and cultural significance of the historic properties in the project area (e.g. APE). We recommend that you contact persons on the attached list of Native American contacts. A Native American Tribe or Tribal Elder may be the only source of information about a cultural resource.. Furthermore we suggest that you contact the California Historic Resources Information System (CHRIS) at the Office of Historic Preservation Coordinator's office (at (916) 653-7278, for referral to the nearest Information Center of which there are 11..

Consultation with tribes and interested Native American consulting parties, on the NAHC list ,should be conducted in compliance with the requirements of federal NEPA (42 U.S.C. 4321-43351) and Section 106 and 4(f) of federal NHPA (16 U.S.C. 470 [f]*et se),* and NAGPRA (25 U.S.C. 3001-3013), as appropriate..

Lead agencies should consider avoidance, as defined in Section 15370 of the California Environmental Quality Act (CEQA) when significant cultural resources could be affected by a

project. Also, Public Resources Code Section 5097.98 and Health & Safety Code Section 7050.5 provide for provisions for accidentally discovered archeological resources during construction and mandate the processes to be followed in the event of an accidental discovery of any human remains in a project location other than a 'dedicated cemetery. Discussion of these should be included in your environmental documents, as appropriate.

The response to this search for Native American cultural resources is conducted in the NAHC Sacred Lands Inventory, established by the California Legislature (CA Public Resources Code §5097.94(a) and is exempt from the CA Public Records Act (c.f. California Government Code §6254.10) although Native Americans on the attached contact list may wish to reveal the nature of identified cultural resources/historic properties. Confidentiality of "historic properties of religious and cultural significance' may also be protected the under Section 304 of the NHPA or at the Secretary of the Interior' discretion if not eligible for listing on the National Register of Historic Places. The Secretary may also be advised by the federal Indian Religious Freedom Act (cf. 42 U.S.C, 1996) in issuing a decision on whether or not to disclose items of religious and/or cultural significance identified in or near the APE and possibly threatened by proposed project activity.

If you have any questions about this response to your request, please do not hesitate to contact me at (916) 653-6251.

Sincerely,

Dave Singleton
Program Analyst

Attachment: Native American Contacts List (NOTE: we further recommend that other forms of 'proof of mailing or proof of contact be utilized instead of 'Return Receipt Requested' Certified or Registered Mail.) Further, we suggest a follow-up telephone call to the contacts if the replies are not received or need clarification.

Native American Contact
Riverside County
September 21, 2009

Cabazon Band of Mission Indians
David Roosevelt, Chairperson
84-245 Indio Springs Parkway Cahuilla
Indio , CA 92203-3499
(760) 342-2593
(760) 347-7880 Fax

Santa Rosa Band of Mission Indians
John Marcus, Chairman
P.O. Box 609 Cahuilla
Hemet , CA 92546
srtribaloffice@aol.com
(951) 658-5311
(951) 658-6733 Fax

Los Coyotes Band of Mission Indians
Francine Kupsch, Spokesperson
P.O. Box 189 Cahuilla
Warner , CA 92086
loscoyotes@earthlink.net
(760) 782-0711
(760) 782-2701 - FAX

Augustine Band of Cahuilla Mission Indians
Mary Ann Green, Chairperson
P.O. Box 846 Cahuilla
Coachella , CA 92236
(760) 369-7171
760-369-7161

Ramona Band of Cahuilla Mission Indians
Joseph Hamilton, Chairman
P.O. Box 391670 Cahuilla
Anza , CA 92539
admin@ramonatribe.com
(951) 763-4105
(951) 763-4325 Fax

Morongo Band of Mission Indians
Michael Contreras, Cultural Heritage Prog. Coordinatr
12700 Pumarra Road Cahuilla
Banning , CA 92220 Serrano
mcontreras@monongo-nsn.
(951) 755-5025
(951)201-1866 - cell
(951) 922-0105 Fax

Torres-Martinez Desert Cahuilla Indians
Mary Resvaloso, Chairperson
PO Box 1160 Cahuilla
Thermal , CA 92274
mresvaloso@torresmartinez.or
(760) 397-0300
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Diana L. Chihuahua, Cultural Resources Coordinator
P.O. Boxt 1160 Cahuilla
Thermal , CA 92274
dianac@torresmartinez.org
760) 397-0300, Ext. 1209
(760) 272-9039 - cell (Lisa)
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Ernest Morreo
PO Box 1160 Cahuilla
Thermal , CA 92274
maxtm@aol.com
(760) 397-0300
(760) 397-8146 Fax

Los Coyotes Band of Mission Indians
Melody Sees, Environmental Director
P.O. Box 189 Cahuilla
Warner , CA 92086
(760) 782-0712
(760) 782-2730 - FAX

This list is current only as of the date of this document.
Distribution of this list does not relieve any person of statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code. and federal NEPA (42 USC 4321-43351), NHPA Sections 106, 4(f) (16 USC 470(f) and NAGPRA (25 USC 3001-3013)

This list is only applicable for contacting local Native Americans with regard to cultural resources for the proposed Roya Center I5 Project; located in the City of Palm Springs; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested.

Native American Contact
Riverside County
September 21, 2009

Agua Caliente Band of Cahuilla Indians THPO
Patricia Tuck, Tribal Historic Perservation Officer
5401 Dinah Shore Drive Cahuilla
Palm Springs , CA 92264
ptuck@aguacaliente-nsn.gov
(760) 699-6907
(760) 699-6800
(760) 699-6924- Fax

Cahuilla Band of Indians
Luther Salgado, Sr.
PO Box 391760 Cahuilla
Anza , CA 92539
tribalcouncil@cahuilla.net
915-763-5549

This list is current only as of the date of this document.
Distribution of this list does not relieve any person of statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code.
and federal NEPA (42 USC 4321-43351), NHPA Sections 106, 4(f) (16 USC 470(f) and NAGPRA (25 USC 3001-3013)

This list is only applicable for contacting local Native Americans with regard to cultural resources for the proposed Roys Center IS Project; located in the City of Palm Springs; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested.

Michael H. Dice, RPA

Senior Cultural Resource Specialist/Project Manager

Overview

- 30+ years experience
- Master's degree, Anthropology – Arizona State University, Tempe. 1993
- Bachelor's degree, Anthropology – Washington State University, Pullman. 1986
- Registered Professional Archaeologist (RPA 2000)
- Registered Archaeologist in Orange County and Riverside County

Michael H. Dice, MA, Senior Cultural Resource Specialist and Project Manager, has more than 30 years experience performing record searches, archaeological surveys, archaeological site testing projects, and data collection projects on private and public lands in the Southwestern United States. He has authored or co-authored more than 150 Cultural Resources Inventory Reports required for CEQA and/or NEPA level documents including several manuscripts for the National Park Service. Michael has extensive experience with California Native American Tribes, having provided direct consultation and coordination with the Agua Caliente Band, Gabrielino Band, Juaneno Band, Morongo Band, and Pechanga Band.

Related Experience

High Desert Archaeological Projects

Sky Harbor Ranch Specific Plan Project. 2008. Town of Yucca Valley. Mr. Dice undertook an archaeological survey of 640 acres located south of the Town of Yucca Valley and bordering Joshua Tree National Park. Mr. Dice surveyed the entirety of the section with two staff archaeologists, then wrote the report and recorded a single historic archaeological site. The survey was undertaken for a Specific Plan in the Town.

The Barstow Industrial Park Project. 2007-2009. City of Barstow. MBA is preparing an EIR for a new logistics center to handle multi-modal transport of goods in and out of the Los Angeles Basin and throughout the country. The center, being developed by IDA Real Estate Group, will be located on 1,200 acres along the Mojave River west of the City of Barstow. Technical studies will be completed and integrated into the EIR that will be used by the City of Barstow and the various regulatory agencies involved in the permitting process. The cultural resource analysis was led by Mr. Dice and consisted of a Phase 1 survey and Phase II test of various historic and historic archaeological resources. The final cultural resource element to the project is the crafting of a Phase III (data collection through subsurface excavation) program consistent with scientific studies that have taken place in the region in previous years. More than 30 cultural resources have been identified in the project area and consultations with Native Americans have taken place since project inception.

An Archaeological Survey of the Mastro Property. 2007. Yucca Mesa Area, County of San Bernardino. Mr. Dice undertook a survey of 30 acres in the Yucca Mesa region of Joshua Tree. Several archaeological resources were detected and recorded onto DPR523a form sets. Mitigation measures were recommended that asked for test excavations before the property was approved for subdivision by the County.

The Foxfire Ranch Project. 2005. City of Victorville. Mr. Dice performed a Phase 1 Cultural Resource Survey of a 65-Acre Property at Tentative Tract #16574 (Foxfire Ranch), located near Cobalt and Dos Palmas Roads, Section 26 of T.5N R.5W, City of Victorville, Including Parcel #3094-131-02. Century-Crowell Communities.

Cultural Survey Report for Two Planned Ryland Homes Developments in the City of Victorville. 2004 and 2006. City of Victorville. Mr. Dice performed a Phase I Cultural Resources Assessment and Paleontological Records Review Tract Nos. 16496 and 16905 in the City of Victorville. Ryland Homes of Corona.

Phase I Cultural Resources Survey for the Victorville Acres Project, Tentative Tract 16847, City of Victorville, San Bernardino County. Mr. Dice prepared a cultural resource survey report for planned development in the City of Victorville. Van Daele Homes, Inc.

Project Archaeologist for the California Lightweight Pumice Makayla Mine Expansion. Mr. Dice undertook a Class III Intensive Field Survey of mining lease properties located within Sections 21 and 28, T21S/R38W, Coso Junction Area, County of Inyo, California. Wrote research design, direct survey and recordation of more than 20 obsidian scatter and two quarries in an area southeast of Olancha and west of Coso Junction. All Native American coordination flowed through the BLM-Ridgecrest Field Office.

Cultural Resource Survey Reports for the Palm Desert Rock Project, and the Coachella Aggregates Expansion Project, Coachella Valley, Riverside County. Mr. Dice prepared cultural survey and inventory reports for planned mining development in the County of Riverside. Requires Section 106 and County of Riverside General Plan concurrence through the County Archaeologist.

High Desert Water-Related Cultural Resource Management Projects

The Victor Valley Recycled Water Project 2004-2006. Mr. Dice served as the Project Archaeologist for a series of studies in Hesperia, Victorville, Apple Valley and the County of San Bernardino for a proposed subregional facilities project that will treat excess and sewage for recycling in the noted towns and communities. The project was completed for Bauer Consulting, Irvine, Ca. A records search, survey and mitigation recommendations were made as part of an EIR/EIS. Contact with the SWCB (Cookie Hearn, Archaeologist) were made as part of the Section 106 (Federal) compliance process.

Navajo Road Sewer Project **2002-2004**. Mr. Dice served as the Project Archaeologist for a infrastructure improvement project in the Town of Apple Valley. A right-of-way for the new sewer was surveyed between the existing airport and the new Costco distribution center for Carter and Burgess Engineering of Fort Worth, Texas. Mr. Dice recommended testing and monitoring of the project

Professional Affiliations

- Member, California Historical Society
- Member, National Trust for Historic Preservation
- Certified County of Riverside Archaeologist
- Certified County of Orange Archaeologist

Arabesque Said

Staff Archaeologist

Overview

- 5 Years Experience
- Bachelor's degree, Anthropology – University of California, Riverside, California

Arabesque Said, BA, has been working in the archaeological field since 2004. She has conducted numerous pre-field assessments, archival research, pedestrian field surveys, site evaluation and testing, and data recovery and analysis. As an Archaeological crew member for the URS Corporation she has gained expertise in both prehistoric and historical site testing. Her projects have included testing on both private and public land throughout the Southwest and have allowed her to build relationships with various federal and state level entities.

Related Experience

Historical, Archaeological and Paleontological Resources

Solar 1, Mojave Desert, County of Riverside. Archaeological crew member for a 6,500 acre pedestrian survey for prehistoric and historic sites. This Phase I cultural resources survey was conducted on BLM land for a solar energy field that will include approximately 20,000 solar dishes by SES (Stirling Energy Systems).

Solar 2, Yuha Desert, County of Riverside. Archaeological crew member for a 7,500 acre pedestrian survey for prehistoric and historic sites. This Phase I cultural resources survey was conducted on BLM land for a solar energy field that will include approximately 20,000 solar dishes by SES (Stirling Energy Systems).

Chuckwalla Valley Project, Chuckwalla Valley, County of Riverside. Archaeological crew member for a 5,200 acre pedestrian survey for prehistoric and historic sites. Located previously recorded sites, taking and recording photographs of site and artifacts, and creating site map.

Redland Crossing Walmart EIR, Redlands, County of Riverside. Archaeological Field assistant for testing of numerous historical sites through out Redlands as part of the EIR process. Conducted excavation of trenches, artifact collection, screening and sidewall profile drawing with costs of $28,000.

EIR/EA- 800MHz Radio Tower Sites Project, Riverside County, CA. Currently assisting with the cultural resources assessment and technical reports for the Radio Tower project through out Southern California and Arizona. The Environmental Impact Report, Environmental Assessment and all related studies are for developing 75 800MHz radio tower sites throughout the County of Riverside. An opportunity and constraints analysis was conducted on each site using a specific set of criteria to determine which sites could be eliminated immediately due to a particular constraint (i.e., proximity to a known fault, habitat for a threatened or endangered species, proximity to a known site of significant cultural resource, land use constraints, etc.) and which sites could realistically be developed. The analysis included a summary of potential permitting requirements at the state, federal, and local levels.

Phase I Archaeological Survey 11-acres, City of Wildomar, CA. Currently assisting with the cultural resources assessment and phase 1 report for the development of an 11-acre site in Wildomar.

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Kotake Trust

Via Certified United States mail

County of Riverside
Economic Development Agency
Claudia Steiding
3133 Mission Inn Avenue
Riverside, CA 92507

Date: October 26, 2009

Subject: Project Site - Instillation of 3 - 5,000 gallon septic tanks
19533 Mclane Street
Palm Springs, CA

Reference: Notice of Intent to a adopt a Negative Declaration
Geotechnical Study prepared by Consolidated Engineer Laboratories
Proposed site plan of project

Dear Ms. Claudia Steiding,

Although I see the need for your departments services in our area, and I understand the difficulties to find a suitable site; regretfully the North Palm Springs Business Center is not the place. The County of Riverside and its' project is in conflict of the land use.

I represent a trust that owns several properties located in the North Palm Springs Business Center. The area is zoned a Regional Business Center and I am sure habitation is not allowed on the premises. Properties located in the Business Center had been subdivided into half acre and above. All of the buildings in the center are on a septic system and there no sewer lines in the immediate area to tap into.

In reference to the department's plans for (I assume) 120 individuals - single men, single women, families and 30 employees will occupy the above mention facility at any given time. This plan is not suited for this use. It is my opinion that the Phase II of the department's plans to construct a kitchen, washing facility, extra toilets, showers and I assume a laundry facility, would taxed the soil in the immediate and surrounding areas. Yet the department has not stated or estimated the amount of raw sewage and or non – potable water that will be discharge into the septic system and ultimately end up in the leach line and in the soil.

Please be advised that the outdated geological study prepared by Consolidated Engineer Laboratories was submitted for the purpose to evaluate the site for an industrial

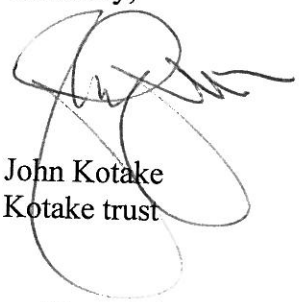
3 Upper Newport Plaza, Newport Beach CA 92660 · Phone (949) 756-2161 · Fax (949) 756-2515

warehouse and should not be used as a reference to the negative declaration. Although the study's conclusion ultimately allowed the construction of the subject building, I found that the scope of the study did not include any percolation tests. I would like to know if the county has done their due diligence to find out if the soils are able to retain the discharge from the facility, or what would happen to the soil if it became supersaturated. The soil also is porous. Is there a chance that the discharge can leach and contaminate to the ground water? Please note that the ground water is only located approximately 230 to 330 feet, as explained in the study.

I also examined the site plans for the project and did not find a pretreatment system for the discharge from the kitchen facility. Does the project address the reduction of BOD (Biochemical oxygen demand) before the non – potable water is discharged in to the septic system?

Lastly, if the county is going to adamantly pursue the project, I would ask if the county would be neighborly and pump the septic tanks during weekends and on off business hours. I thank you for your time, and I await your reply.

Sincerely,



John Kotake
Kotake trust

cc. North Palm Springs Business Association
AES Wind Generation, Inc.

3 Upper Newport Plaza, Newport Beach CA 92660 · Phone (949) 756-2161 · Fax (949) 756-2515

major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any the following:(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or,(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects of the project on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

Claudia Steiding 9/29/09

Signature Date

Sr. Env. Planner For County of Riverside

Claudia Steiding
Senior Environmental Planner
County of Riverside Economic Development Agency

COUNTY OF RIVERSIDE
ENVIRONMENTAL ASSESSMENT FORM: INITIAL STUDY

Environmental Assessment (E.A.) Number: EA08510003957
Project Case Type (s) and Number(s): N/A
Lead Agency Name: County of Riverside Economic Development Agency
Address: 3133 Mission Inn Avenue, Riverside, CA 92507
Contact Person: Claudia Steiding, Senior Environmental Planner
Telephone Number**:** 951-955-8174
Email: CSteiding@rivcoeda.org
Applicant's Name: County of Riverside Economic Development Agency
Applicant's Address: 3133 Mission Inn Avenue, Riverside, CA 92507

I. PROJECT INFORMATION

Project Description: The County of Riverside's Economic Development Agency (EDA) is proposing modification improvements to an existing septic sewer system for Roy's Desert Resource Center homeless shelter located at 19533 McLane Street in the City of Palm Springs, California (See Exhibits 1 through 3).

Background:
The Project's Phase I development involved the existing facility known as the Mental Health Safe Haven and Full Service Partnership Clinic. Owned and operated by the Coachella Valley Multi-Services Center (CVMSC), this facility occupies a total of 13,448 square feet, of the eastern portion of the existing building and has the current capability of accommodating up to 25 homeless, single men and women. The facility is comprised of 7,908 square feet for housing, kitchen and dining amenities and another 5,540 square feet dedicated for the full service Partnership Clinic, which consists of a doctor's office, a nurse's office, a triage, chart room, an administrative office with office cubicles, private offices, and file/storage space. Currently, Phase I development utilizes a 4,000 gallon septic tank, which adequately serves the project's size. Phase I development is completed at this time.

The Phase II development involves the western portion of the existing 47,000 square foot building, and is named as Roy's Desert Resource Center, in honor of the County's late Supervisor Roy Wilson. This facility will occupy 20,546 square feet and will be able to accommodate up to 120 single men, single women, and families. Phase II will be managed by a total of 30 employees. Currently, the facility has one (1) 1,500 gallon septic tank, which is undersized to serve the Roy's Desert Resource Center. Therefore, in order to serve Roy's Desert Resource Center the proposed Project will consist of the proposed Phase II development, replacing the existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and associated seepage pits. This modification improvement would be located between the facility's existing building and the existing building located to the north (Refer to Exhibits 4 and 5). Overall, this would add to a total septic tank capacity of 19,000 gallons. Roy's Desert Resource Center is scheduled to open in December 2009 and will be operated and maintained by the Coachella Valley Association of Governments (CVAG).

A. Project Location and Assessor Parcel Numbers (APNs)
The Project site consists of one parcel: APN 666-411-011 totaling approximately 3.53 acres and is located at 19533 McLane Street in North Palm Springs, California.

Type of Project: Site Specific ☒; Countywide ☐; Community ☐; Policy ☐.

B. Total Project Area: 3.53 acres

Industrial/Commercial Acres: 3.53 **Lots:** 1 **Sq. Ft. of Bldg. Area:** 20,546 **Est. No. of Employees:** 30

C. Assessor's Parcel No(s): 666-411-011

D. Street References: The Project site is located at the southwest corner side of McLane Street, approximately 0.45 miles west of Indian Avenue in the City of Palm Springs, California. The site location is at 19533 McLane Street.

E. Section, Township & Range Description or reference/attach a Legal Description: Section 15, Township 3 South, Range 4 East. Latitude/Longitude: 33° 54' 21.23" North/116° 33' 11.98" West.

F. Brief description of the existing environmental setting of the project site and its surroundings: The Project site consists of the replacement of one (1) 1,500 gallon septic tank with three (3) 5,000 gallon septic tanks and seepage pit expansion on 3.53 acres at 19533 McLane Street. The facility is owned and operated by Riverside County's Economic Development Agency (EDA) for the purpose of providing shelter care and assistance to the homeless. Surrounding land uses consist of an existing industrial/commercial building to the north, a vacant-graded undeveloped pad to the east, Interstate 10 freeway to the south, and vacant undeveloped land to the west.

II. APPLICABLE GENERAL PLAN AND ZONING REGULATIONS

A. General Plan Elements/Policies:

1. **Land Use:** The entire 3.53 acre property is located in the City of Palm Springs and the project will adhere to the goals and policies of the County of Riverside's General Plan. The Project is consistent with the City's General Plan.

2. **Circulation:** Access to the Project site is off of McLane Street and is consistent with the Goals and Policies of the City's Circulation Element and the County Fire Department.

3. **Multipurpose Open Space:** Not Applicable

4. **Safety:** The proposed septic sewer improvement modifications to the existing facility would adhere to the policies pertaining to flood, fire, hazardous waste and seismic hazards as outlined in the Safety Element of the County of Riverside General Plan.

5. **Noise:** The Project will comply with the County of Riverside regarding construction work hours.

6. **Housing:** The Project site does not contain residential use designated land and is not located adjacent to existing residences. All immediate land uses adjacent to the site are of non-residential land use designation.

7. **Air Quality:** The Project will adhere to the goals and policies for projects located within the Salton Sea Air Basin (SSAB) under the jurisdiction of the South Coast Air Quality Management District (SCAQMD).

B. General Plan Area Plan(s): Western Coachella Valley

C. Foundation Component(s): N/A

D. Land Use Designation(s): Regional Business Park

E. Overlay(s), if any: None

F. Policy Area(s), if any: None

G. Adjacent and Surrounding Area Plan(s), Foundation Component(s), Land Use Designation(s), and Overlay(s) and Policy Area(s), if any: District 4 Redevelopment Zone.

H. Adopted Specific Plan Information

1. **Name and Number of Specific Plan, if any:** None

2. **Specific Plan Planning Area, and Policies, if any:** None

I. Existing Zoning: Service/Manufacturing Zone (M-1)

J. Proposed Zoning, if any: None

K. Adjacent and Surrounding Zoning: Service/Manufacturing Zone (M-1) (west of Project site), Planned Research and Development Zone (MIP) (south of Project site and south of Interstate 10 freeway) and Service/Manufacturing Zone (M-1) (east of project site).

III. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below (x) would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Less than Significant with Mitigation Incorporated" as indicated by the checklist on the following pages.

☐ Aesthetics	☐ Hazards & Hazardous Materials	☐ Public Services
☐ Agriculture Resources	☐ Hydrology/Water Quality	☐ Recreation
☐ Air Quality	☐ Land Use/Planning	☐ Transportation/Traffic
☐ Biological Resources	☐ Mineral Resources	☐ Utilities/Service Systems
☐ Cultural Resources	☐ Noise	☐ Other
☐ Geology/Soils	☐ Population/Housing	☐ Mandatory Findings of Significance

IV. DETERMINATION

On the basis of this initial evaluation:

A PREVIOUS ENVIRONMENTAL IMPACT REPORT/NEGATIVE DECLARATION WAS NOT PREPARED
☒ I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project, described in this document, have been made or agreed to by the project proponent. **A MITIGATED NEGATIVE DECLARATION** will be prepared.
☐ I find that the proposed project MAY have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

A PREVIOUS ENVIRONMENTAL IMPACT REPORT/NEGATIVE DECLARATION WAS PREPARED
☐ I find that although the proposed project could have a significant effect on the environment **NOTHING FURTHER IS REQUIRED** because all potentially significant effects (a) have been adequately analyzed in an earlier Environmental Impact Report (EIR) or Negative Declaration pursuant to applicable legal standards and (b) have been avoided or mitigated pursuant to that earlier EIR or Negative Declaration, including revisions or mitigation measures that are imposed upon the proposed project.
☐ I find that although all potentially significant effects have been adequately analyzed in an earlier EIR or Negative Declaration pursuant to applicable legal standards, some changes or additions are necessary but none of the conditions described in California Code of Regulations, Section 15162 exist. An **ADDENDUM** to a previously-certified EIR or Negative Declaration has been prepared and will be considered by the approving body or bodies.
☐ I find that at least one of the conditions described in California Code of Regulations, Section 15162 exist, but I further find that only minor additions or changes are necessary to make the previous EIR adequately apply to the project in the changed situation; therefore a **SUPPLEMENT TO THE ENVIRONMENTAL IMPACT REPORT** is required that need only contain the information necessary to make the previous EIR adequate for the project as revised.
☐ I find that at least one of the following conditions described in California Code of Regulations, Section 15162, exist and **a SUBSEQUENT ENVIRONMENTAL IMPACT REPORT** is required: (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) Substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require

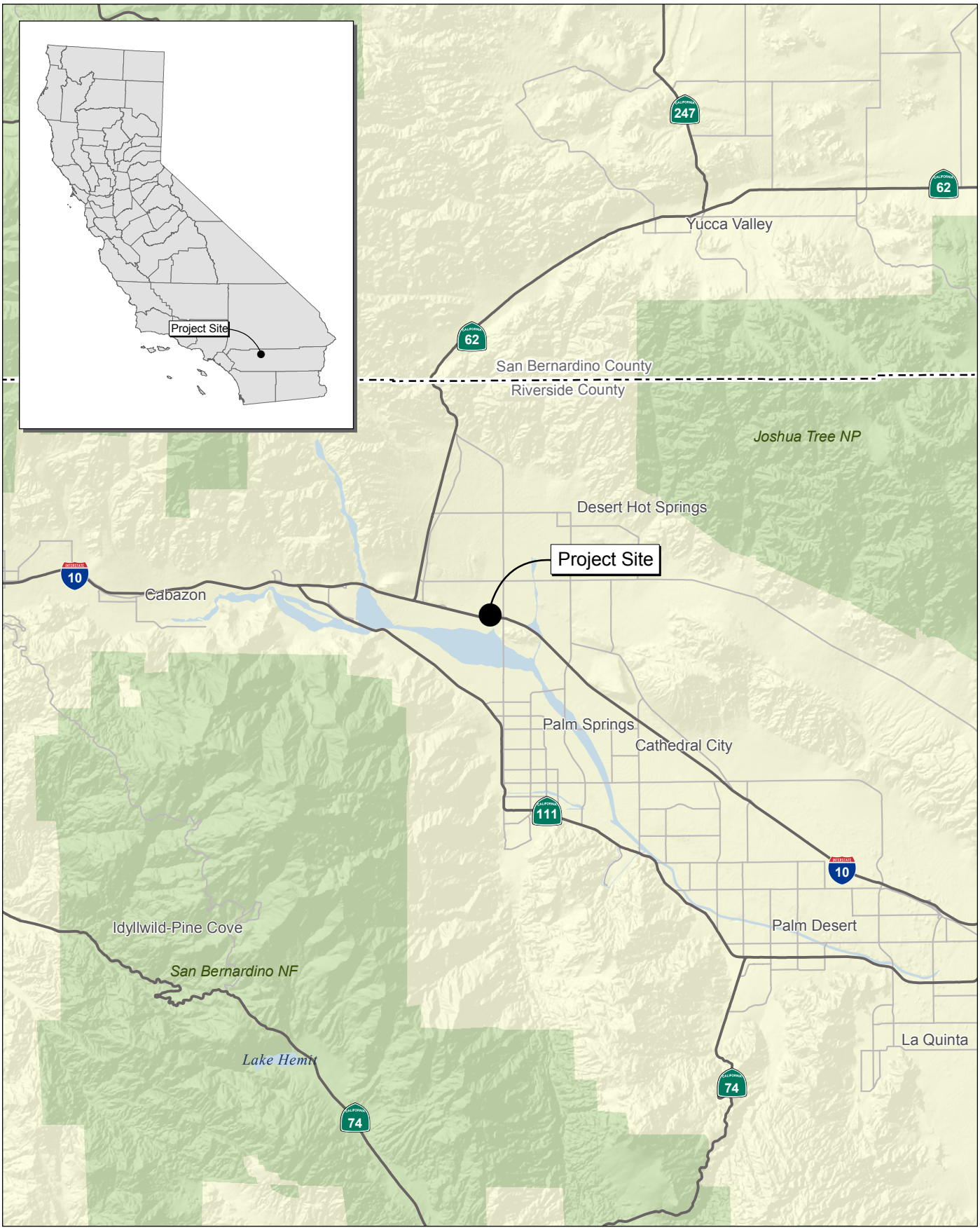
major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any the following:(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or,(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects of the project on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

Signature

Date

For

Claudia Steiding
Senior Environmental Planner
County of Riverside Economic Development Agency



Source: Census 2000 Data, The CaSIL, MBA GIS 2009.

NORTH

5 2.5 0 5 Miles

Michael Brandman Associates

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Exhibit 1
Regional Location Map

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: Google Earth Pro Aerial (January, 2006).

Exhibit 2
Local Vicinity Map
Aerial Base

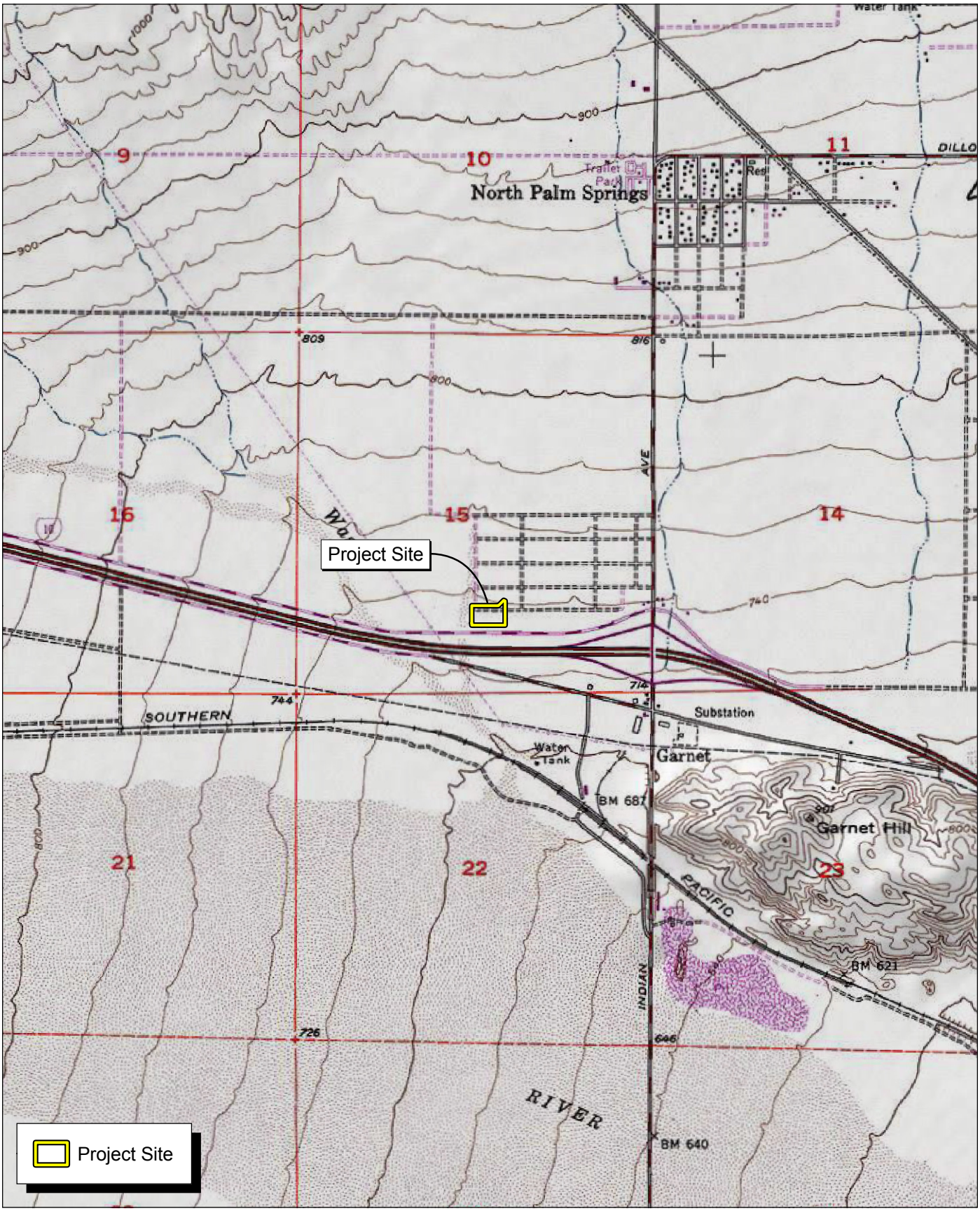
NORTH

800 400 0 800
Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: TOPO! Desert Hot Springs (1978) 7.5' DRG.

Exhibit 3
Local Vicinity Map
Topographic Base

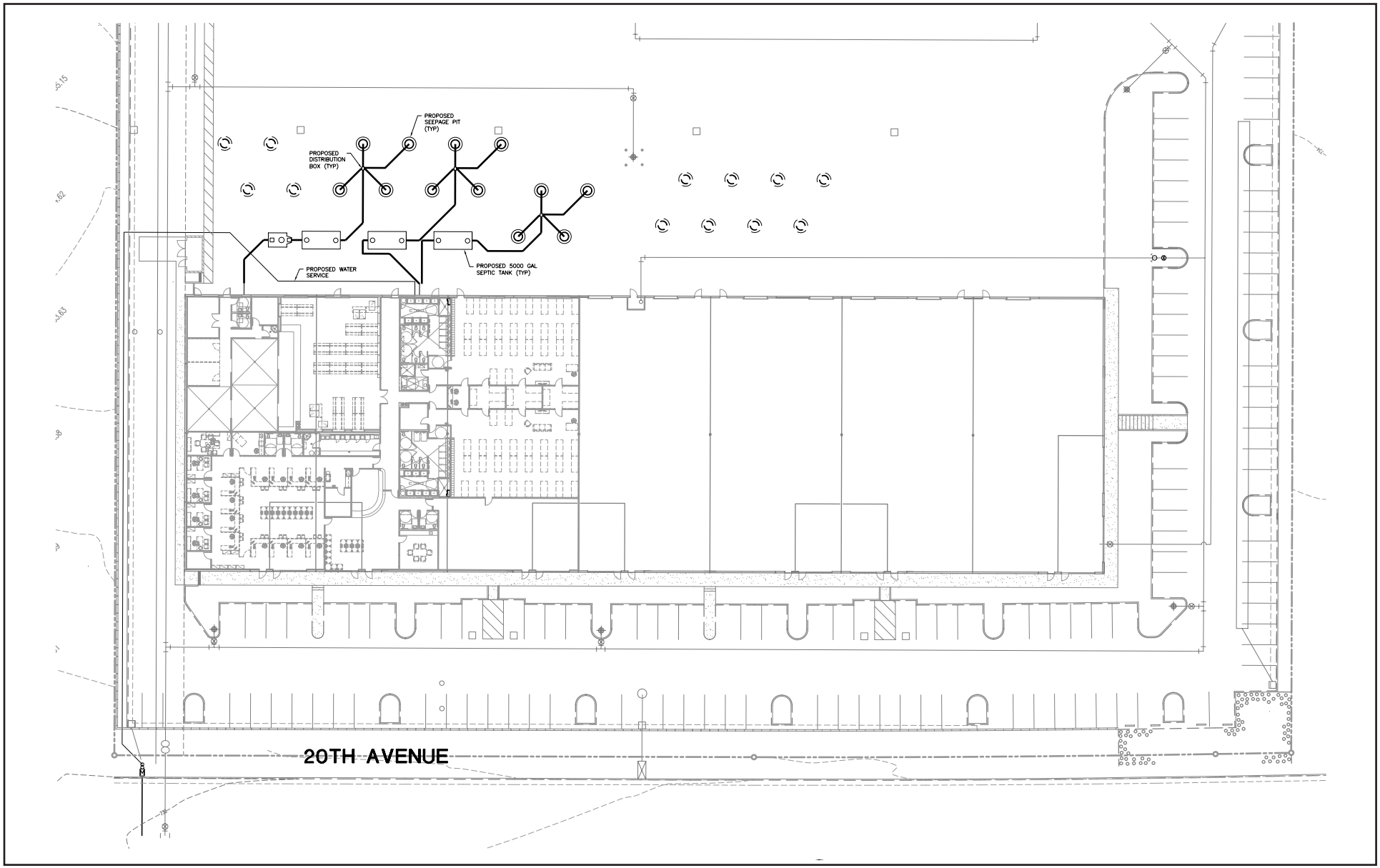
NORTH

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Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Source: MSA Consulting, Inc. (2009).

NORTH

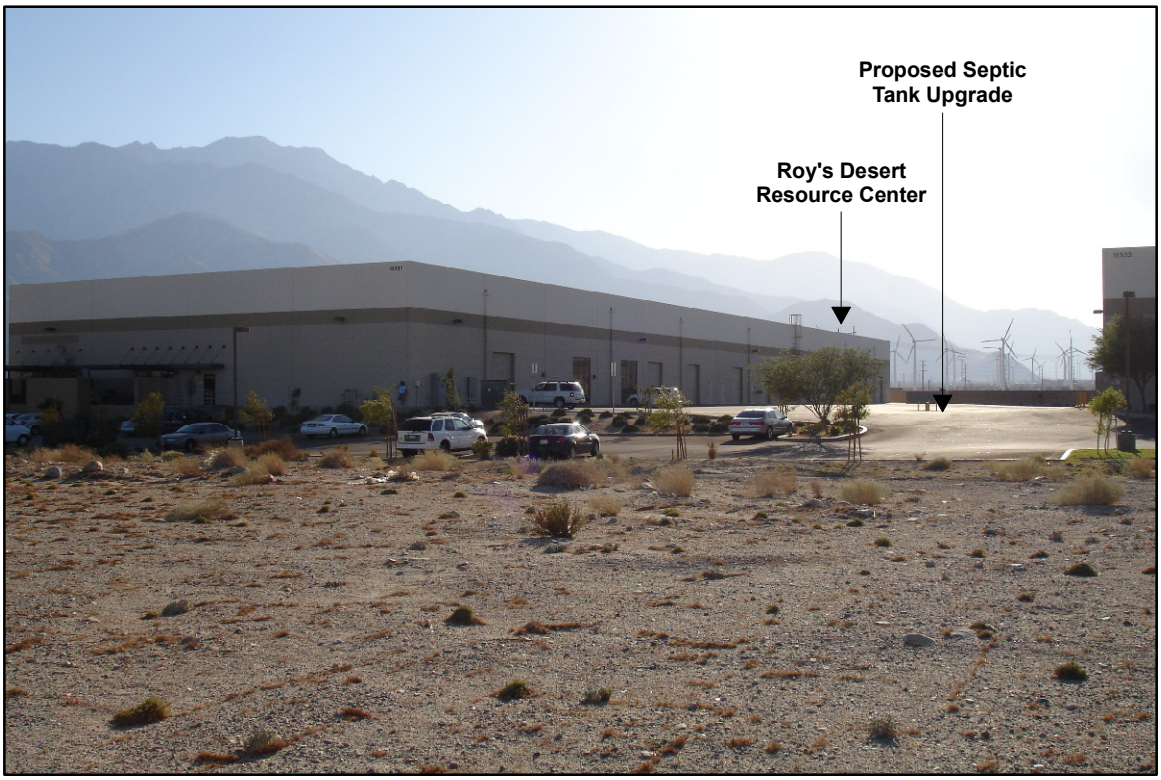
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Michael Brandman Associates

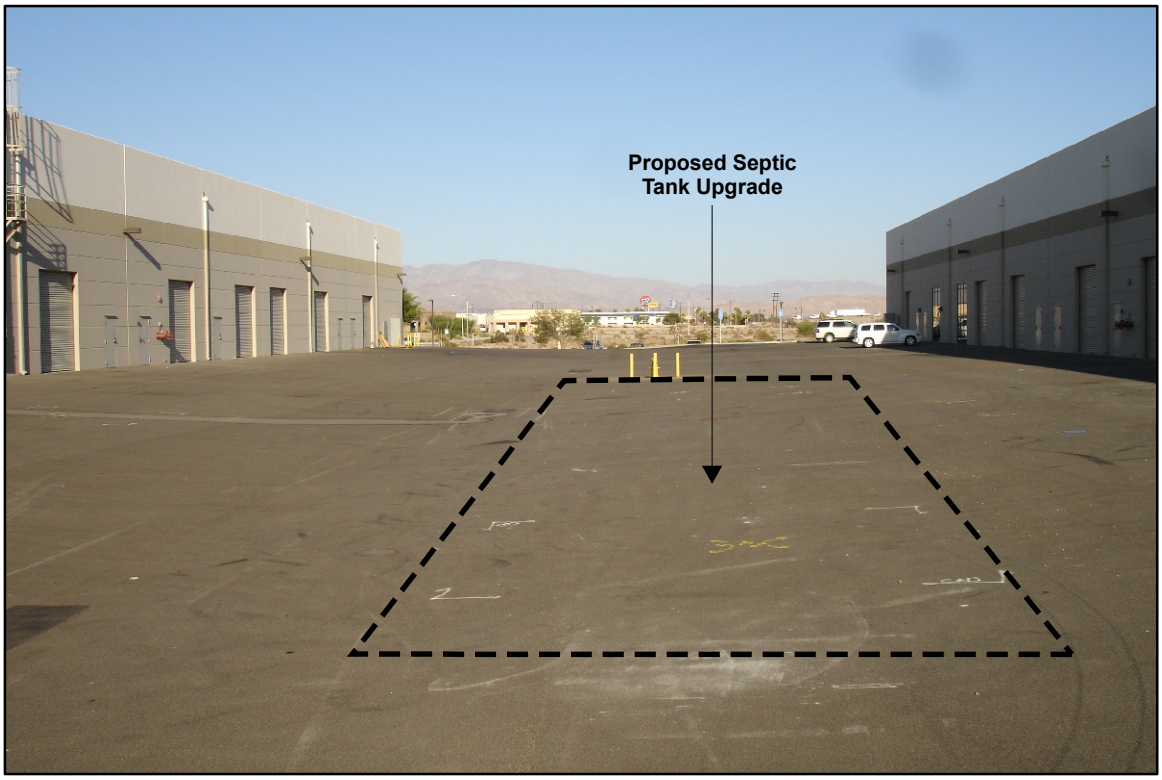
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Exhibit 4
Conceptual Site Plan

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
INITIAL STUDY



Photograph 1: Looking west toward the project site.



Photograph 2: Facing proposed septic tank within the project site.

Source: Michael Brandman Associates, 2009.

Michael Brandman Associates

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Exhibit 5
Site Photographs

V. ENVIRONMENTAL ISSUES ASSESSMENT

In accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000-21178.1), this Initial Study has been prepared to analyze the Proposed Project and to determine any potential significant impacts upon the environment that would result from construction and implementation of the Project. In accordance with California Code of Regulations (CCR), Section 15063, this Initial Study is a preliminary analysis prepared by the Lead Agency, the County of Riverside, in consultation with other jurisdictional agencies, to determine whether a Negative Declaration, Mitigated Negative Declaration (MND), or an EIR is required for the Proposed Project. The purpose of this Initial Study is to inform the decision-makers, affected agencies, and the public of potential environmental impacts associated with the implementation of the Proposed Project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
AESTHETICS Would the project				
1. Scenic Resources a) Have a substantial effect upon a scenic highway corridor within which it is located?	☐	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings and unique or landmark features; obstruct any prominent scenic vista or view open to the public; or result in the creation of an aesthetically offensive site open to public view?	☐	☐	☐	☒

Source: Caltrans California Scenic Highway Mapping System. County of Riverside, Riverside County Integrated Project (RCIP) Figure C-7 "Scenic Highways".

Findings of Fact:

a-b) The proposed Project involves the installation of the (3), 5,000 gallon septic tanks with seepage pits to an existing developed, paved surface of land and located between the facility's existing building and the existing adjacent building to the north (Refer to Exhibits: 4 and 5). The Project is not located within a scenic corridor, nor considered as a scenic resource. The Project's installation of septic tanks and seepage pits will be located underneath the existing truck parking lot with no visual obstructions created. Therefore, the Project will not have an impact to scenic resources. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

2. Mt. Palomar Observatory a) Interfere with the nighttime use of the Mt. Palomar Observatory, as protected through Riverside County Ordinance No. 655?	☐	☐	☐	☒

Source: RICP; TG; Ord. No. 655

Findings of Fact:

a) Light pollution occurs when an over abundance of artificial illumination enters the night sky and reflects off of airborne water droplets and dust particles causing a condition known as skyglow. It occurs when glare from improperly aimed and unshielded light fixtures cause uninvited illumination to cross over into adjacent property lines. The Mt. Palomar Observatory is located in San Diego County and requires limited nighttime lighting requirements in order for the night sky to be observed clearly. The proposed Project is located approximately 41 miles northeast of the Observatory. The proposed improvements include the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and seepage pits. The Project site is not within and will not affect the Mt. Palomar Nighttime Lighting Overlay Area. Therefore, the Project would not impact the Observatory's night sky viewing ordinance.

Mitigation: None required.

Monitoring: None required.

3. Other Lighting Issues a) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☐	☒
b) Expose residential property to unacceptable light levels?	☐	☐	☐	☒

Source: RCIP; Proposed project description, site evaluation.

Findings of Fact:

a-b) The Project's proposed installation of septic tanks and seepage pits will not involve the installation of permanent outdoor lighting and would not expose residential property to unacceptable light levels. There are no proposed modifications to the exterior lighting. There are no existing residences within close proximity to the Project site. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
AGRICULTURE RESOURCES Would the project				
4. Agriculture	☐	☐	☐	☒
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program (FMMP) of the California Resources Agency, to non-agricultural use?				
b) Conflict with existing agricultural use, or a Williamson Act (agricultural preserve) contract (Riv. Co. Agricultural Land Conservation Contract Maps)?	☐	☐	☐	☒
c) Cause development of non-agricultural uses within 300 feet of agriculturally zoned property (Ordinance No. 625 "Right-to-Farm")?	☐	☐	☐	☒
d) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	☐	☐	☐	☒

Source: RCIP Figure OS-17 "Agricultural Resources", GIS database and Project Materials.

Findings of Fact:

a-d) The project site is located in a developed portion of land currently designated as Service/Manufacturing (M-1) in the City of Palm Springs Zoning Ordinance. However, the Project is under jurisdiction of the County of Riverside. The Department of Conservation Farmland Mapping and Monitoring Program (FMMP) designates the site as Urban and Built-Up Land. The Project site is not located within an agricultural preserve or within a Williamson Act contract area. Therefore, no adverse agriculture impacts will occur as a result of the proposed Project

Mitigation: None required.

Monitoring: None required.

AIR QUALITY Would the project				
5. Air Quality Impacts	☐	☐	☒	☐
a) Conflict with or obstruct implementation of the applicable air quality plan?				
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☒	☐
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	☐	☐	☒	☐
d) Expose sensitive receptors, which are located within 1 mile of the project site to project substantial point source emissions?	☐	☐	☒	☐
e) Involve the construction of a sensitive receptor located within one mile of an existing substantial point	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
source emitter?				
f) Create objectionable odors affecting a substantial number of people?	☐	☐	☒	☐
g) Result in an increase in greenhouse gas emissions that would significantly hinder or delay the State's ability to meet the reduction targets contained in AB 32?	☐	☐	☒	☐
h) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☒	☐

Source: Proposed project description, site evaluation

Findings of Fact:

a-h) Less than Significant Impact. The proposed project would generate short-term emissions during construction. Such emissions would include exhaust emissions from construction equipment and worker and delivery vehicles as well as fugitive dust generated during the construction process. Exhaust emissions are controlled by the rules promulgated by the CARB while fugitive dust emissions are controlled by SCAQMD Rule 403. Rule 403 requires the application of best management practices such as watering disturbed areas, restricting onsite traffic to 15 miles per hour or less, and cessesation of soil disturbing activities when wind speeds exceed 25 miles per hour. The construction of the proposed project must adhere to the requirements of Rule 403.

Short-term construction emissions from the proposed project were estimated during three construction activities: demolition of the existing septic tank area, replacement of the existing septic tank with three new ones, and the asphalt paving of the finished surface. The estimated construction emissions are shown in Table 1. The determination of the environmental significance of the project's construction emissions was determined by comparing the estimated emissions with the regional emission significance thresholds defined by the SCAQMD for construction activities which are also shown in Table 1.

Table 1: Estimated Daily Short-term Construction Emissions

Construction Activity	Emissions (pounds per day)(1)					
	VOC	NOx	CO	SOx	PM10	PM2.5
Demolition	4	35	16	0	8	3
Tank Replacement	0	4	2	0	2	1
Asphalt Paving	3	9	15	0	1	1

Table 1: Estimated Daily Short-term Construction Emissions (Cont.)

Construction Activity	Emissions (pounds per day)(1)					
	VOC	NOx	CO	SOx	PM10	PM2.5

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Max emissions in 1 day	4	35	16	0	8	3
Regional Threshold	75	100	550	150	150	55
Significant Impact?	No	No	No	No	No	No

Note:
(1) Emissions shown assume compliance with applicable emission regulations. The PM10 and PM2.5 fugitive dust emissions are in the "mitigated" output in URBEMIS because the project would comply with dust control measures as specified in SCAQMD Rule 403.

As shown in Table 1 above, the short-term construction emissions from the proposed project would not exceed any SCAQMD regional emission significance threshold during construction. Furthermore, the Project will not generate odors and due to the scale of the Project, will not impact plans to reduce greenhouse gas emissions Therefore, Project impacts are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

BIOLOGICAL RESOURCES Would the project				
6. Wildlife & Vegetation	☐	☐	☐	☒
a) Conflict with the provisions of an adopted Habitat Conservation Plan (HCP), Natural Conservation Community Plan, or other approved local, regional, or state conservation plan?				
b) Have a substantial adverse effect, either directly or through habitat modifications, on any endangered, or threatened species, as listed in Title 14 of the California Code of Regulations (Sections 670.2 or 670.5) or in Title 50, Code of Federal Regulations (Sections 17.11 or 17.12)?	☐	☐	☐	☒
c) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game (CDFG) or U. S. Wildlife Service (USFWS)?	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFG or USFWS?	☐	☐	☐	☒
f) Have a substantial adverse effect on federally	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				
g) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒

Source: MBA Consistency Analysis.

Findings of Fact:

a-g) No impact. The Project site is a 3.53 acre lot which is developed. The Proposed project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. No open space or undeveloped land would be involved with the installation of the septic tanks and seepage pits. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

CULTURAL RESOURCES Would the project				
7. Historic Resources	☐	☐	☐	☒
a) Alter or destroy an historic site?				
b) Cause a substantial adverse change in the significance of a historical resource as defined in California Code of Regulations, Section 15064.5?	☐	☐	☐	☒

Source: MBA Consistency Analysis. Native American Heritage Commission (NAHC).

Findings of Fact:

a-b) No impact. The Project site is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot Thus, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

8. Archaeological Resources	☐	☐	☐	☒
a) Alter or destroy an archaeological site.				
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
California Code of Regulations, Section 15064.5?				
c) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☒	☐
d) Restrict existing religious or sacred uses within the potential impact area?	☐	☐	☐	☒

Source: MBA Consistency Analysis. MBA Records Search.

Findings of Fact:

a, d) There are no archaeological sites or existing religious or sacred uses within the Project site as it is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

b, c) MBA conducted a archaeological records search of the Project site and found no documentation of archaeological resources being located on or near to the Project site. In addition, a records search was performed by the Native American Heritage Commission's Sacred Lands File (SLF) and concluded that no sites were found within or near to the Project site. (Appendix B).

Furthermore, the Project site is already graded and developed; and chances are minimal that archaeological resources would be encountered during the installation of the septic tanks, since the area would have had a better chance of finding archaeological resources in the initial construction phase for existing buildings. Nevertheless, the potential exists for sub-surface archaeological resources to be uncovered during excavation, grading, and other construction related activities for the three septic tanks.

As a standard procedure in the event that a sub-surface archaeological artifact were to be uncovered during project construction or ground-disturbing activities, the find would be redirected until the nature and extent of the find could be evaluated by a qualified archaeologist. As applicable, resources would be collected, curated, and provided to the Eastern Information Center at the University of California at Riverside. The archeologist would then coordinate with local Native American groups as necessary if tribal artifacts were found. Therefore, project impacts with regard to disturbing human remains will be less than significant.

Mitigation: None required.

Monitoring: None required.

9. Paleontological Resources	☐	☐	☐	☒
a) Directly or indirectly, destroy a unique				

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
paleontological resource, or site, or unique geologic feature?				

Source: Riverside County TLMA GIS.

Findings of Fact:

a) The Project site has a low potential for paleontological resources. The Project site is developed and located on a 3.53 acre lot and adjacent to the Project facility's existing 47,000 square foot building. Therefore, no impacts are foreseen from Project development and no mitigation is required.

Mitigation: None required.

Monitoring: None required.

GEOLOGY AND SOILS Would the project				
10. Alquist-Priolo Earthquake Fault Zone or County Fault Hazard Zones	☐	☐	☒	☐
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death?				
b) Be subject to rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	☐	☐	☒	☐

Source: Geotechnical Engineering Study. Consolidated Engineering Laboratories. September 4, 2003 (Appendix A)

Findings of Fact:

a-b) The Project site is roughly 739 feet above sea level and is relatively flat. As indicated in the Geotechnical Engineering Study (Appendix A), soils are consistent of Quaternary-aged, alluvial deposits consisting of unconsolidated stream, river channel and alluvial fan deposits with local eolian sands. No known active faults transect the Project site. The Project site is not located within the Alquist-Priolo Special Studies or County Fault Hazard Zones. The nearest active fault is the Banning segment of the San Andreas Fault system, which is located 1.0 mile north of the Project site. The Project does not involve structural building, but involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, impacts from the proposed Project are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

11. Liquefaction Potential Zone	☐	☐	☒	☐
a) Be subject to seismic-related ground failure,				

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
including liquefaction?				

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A); Riverside County TLMA GIS (Liquefaction Map).

Findings of Fact:

a) In general, for the effects of liquefaction to be manifested at the surface, groundwater levels must be within 50 feet of the ground surface and the soils within the saturated zone must also be susceptible to liquefaction. As indicated in the Geotechnical Engineering Study, six bore holes were drilled to a maximum of 41.5 feet in depth and did not encounter groundwater, which would suggest groundwater levels to below 50 feet in depth. Nonetheless, laboratory and field data gathered in the Geotechnical Engineering Study concluded that the Project site does not have the potential for liquefaction to occur. Therefore, impacts from the proposed Project are considered less than significant.

Mitigation: None required.

Monitoring: None required.

12. Ground-shaking Zone a. Be subject to strong seismic ground shaking?	☐	☐	☒	☐

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Western Coachella Valley is traversed by several active and potentially active fault zones, including the San Andreas Fault, and has experienced several earthquakes of moderate magnitude since records have been kept. The primary seismic hazards, which result, are ground shaking and the potential for ground rupture along the surface trace of the fault. Secondary seismic hazards result from the interaction of ground shaking with existing soil and bedrock conditions, and include liquefaction, settlement, and landslides. The nearest active fault is the San Andreas Fault, which is located 2.46 miles northeast of the project site. At that distance, strong ground shaking can still be expected at the Project site.

Although the Project site is located within a ground-shaking zone, the Project does not involve any additional structural buildings to be constructed other than the installation of three septic tanks and seepage pits.

Furthermore, the Geotechnical Engineering Study (originally prepared in 2003) already addressed geologic issues with mitigation for the development of the Project area's existing buildings and parking lot and included mitigation in addressing the installation of existing septic tanks and seepage pits. Therefore, in compliance with proper Cal OSHA grading methods and with the County of Riverside grading requirements during

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

temporary excavations for the septic tanks, there will be a less than significant impact as a result of the project.

Mitigation: None required.

Monitoring: None required.

13. Landslide Risk	☐	☐	☐	☒
a) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, collapse, or rockfall hazards?				

Source: WCVAP Figures 15, "Steep Slopes" and 16, "Slope Instability"; Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Project site is not affected by landslide or rock falling risks. Topography on the site is generally flat, without boulders or steep slopes. Therefore, there is no impact associated with the Proposed Project.

Mitigation: None required.

Monitoring: None required.

14. Ground Subsidence	☐	☐	☒	☐
a) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in ground subsidence?				

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Geotechnical Engineering Study indicated that the Project site has a moderate susceptibility for settlement due to consolidation and dynamic compaction. However, laboratory and field data gathered at the site does not indicate near surface soils in the upper 15 feet to be susceptible to collapse. Nevertheless, as indicated above (Section 12a), the Project will comply with proper Cal OSHA grading methods and with the County of Riverside grading requirements during temporary excavations for the septic tanks Therefore, Project impacts with regard to ground subsidence will be considered as less than significant.

Mitigation: None required.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Monitoring: None required.				
15. Other Geologic Hazards a) Be subject to geologic hazards, such as seiche, mudflow, or volcanic hazard?	☐	☐	☐	☒

Source: Site visit. Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).

Findings of Fact:

a) The Project is not affected by a geological hazard such as seiche, mudflow or volcanic hazard, since the site is not located near a body of water (seiche), steep topography (with mudflow potential) or volcanic hazards. Therefore, there is no impact to the Project with regard to other geologic hazards.

Mitigation: None required.

Monitoring: None required.

16. Slopes a) Change topography or ground surface relief features?	☐	☐	☐	☒
b) Create cut or fill slopes greater than 2:1 or higher than 10 feet?	☐	☐	☐	☒
c) Result in grading that affects or negates subsurface sewage disposal systems?	☐	☐	☒	☐

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).Staff Review, and Site Visit

Findings of Fact:

a-b) The Project will not change the topography or create cut or fill slopes since the Project site is already developed. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the project.

c) Grading has already been performed for the Project area at the time the existing building was constructed. Existing septic tank and seepage pit facilities for the building were already in place, and would be able to offer additional of septic sewer infrastructure installation if needed. Since the Project area was developed in compliance with mitigation listed in the Geotechnical Engineering Study, the Project site will only need to comply with proper Cal OSHA grading methods and County

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

of Riverside grading requirements during construction . Therefore, Project impacts in negating the operability of subsurface sewer disposal systems will be less than significant.

Mitigation: None Required.

Monitoring: None Required.

17. Soils a) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
b) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☐	☒

Source: Consolidated Engineering Laboratories. September 4, 2003. *Geotechnical Engineering Study* (Appendix A).Staff Review, and Site Visit

Findings of Fact:

a) The Project site is not affected by significant topography, surface features or slopes or expansive soils. The Project site is currently developed in which septic tank and seepage pit installation will occur underneath the existing parking lot (Refer to Exhibit 5). Therefore, there will be no impact.

b) As indicated in Geotechnical Engineering Study, Project site soils are sandy and non-expansive. Therefore, impacts associated with expansive soils will not occur.

Mitigation: None Required.

Monitoring: None Required.

18. Erosion a) Change deposition, siltation, or erosion that may modify the channel of a river or stream or the bed of a lake?	☐	☐	☐	☒
b) Result in any increase in water erosion either on or off site?	☐	☐	☐	☒

Source: Staff Review, and Site Visit

Findings of Fact:

a-b) The Project site is currently developed. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot, which

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

has existing storm drainage installed. Therefore, there will be no impact as a result of the Project.

Mitigation: None Required.

Monitoring: None Required.

19. Wind Erosion and Blows sand from project either on or off site. a) Be impacted by or result in an increase in wind erosion and blowsand, either on or off site?	☐	☐	☒	☐

Source: Site visit.

Findings of Fact:

a) The Project site is currently developed in which septic tank and seepage pit installation will occur underneath an existing parking lot. As shown in Exhibit 5, roughly 11,000 square feet of soil would be temporarily exposed with the removal of asphalt during installation. Exposure of soils will be temporary, with occasional exposure to high winds, which are common to the region. However, since the Project is a temporary operation, and that appropriate dust suppression measures, per Air Quality Management District (AQMD's) Rule 403.1 (i.e. tarp covers) will be applied, impacts with regard to wind erosion will be reduced to less than significant.

Mitigation: None required.

Monitoring: None required.

HAZARDS AND HAZARDOUS MATERIALS Would the project				
20. Hazards and Hazardous Materials a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐
c) Impair implementation of or physically interfere with an adopted emergency response plan or an emergency evacuation plan?	☐	☐	☐	☒
d) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
e) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
environment?				

Source: California State Water Resources Control Board Geo Tracker. 2008. Staff Review, and Site Visit.

Findings of Fact:

a,b) The Project site will not create a significant hazard to the public through the routine transport or from accidental release of hazardous substances. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot for the purpose of sewage containment. Furthermore, the Project site plans will be submitted for review and approval by the California Regional Water Quality Control Board Colorado River Basin Region (CRWQCB) to assure that installation of septic tanks and seepage pits will not contaminate the local groundwater aquifer. Therefore Project impacts are considered to be less than significant.

c) The Project will not impair implementation of, or interfere with an adopted emergency response or evacuation plan The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impacts as a result of the Project.

d) The Project will not emit hazardous emissions or handle acutely hazardous materials within one-quarter mile of an existing or proposed school. The nearest school is the Grace Christian Learning Center, which is located 3.43 miles northwest of the Project site. Therefore, there will be no impacts as a result of the Project.

e) The State Water Resources Control Board GeoTracker Database indicates that no evidence of listed hazardous materials site(s) exist within or near to the Project site. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

21. Airports	☐	☐	☐	☒
a) Result in an inconsistency with an Airport Master Plan?				
b) Require review by the Airport Land Use Commission?	☐	☐	☐	☒
c) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
d) For a project within the vicinity of a private airstrip, or heliport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

Source: RCIP Figure S-19 "Airport Locations"

Findings of Fact:

a-d) The Project site is not within an airport influence area boundary or otherwise affected by airport issues as identified in the Western Coachella Valley Area Plan (WCVAP). The nearest airport is Palm Springs International Airport, which is located 5.13 miles to the southeast. Therefore, there will be no conflicts with an airport land use plan as a result of the Project and no impacts will occur as a result of the Project.

Mitigation: None required.

Monitoring: None required.

21. Hazardous Fire Area a) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒

Source: Site inspection.

Findings of Fact:

a) The Project site will not expose people of structures to a significant risk, loss, or death from wildland fires. The Project site is currently developed and will be located underneath the Project site's existing parking lot. Therefore, there will be no impact.

Mitigation: None required.

Monitoring: None required.

HYDROLOGY AND WATER QUALITY Would the project				
22. Water Quality Impacts a) Substantially alter the existing drainage pattern of the site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	☐	☐	☐	☒
b) Violate any water quality standards or waste discharge requirements?	☐	☐	☒	☐
c) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				
d) Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☒	☐
e) Place housing within a 100-year flood hazard area, as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
f) Place within a 100-year flood hazard area structures, which would impede or redirect flood flows?	☐	☐	☐	☒
g) Otherwise substantially degrade water quality?	☐	☐	☒	☐
h) Include new or retrofitted stormwater Treatment Control Best Management Practices (BMPs) (e.g. water quality treatment basins, constructed treatment wetlands), the operation of which could result in significant environmental effects (e.g. increased vectors and odors)?	☐	☐	☐	☒

Source: Riverside County Land Information System GIS

Findings of Fact:

a) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. The site already contains existing storm drainage infrastructure (i.e, curb and gutter). There are no additional storm drain improvements proposed or required at this time. Therefore, there will be no impact as a result of the Project.

b,g) The Project will adhere to Regional Water Board Order No. 97-500, General Waste Discharge Requirements for "On-site Subsurface Wastewater Disposal Systems for Mobile Home and Recreational Vehicle Parks and Other Similar Facilities." This Project qualifies under "Other similar facilities" and as such will be adequately designed, installed, and maintained such that it meets the requirement of Order NO. 97-500. Additionally, within one year of project approval the County will prepare a groundwater monitoring program for review and approval by the Colorado Regional Water Quality Control Board . With the adequate design of the septic system along with groundwater monitoring and adherence to Order 97-500, impacts to groundwater quality will remain less than significant.

c) The Project site will not deplete groundwater supplies or interfere with groundwater recharge. The proposed Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

d) The Project will not create or contribute to runoff of water in exceeding the capacity of existing or planned stormwater drainage systems. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

e) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. Therefore, there would be no impact as a result of the Project.

f) No improvements are proposed within a 100-year designated flood plane area. The Project site falls within the 500-year designated flood plane area (0.2% flood chance). The Project area is developed and has existing storm drain improvements, all of which located on raised building pads. Therefore, there will be no impact as a result of the Project.

h) The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. No stormwater treatment control BMP's are required. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

24. Floodplains

Degree of Suitability in 100-Year Floodplains. As indicated below, the appropriate Degree of Suitability has been checked.

NA - Not Applicable ☒ U - Generally Unsuitable ☐ R - Restricted ☐

a) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	☐	☐	☐	☒
b) Changes in absorption rates or the rate and amount of surface runoff?	☐	☐	☐	☒
c) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam (Dam Inundation Area)?	☐	☐	☐	☒
d) Changes in the amount of surface water in any	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
water body?				

Source: Staff Review, and Site Visit

Findings of Fact:

a-d) The Project site will not impact any of the above-listed discussion questionnaire with regard to alteration of existing drainage patterns, increase in surface runoff, changes in absorption rates, or expose people to significant risk from flooding . The Project area is developed and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

LAND USE/PLANNING Would the project				
25. Land Use	☐	☐	☐	☒
a) Result in a substantial alteration of the present or planned land use of an area?				
b) Affect land use within a city sphere of influence and/or within adjacent city or county boundaries?	☐	☐	☐	☒

Source: City of Palm Springs General Plan.

Findings of Fact:

a-b) The Project site will not result in a substantial alteration of present or planned land use nor would the Project affect land use within a city sphere of influence. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits and to be located underneath the project site's existing parking lot. The land use for the Project site is pre-existing and would not change as a result of Project implementation. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

26. Planning	☐	☐	☐	☒
a) Be consistent with the site's existing or proposed zoning?				
b) Be compatible with existing surrounding zoning?	☐	☐	☐	☒
c) Be compatible with existing and planned surrounding land uses?	☐	☐	☐	☒
d) Be consistent with the land use designations and	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
policies of the Comprehensive General Plan (including those of any applicable Specific Plan)?				
e) Disrupt or divide the physical arrangement of an established community (including a low-income or minority community)?	☐	☐	☐	☒

Source: City of Palm Springs General Plan.

Findings of Fact:

a-e) The Project site will not interfere, disrupt or create an inconsistency with the Project area and region's existing and planned-for land uses. Although the Project site is located within the City's General Plan land use, the Project site alone (APN 666-411-011) is County-owned land, and therefore not considered as a part of the City and will be required to adhere to all of the County's goals and policies pertaining to the County of Riverside's General Plan and Ordinances. Nevertheless, both the City of Palm Springs and the County of Riverside permit the same type of use proposed for the Project site (septic sewer improvement). Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

MINERAL RESOURCES Would the project				
26. Mineral Resources	☐	☐	☐	☒
a) Result in the loss of availability of a known mineral resource in an area classified or designated by the State that would be of value to the region or the residents of the State?				
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒
c) Be an incompatible land use located adjacent to a State classified or designated area or existing surface mine?	☐	☐	☐	☒
d) Expose people or property to hazards from proposed, existing or abandoned quarries or mines?	☐	☐	☐	☒

Source: Staff Review, and Site Visit

Findings of Fact:

a-d) The Project site will not impact mineral resources. The Project site is developed with existing industrial warehouse buildings and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Thus, there will be no impact as a result of the Project.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Mitigation: None required.

Monitoring: None required.

NOISE Would the project result in				
Definitions for Noise Acceptability Ratings Where indicated below, the appropriate Noise Acceptability Rating(s) has been checked. NA - Not Applicable A - Generally Acceptable B - Conditionally Acceptable C - Generally Unacceptable D - Land Use Discouraged				
28. Airport Noise a) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport would the project expose people residing or working in the project area to excessive noise levels? NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒
b) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: RCIP Figure S-19 “Airport Locations,” County of Riverside Airport Facilities Map

Findings of Fact:

a-b) The Project site is not within an airport influence area boundary or otherwise affected by airport issues as identified in the WCVAP. The nearest airport is Palm Springs International Airport, which is located approximately 5.13 miles to the southeast of the Project site. Therefore, there will be no impacts to an airport land use plan as a result of the Project.

Mitigation: None required.

Monitoring: None required.

29. Railroad Noise NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☒	☐

Source: RCIP Figure C-1 “Circulation Plan”, S-21 “Rail Facilities, Available Water, Oil and Natural Gas Pipelines Inventory Data”, Thomas Guide 2005 Edition, Site Visit

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Project site is located approximately 0.37 mile north of the heavily-traveled Union Pacific Railroad line. However, the area is located between existing industrial developed warehouses and located 0.10 mile north of the Interstate 10 freeway. The Project is expected to generate only sporadic noise from excavation activities and for a temporary period of time. Therefore, impacts with regard to railroad noise will be considered less than significant.

Mitigation: None required.

Monitoring: None required.

30. Highway Noise NA ☐ A ☒ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: Site Visit

Findings of Fact:

a) The Project site is located adjacent to existing industrial developed warehouses approximately 0.10 mile north of the Interstate 10 Freeway. The Project is a temporary construction operation involving the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

31. Other Noise NA ☒ A ☐ B ☐ C ☐ D ☐	☐	☐	☐	☒

Source: City of Palm Springs General Plan; project description and materials; site visit.

Findings of Fact:

a) The Project is not influenced by other unique noise issues as identified in the City of Palm Springs General Plan. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

32. Noise Effects on or by the Project a) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
b) A substantial temporary or periodic increase in	☐	☐	☒	☐

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
ambient noise levels in the project vicinity above levels existing without the project?				
c) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒
d) Exposure of persons to or generation of excessive ground-borne vibration or ground-borne noise levels?	☐	☐	☒	☐

Source: Project materials and project description

Findings of Fact:

a) The Project will not create a substantial permanent increase in ambient noise levels in the Project vicinity. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot Therefore, there will be no impact.

b) Temporary or periodic increases in noise levels would occur during Project installation of septic tanks and seepage pits. However, once construction is completed noise associated with construction equipment would cease. There are no sensitive receptors in the vicinity that would be affected by the construction noise. Therefore, Project impacts with regard to temporary increases in noise levels are considered to be less than significant.

c) The Project will not expose persons to noise levels in excess of standards established in the local general plan or noise ordinance. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact.

d) There are no sensitive receptors within the vicinity of the Project site. During construction temporary ground-borne noise and vibrations could occur during trenching and compaction from installation of septic tanks and seepage pits. Therefore, Project impacts will be considered as less than significant.

Mitigation: None required.

Monitoring: None required.

POPULATION AND HOUSING Would the project				
33. Housing	☐	☐	☐	☒
a) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				
b) Create a demand for additional housing, particularly housing affordable to households earning 80%	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
or less of the County's median income?				
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
d) Affect a County Redevelopment Project Area?	☐	☐	☐	☒
e) Cumulatively exceed official regional or local population projections?	☐	☐	☐	☒
f) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☒	☐

Source: Project description and materials, GIS

Findings of Fact:

a-e) The Project site will not result in the displacement of existing housing, creating a demand for additional housing, displacement of people, affecting a County Redevelopment Project Area, or cumulatively exceeding regional or local populations. The Project is a temporary construction operation, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits. The Project would be located underneath the project area's existing parking lot for the purpose of accommodating homeless patron sheltering. Thus, there are no impacts as a result of the project.

f) The Project would not induce population growth in the area. The Project's potential to accommodate additional sewage discharge is directly related to accommodating additional homeless patrons (total of 120) for temporary sheltering. However, this increase is considered as minimal and temporary for homeless patron occupancy would fluctuate and not exceed a maximum of 120 patrons. Therefore, the Project's impact in inducing substantial population growth is considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

PUBLIC SERVICES Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
27. Fire Services	☐	☐	☒	☐

Source: RCIP Safety Element, Google Maps

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Riverside County Fire Department serves the Project area. The nearest facility is Station No. 36, which is located 5.13 miles north of the Project at 11535 Karen Avenue in Desert Hot Springs. The Project's proposed installation of septic tank upgrades and seepage pits are not anticipated to significantly impact the level of service for fire protection. Therefore, Project impacts to fire services are considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

28. Sheriff Services	☐	☐	☒	☐

Source: RCIP, Google Maps.

Findings of Fact:

a) Police protection services for the Project area are provided by the City of Palm Springs Police Department, Police Headquarters located at 200 South Civic Drive in Palm Springs (6.33 miles southeast of Project site). The proposed Project is currently developed and involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, the Project's impact to Sheriff Services is considered to be less than significant.

Mitigation: None required.

Monitoring: None required.

29. Schools	☐	☐	☐	☒

Source: City of Palm Springs General Plan; Palm Springs Unified School District.

Findings of Fact:

a) The proposed Project will not affect school services. The Project site is currently developed in which septic tank and seepage pit installation would occur underneath the existing asphalt parking lot. Therefore, there will be no impact with regard to School Services.

Mitigation: None required.

Monitoring: None required.

30. Libraries	☐	☐	☐	☒

Source: RCIP, Google Maps.

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a) The Proposed Project will not impact library services. The Project site is currently developed in which septic tank and seepage pit modification improvements will occur underneath the existing asphalt, parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

31. Health Services	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a) The proposed Project will not impact health services. The Project site is currently developed in which septic tank and seepage pit modification improvements would occur underneath the existing parking lot. Therefore, there will be no impact as a result of the Project.

Mitigation: None required.

Monitoring: None required.

RECREATION				
32. Parks and Recreation	☐	☐	☐	☒
a) Would the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	☐	☐	☐	☒
b) Would the project include the use of existing neighborhood or regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
c) Is the project located within a C.S.A. or recreation and park district with a Community Parks and Recreation Plan (Quimby fees)?	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

a-c) The proposed Project will not have an impact from park creation, park deterioration, or location within a C.S.A. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact with regard to existing parks and recreation facilities.

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Mitigation: None required.

Monitoring: None required.

33. Recreational Trails	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

a) The proposed Project will not have an impact on recreational trails. The Project site is currently developed, which involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing asphalt parking lot. Therefore, there will be no impact.

Mitigation: None required.

Monitoring: None required.

TRANSPORTATION/TRAFFIC Would the project				
34. Circulation a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?	☐	☐	☒	☒
b) Result in inadequate parking capacity?	☐	☐	☐	☒
c) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated road or highways?	☐	☐	☐	☒
d) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒
e) Alter waterborne, rail or air traffic?	☐	☐	☐	☒
f) Substantially increase hazards to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?	☐	☐	☐	☒
g) Cause an effect upon, or a need for new or altered maintenance of roads?	☐	☐	☐	☒
h) Cause an effect upon circulation during the project's construction?	☐	☐	☐	☒
i) Result in inadequate emergency access or access to nearby uses?	☐	☐	☐	☒
j) Conflict with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?	☐	☐	☐	☒

Source: RCIP

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact:

a-j) The Project site will not result in impacts to traffic. The Project site involves the temporary construction replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing asphalt parking lot. There are no proposed changes to the Project area's existing circulation pattern. The Project site's excavation area is small in relation to the size of the existing parking lot (See Exhibit 4) and that parking will temporarily be relocated to alternate locations of the parking lot during project construction. Therefore, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

35. Bike Trails	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a) Not applicable. The Project site will not have an impact on bike trails. The Project site involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. There are no proposed improvements outside of the site that would impact bike trails. Thus, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

UTILITY AND SERVICE SYSTEMS Would the project				
36. Water a) Require or result in the construction of new water treatment facilities or expansion of existing facilities, the construction of which would cause significant environmental effects?	☐	☐	☐	☒
b) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☒

Source: Project description and materials

Findings of Fact:

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

a-b) The proposed Project will not require the construction of new water treatment facilities nor would have an impact on sufficient water supplies to serve the Project. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, there will be no impact as a result of the project.

Mitigation: None required.

Monitoring: None required.

37. Sewer	☐	☐	☒	☐
a) Require or result in the construction of new wastewater treatment facilities, including septic systems, or expansion of existing facilities, the construction of which would cause significant environmental effects?	☐	☐	☒	☐
b) Result in a determination by the wastewater treatment provider that serves or may service the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☒	☐

Source: Project description and materials

Findings of Fact:

a-b) The proposed Project does not require the construction of a new wastewater treatment facility. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Furthermore, the Project applicant, and their wastewater treatment provider feel that the proposed three (3) 5,000 gallon septic tanks and seepage pits would accommodate the projected 15,000 gallons of sewage to be discharged per day from Roy's Desert Resource Center. Therefore, Project impacts are considered to be less than significant as a result of the Project.

Mitigation: None required.

Monitoring: None required.

38. Solid Waste	☐	☐	☒	☐
a) Is the project served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☒	☐
b) Comply with federal, state, and local statutes and regulations related to solid wastes (including the CIWMP (County Integrated Waste Management Plan)?	☐	☐	☒	☐

Source: RCIP,

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact:

a-b) The Project area is currently served by Palm Springs Disposal Service which provides waste disposal services for the Project area. The Project site alone will not require these services as it involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, Project construction will only create minimal quantities of solid waste from construction that will comply with federal, state and local regulations concerning solid waste. Impacts will be considered as less than significant.

Mitigation: None required.

Monitoring: None required.

39. Utilities a) Would the project impact the following facilities requiring or resulting in the construction of new facilities or the expansion of existing facilities; the construction of which could cause significant environmental effects?				
a) Electricity?	☐	☐	☐	☒
b) Natural gas?	☐	☐	☐	☒
c) Communications systems?	☐	☐	☐	☒
d) Storm water drainage?	☐	☐	☐	☒
e) Street lighting?	☐	☐	☐	☒
f) Maintenance of public facilities, including roads?	☐	☐	☐	☒
g) Other governmental services?	☐	☐	☐	☒
h) Conflict with adopted energy conservation plans?	☐	☐	☐	☒

Source: RCIP

Findings of Fact:

a-h) The Project site will not have an impact on utilities. The Project site involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Once constructed, the Project is not reliant on existing utilities. Therefore, there will be no impacts as a result of the Project.

Mitigation: None required.

Monitoring: None required.

OTHER				
40. Other:	☐	☐	☐	☒

Source: Staff review

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

Findings of Fact: No other issues of concern to report. No impacts will occur.

Mitigation: None required.

Monitoring: None required.

OTHER				
41. Other:	☐	☐	☐	☒

Source: Staff review

Findings of Fact: No other issues of concern to report. No impacts will occur.

Mitigation: None required.

Monitoring: None required.

OTHER				
42. Other:	☐	☐	☐	☒

Source: Staff review

Findings of Fact: No other issues of concern to report. No impacts will occur

Mitigation: None required.

Monitoring: None required.

MANDATORY FINDINGS OF SIGNIFICANCE				
43. Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare, or endangered plant or animal to eliminate important examples of the major periods of California history or prehistory?	☐	☐	☒	☐

Source: Staff review, Application materials

Findings of Fact:

a) Implementation of the proposed Project will not degrade the quality of the environment, substantially reduce the habitat of fish or wildlife species, cause fish or wildlife populations to

		Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

drop below self sustaining levels, threaten to eliminate a plant or animal community, or reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, impacts will be less than significant.

44.	Does the project have the potential to achieve short-term environmental goals, to the disadvantage of long-term environmental goals? (A short-term impact on the environment is one that occurs in a relatively brief, definitive period of time while long-term impacts will endure well into the future.)	☐	☐	☒	☐

Source: Staff review, Project description.

Findings of Fact:

a) The Proposed Project does not have the potential to achieve short-term environmental goals, to the disadvantage of long-term environmental goals. The Project involves the modification improvement of septic sewer infrastructure to the benefit of the Project area's long-term environmental goals with regard to wastewater management. Therefore, Project impacts with regard to long-term environmental goals will be considered less than significant.

45.	Does the project have impacts, which are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects as defined in California Code of Regulations, Section 15130)?	☐	☐	☐	☒

Source: Staff review, Project description.

Findings of Fact:

a) The Project does not have impacts, which are individually limited, but cumulatively considerable. There are no biological or cultural resources identified on the Project site that will be cumulatively impacted as the Project site is already developed. Furthermore, there will be no impacts with regard to water supply due to the nature (temporary construction) and location (developed land) of the Project site Therefore, there will be no impact.

46.	Does the project have environmental effects that will cause substantial adverse effects on human beings,	☐	☐	☐	☒

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
either directly or indirectly?				

Source: Staff review, project application

Findings of Fact:

a) The proposed Project will not result in environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly because the project is the expansion of an existing facility. The Project involves the replacement of an existing 1,500 gallon septic tank with the installation of three (3) 5,000 gallon septic tanks and additional seepage pits to be located underneath the project site's existing parking lot. Therefore, no impacts will occur from Project implementation.

VI. EARLIER ANALYSES

Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration as per California Code of Regulations, Section 15063 (c) (3) (D). In this case, a brief discussion should identify the following:

Earlier Analyses Used, if any: No earlier analyses were used in this document.

RCIP: Riverside County Integrated Project.

Location Where Earlier Analyses, if used, are available for review:

Location: City of Palm Springs Planning Department
3200 E Tahquitz Canyon Way
Palm Springs, CA 92262-6959

County of Riverside Planning Department
4080 Lemon Street, 9th Floor
Riverside, CA 92505

	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact

47. REFERENCES

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Appendix A:
Geotechnical Engineering Study

Appendix B:
Cultural Resource Review and
Initial Study Recommendations Letter

Geotechnical Engineering Study
Industrial Parcel
Between Southwest Corner of McLane/Rupert Street and 20th Avenue
North Palm Springs, California

Prepared for:
Buntain Construction
4531 Harlin Drive
Sacramento, California 95826

Prepared by:
CONSOLIDATED ENGINEERING LABORATORIES
7060 Koll Center Parkway, Suite 300
Pleasanton, California 94566
CEL Project No. G1357

CONSOLIDATED ENGINEERING
L A B O R A T O R I E S

September 4, 2003

Buntain Construction, Inc
4531 Harlin Drive
Sacramento, California 95826

Attention: Mr. Jarrod Short

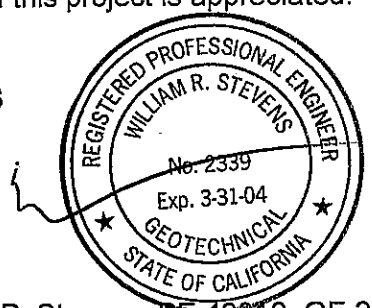
Subject: **Geotechnical Engineering Study**
Industrial Parcel
Between Southwest Corner of McLane/Rupert Street and 20th Avenue
North Palm Springs, California
CEL Project No. G1357

Dear Mr. Short:

In accordance with your authorization, Consolidated Engineering Laboratories (CEL) has completed a geotechnical engineering study for a proposed industrial parcel to contain warehouses between the southwest corner of McLane/Rupert Street and 20th Avenue, in North Palm Springs, California. Transmitted herewith are the results of our findings, conclusions, and recommendations for foundations, interior and exterior concrete slabs, pavement section design, site grading and drainage, temporary cut slope excavation and trench slope stability, drilled piers for light standards, retaining walls design for truck docks, utility trench backfilling, and guideline specifications for grading operations. In general, the proposed development at the site is considered to be geotechnically feasible provided the recommendations of this report are implemented in the design and construction of the project.

Should you or members of the design team have questions or need additional information, please contact the undersigned at (925) 485-5000. The opportunity to be of service to Buntain Construction, Inc., and to be involved in the design of this project is appreciated.

Sincerely,
CONSOLIDATED ENGINEERING LABORATORIES



Marc Hachey
Staff Geologist

William R. Stevens, PE 43010, GE 2339
Principal Geotechnical Engineer

Copies: 6 to Addressee (916/255-5000, Fax 916/255-5020)
2 to CEL Sacramento

MAH/WRS;pmf
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CONSOLIDATED ENGINEERING
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CONSOLIDATED ENGINEERING
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CONSOLIDATED ENGINEERING
LABORATORIES

GEOTECHNICAL ENGINEERING STUDY

Project: **Industrial Parcel**
North Palm Springs, California

Client: **Buntain Construction, Inc**
Sacramento, California

1.0 INTRODUCTION

1.1 Purpose and Scope

The purposes of this study were to evaluate the subsurface conditions at the site and prepare geotechnical recommendations for the proposed development. This study provides recommendations for the design and construction of proposed foundations, interior and exterior concrete slabs, pavement sections, site drainage, temporary cut slope and trench slope stability, retaining wall design for truck docks, utility trench backfill, drilled piers, and grading. This study was performed in accordance with the scope of work outlined in our proposal dated July 29, 2003.

The scope of this study included the review of pertinent published and unpublished documents related to the site, the drilling of several subsurface borings, laboratory testing of selected samples retrieved from the borings, engineering analysis of the accumulated data, and preparation of this report. The conclusions and recommendations presented in this report are based on the data acquired and analyzed during this study, and on prudent engineering judgment and experience. This study did not include an assessment of potentially toxic or hazardous materials that may be present on or beneath the site or a comprehensive evaluation of the corrosion potential of the site soils.

1.2 Site Description

The subject site is located at the southwest corner of McLane Street and extends west and southward to 20th Avenue in North Palm Springs, California as shown on Figure 1, Site Vicinity. Some maps indicate McLane Street to be Rupert Street; we do not know which one is correct. The site is approximately 31,000 square feet in size and rectangular in shape. The site is covered in gravelly sand with scattered surface boulders and cobbles, and is relatively flat with some local

relief. There are scattered piles of cobbles and boulders throughout the site, with the east half of the site exhibiting more surficial rock than the west. The western perimeter of the site is bounded by a rock retaining wall consisting of boulder sized rock, which separates the site and the open field to the west. The area to the west of the site is approximately 6 to 7 feet lower in elevation than the subject site. It appears the wall was placed to stabilize fill soil used to grade the entire industrial park to its existing grade. The site is bounded on the north by an empty lot, on the east by McLane Street, on the west by open field, and on the south by 20th Avenue. The site is situated at approximately 33.91° north latitude and 116.55° west longitude at approximately 740 feet above mean sea level.

1.3 Proposed Development

The proposed development includes two, one-story warehouse buildings, each approximately 55,000 sf in size. Both buildings may be up to 35-feet tall and are anticipated to have shallow foundations and concrete floor slabs. Grading is expected to be minor for drainage purposes and to mitigate possible collapsible surficial soils. Other improvements include asphalt paved parking and driveways, landscape areas, truck loading docks, concrete hardscapes and pavement, underground utilities, and light poles.

1.4 Validity of Report

This report is valid for two years after publication. If construction begins after this time period, CEL should be contacted to confirm that the site conditions have not changed significantly. If the proposed development differs considerably from that described above, CEL should be notified to determine if additional recommendations are required. Additionally, if CEL is not involved during the geotechnical aspects of construction, this report may become wholly or in part invalid; CEL's geotechnical personnel verifies that the subsurface conditions anticipated preparing this report are similar to the subsurface conditions revealed during construction. CEL's involvement should include site grading and foundation plan review; monitoring site clearing, mass grading and building pad construction; foundation excavation and pier drilling observations; testing retaining wall and utility trench backfill, and subgrade preparation and baserock placement in paved areas.

2.0 PROCEDURES AND RESULTS

2.1 Literature Review

Pertinent geologic and geotechnical literature pertaining to the site area was reviewed. These included various USGS, DMG and other agency publications and maps.

2.2 Drilling and Sampling

A subsurface exploration program was undertaken to evaluate the soil conditions at the site. A total of six borings were drilled at the site on August 12, 2003. The borings were drilled using a truck-mounted drill rig equipped with 8-inch diameter, hollow-stem augers. Seven test pits were excavated with a backhoe on August 18, 2003 to categorize near surface soils more closely.

The materials encountered in the borings and test pits were visually classified according to the Unified Soil Classification System by a CEL representative as the borings and test pits were advanced. Relatively undisturbed soil samples were recovered at selected intervals using a 3-inch outside diameter Modified California split spoon sampler containing 6-inch long brass liners, and a 2-inch outside diameter Standard Penetration Test (SPT) sampler. The samplers were driven by means of a 140-pound downhole safety hammer with an approximate 30-inch fall. Resistance to penetration was recorded as the number of hammer blows required to drive the sampler the final foot of a 12 or 18-inch drive. Bulk samples were obtained in the upper few feet of the borings from the auger cuttings.

The boring and test pits logs with descriptions of the various materials encountered in each boring and test pit, the penetration resistance values, and some of the laboratory test results are presented in Appendix A. The approximate locations of the borings and test pits are shown on the Site Plan, Figure 2.

2.3 Laboratory Testing

Laboratory tests were performed on selected samples to determine some of the physical and engineering properties of the subsurface soils. The results of the laboratory testing are presented on the boring logs, and are included in Appendix B. The following soil tests were performed for this study:

Dry Density and Moisture Content (ASTM D2216 and ASTM D2937) – In-situ density and moisture tests were conducted to determine the in-place dry density and moisture content of the subsurface materials. These properties provide information for evaluating the physical characteristics of the subsurface soils.

Particle Size Analysis (Wet and Dry Sieve) and Hydrometer (ASTM D422, D1140, and CT202) - Sieve analysis testing is conducted on selected samples to determine the soil particle size distribution. This information is useful for the evaluation of liquefaction potential and characterizing the soil type according to USCS.

Collapse Potential Test (ASTM D5333) – A single point consolidation test that provides information on hydroconsolidation potential of a soil after introducing additional stress and then saturating the soil.

R-Value (ASTM D2844) - R-Value testing was performed in accordance with Caltrans Test Method 301 to develop design parameters for asphalt concrete pavement recommendations.

Water Soluble Sulfate (ASTM D4327 and CT417) - Water soluble sulfate tests are utilized to determine the type of concrete required for underground construction and is required by the UBC, CBC, and IBC.

3.0 FINDINGS

3.1 Geologic Setting

According to published geologic maps for the area, the subject site is underlain by Quaternary aged, alluvial deposits consisting of unconsolidated stream, river channel and alluvial fan deposits, with local eolian sand.

3.2 Subsurface Soil Conditions.

The earth materials encountered in CEL's exploratory borings and test pits can be described as approximately six to seven feet of light, moderate and grayish-brown, dry to slightly moist, medium dense to dense, poorly to well-graded sand (SP/SW) with silt, gravel, cobbles and some boulders. The gravel, cobbles, and boulders were observed to be subangular to subrounded. The upper six to seven feet of soil is considered fill material, but no discernible contact between fill and native soils was observed in the borings or test pits. Fill thickness was interpreted from the elevation change along the western perimeter of the site. Cobbles and boulders were encountered throughout the site, mainly in the upper five feet. Some areas exhibited more cobbles and boulders. The sandy soils encountered to the maximum depth explored consisted of poorly to well graded, dry to slightly moist, medium to very dense sand (SP/SW) with silt and some fine gravel. Details of site soils encountered in the CEL borings and test pits are contained in Appendix A.

The entire soil profile is non-expansive and a bulk sample collected from the upper three feet had an R-Value of 77. Sieve analysis tests were performed on a bulk samples collected from Boring 7 and 11, at eight feet and seven feet respectively. The sample from Test Pit 1 had 93% of sand, 5% gravel and 2% of silt. The sample from Test Pit 5 had 87% of sand, 9% gravel and 4% of silt. Sieve analyses of the cobble and boulder content was not included in the samples tested. Cobbles are defined as rock between 3 to 12 inches in diameter, and boulders are over 12 inches in diameter according to the Unified Soil Classification System. In-situ densities and moistures ranged from 107.1 psf to 130.6 psf and 0.9% to 5.5%.

Single point consolidation tests were performed on 8 samples collected from in-situ samples at depth ranging from 3 to 15 feet. The samples were loaded to 4,000 psf, and then water was added.

The initial loading determines the consolidation (compressibility) of the soil, and adding the water determines the collapse potential of the soil. The soils were not found to be collapsible since the samples consolidated less than about 1 percent when water was added. The total consolidation of the soil was found to be less than about 3.5 percent under a 4,000 psf load. One sample consolidated nearly 6 percent, and 2 samples about 2 percent.

3.3 Groundwater

Groundwater was not encountered in the borings or test pits to the maximum depth explored of 41.5 feet. Examination of Department of Water Resources well data indicates that the groundwater is approximately 230 to 330 feet deep in nearby wells from the Palm Springs and Desert Hot Springs area (DWR, 2002). Groundwater levels can vary in response to time of year, variations in seasonal rainfall, well pumping, irrigation, and alterations to site drainage. Determining the detailed groundwater characteristics of the site was not included in our scope of work.

3.4 Water-Soluble Sulfate

Water-soluble sulfate can affect the concrete mix design for concrete in contact with the ground, such as shallow foundations, piles, piers, and concrete slabs. The UBC, CBC, and IBC provides the following evaluation criteria:

Sulfate Exposure	Sulfate Percent by Weight or (mg/kg)	Cement Type	Max. Water Cementitious Ratio by Weight	Min. Unconfined Compressive Strength, psi
Negligible	0.00-0.10 (0-1,000)	NA	NA	NA
Moderate	0.10-0.20 (1,000-2,000)	II, IP (MS), IS (MS)	0.50	4,000
Severe	0.20-2.00 (2,000-20,000)	V	0.45	4,500
Very Severe	Over 2.00 (20,000)	V plus pozzolan	0.45	4,500

For the bulk sample collected from the borings and test pits, the results reported a 54 mg/kg concentration. Hence, the water-soluble sulfate content in the site soil has a negligible impact on buried concrete at the site. However, it should be pointed out that the water-soluble sulfate concentrations can vary due to the addition of fertilizer, irrigation, and other possible development activities. An appropriate expert should be contacted if a detailed evaluation is required.

3.5 Expansive Soil

The onsite soil is sandy and non-expansive.

3.6 Liquefaction Induced Phenomena

Soil liquefaction is a phenomenon in which loose, saturated, cohesionless soil experiences a temporary loss of strength during strong cyclic loading such as that produced by earthquakes. Typically, liquefaction potential increases with increased duration and magnitude of cyclic loading. Soil most susceptible to liquefaction is loose, clean, saturated, uniformly graded, fine-grained sand. On the basis the field and laboratory data, it is our opinion that there is not a potential for liquefaction to occur at the site.

3.7 Flooding

According to the ESRI (Environmental Systems Research Institute) and FEMA (Federal Emergency Management Agency) website, the subject site is situated in a zone prone to estimated 500-year flood potential. An assessment of flooding potential was not in our scope of work for this project, and a flood risk specialist should be contacted for a more detailed interpretation.

3.8 Settlement Due to Consolidation, Dynamic Compaction, and Collapse

Settlement of soil can be caused by consolidation, dynamic compaction, and collapsible soil. Consolidation is the densification of soil into a more dense arrangement from additional loading, such as fill or foundations. Consolidation of clayey soils is usually a long-term process, whereas sandy soils consolidate relatively rapidly with an introduction to a load. Dynamic compaction is the densification of predominantly sandy soil caused by vibration, such as an earthquake or vibrating machinery. Collapsible soils are fine sandy and silty soils that have been laid down by the action of flowing water, usually in alluvial fan deposits. The soil particles are usually bound together with a mineral precipitate. The loose structure is maintained in the soil until a load is imposed on the soil and water is introduced. The water breaks down the inter-particle bonds and the newly imposed loading densifies the soil. It is our opinion that the soil matrix within the fill and the upper few feet of the native soils have a moderate susceptibility for settlement due to consolidation and dynamic compaction. The laboratory data does not indicate the near surface soil in the upper 15 feet to be susceptible to collapse.

3.9 Seismicity and Faulting

The site is located in an area of high seismic activity associated with the San Andreas Fault Zone and would be influenced by major earthquakes along nearby active faults. The active, Type A San

Andreas Fault is located approximately 1 miles (1.6 km) north of the site. In 1986, this segment of the San Andreas was observed to experience visible fault creep slippage. The Type B Gorgonio Pass Fault Zone is located approximately 3.5 miles (5.8 km) to the west of the site. The site is located approximately 12 miles (19.5 km) south of the Type B Pinto Mountain Fault. The Type B Morongo Valley Fault is located approximately 10.2 miles (16.5 km) north of the site. The site is located in an area which has been subject to five earthquakes larger than 6.0 since 1932.

3.10 Surface Fault Rupture

According to DMG Special Publication 42 (Hart, 1994), the site does not lie within an Earthquake Fault Zone, as defined by the Alquist-Priolo Act of 1972. According to published mapping by DMG, no known fault traces cross the site, and no evidence of surface ground rupture was noted during our site reconnaissance. Therefore, it is our opinion that the likelihood of surface fault rupture at the site is low.

3.11 Other Geologic Hazards

The site is not considered subject to other potential geologic hazards, including landslides, soil erosion, volcanism, mass wasting, loss of mineral resources, or loss of unique geologic features. This is due to the sites topography, geology, and land use. Subsidence due to groundwater withdrawal is possible, but should not impact the site detrimentally since this phenomena is more regional than local.

4.0 CONCLUSIONS AND RECOMMENDATIONS

The following conclusions and recommendations are based upon the analysis of the information gathered during the course of this study and our understanding of the proposed improvements.

4.1 General

The site is considered geotechnically suitable for the proposed development provided the recommendations of this report are incorporated into the design and implemented during construction. The predominant geotechnical and geological issues that will need to be addressed are:

Seismic Considerations – The site is located within a seismically active region. The building design should consider the effects of seismic activity.

Differential Settlement – The site is underlain by undocumented fill and native soil that appears to consist of a dense sandy and gravelly soil matrix with cobbles and boulders. However, differential settlement will have to be addressed since portions of a footing may be on a sandier matrix and portions on a more rocky condition. We recommend that the foundations be designed for a lower bearing pressure rather than excessive overexcavation and replacement grading in the building pads.

Excavation of Footings and Utilities due to Cobbles and Boulders – The subsurface soil contains cobbles (3 to 12 inch size) and boulders (over 1-foot size), and excavating foundations and underground utilities may produce either oversized excavations or unstable excavation walls. We are suggesting, but not requiring, that the building pad be overexcavated, the large rocks removed, and the soil replaced as engineered fill. If this is performed, an added benefit would be higher allowable bearing capacities for the shallow foundations.

4.2 UBC Seismic Design Parameters

According to the 1997 UBC, the site is located within Seismic Zone 4. Site soils are of soil profile type S_D. Near-source acceleration and velocity factors are determined by the UBC based upon the

site's soil profile and proximity to Type A and Type B faults. Based on the site soil profile and the 1.6 km distance from the site to the Type A San Andreas fault, the Near-Source Acceleration Factor, *Na* for site is 1.5, and the Near-Source Velocity Factor, *Nv* is 2.0.

4.3 Site Grading

Site grading should be performed in accordance with these recommendations and the Grading and Earthwork Specifications in the appendices. A pre-construction conference should be held at the jobsite with representatives from the owner, general contractor, grading contractor, and CEL prior to starting the stripping and demolition operations at the site.

4.3.1 Site Preparation and Demolition

The site should be cleared of vegetation, large surface rocks greater than six inches in diameter, debris, and other deleterious materials. Existing underground utilities to be abandoned at the site should be properly grouted, closed or removed as needed. If the utilities are removed, the excavations should be backfilled with properly compacted fill or other material approved by the Geotechnical Engineer.

4.3.2 Building Pad Grading

The areas of proposed buildings should be thoroughly saturated for at least four to six hours and compacted to at least 92 percent relative compaction in accordance with ASTM D1557 with a large, smooth drum vibratory loader. Large boulders and cobbles greater than 6 inches at the ground surface should be excavated and removed from the soil. Engineered fill can then be placed in no greater than one-foot thick lifts, moisture conditioned to at least 2 to 3 percent over optimum moisture and compacted to at least 92 percent relative compaction.

OPTION: If higher allowable bearing capacities and the easier utility and footing excavations are desired, the building pad should be overexcavated at least 4 feet, and the soil replaced as engineered fill. The soil should be compacted to at least 92 percent relative compaction. Scarifying the bottom of the overexcavation is not required. However, an option would be to overexcavate 3.5 feet and scarify 6 inches. The overexcavation should extend at least 5-feet beyond the building perimeter. Rocks larger than about 4 inches in largest dimension should be removed prior to utilizing the material as engineered fill. Lifts should be less than 8-inches thick.

4.3.3 General Grading

Site grading is anticipated to consist of approximately up to 2 feet of cut and fill for drainage purposes and to level the site. Onsite soil generated from cut areas following clearing and grubbing

that is free of excess organic material (3 percent or less by weight) or debris may be suitable for use as structural fill at the site.

Pavement and concrete hardscape areas should be completely saturated by means of water truck for at least four to six hours and compacted. Areas supporting vehicles should be compacted to at least 95 percent relative compaction in accordance with ASTM D1557 with a large, smooth drum vibratory loader. Pedestrian areas can be compacted to at least 92 percent relative compaction. Boulders and cobbles greater than 6 inches encountered during scarification should be excavated and removed from the soil. Engineered fill can then be placed in no greater than one-foot thick lifts, moisture conditioned to over optimum moisture content and compacted.

If used, imported fill materials should be non-expansive, having a Plasticity Index of 12 or less, an R-Value greater than 30, and fines so the soil can bind together. Imported materials should be free of organic materials and debris, and should not contain rocks or lumps greater than 3 inches in maximum size. Import fill materials should be approved by the geotechnical engineer prior to use on site.

Final grading should be designed to provide positive drainage away from structures. Soil areas within 10 feet of proposed structures should slope at a minimum of 2 percent away from the buildings. Roof leaders and downspouts should discharge onto paved surfaces sloping away from the structure or into a closed pipe system which outfalls to the street gutter pan or directly to the storm drain system.

If grading occurs in the winter rainy season, unstable subgrade conditions may be present. These conditions may require stabilizing the subgrade with admixtures, such as cement kiln dust, cement, or lime. Additional recommendations can be provided, if required, during construction.

4.4 Utility Trench Construction

Utility trenches may be backfilled with native soil above the utility bedding and shading materials. If rocks larger than 4 inches in maximum size are encountered, they should be removed from the fill material prior to placement in the utility trenches. Backfill in the upper 5 feet of utility trenches should be compacted to at least 92 percent relative compaction. Trench backfill deeper than 5 feet should be compacted to at least 95 percent relative compaction. Utility bedding and shading compaction requirements should be in conformance with the requirements of the local agencies having jurisdiction. Jetting of trench backfill is not recommended.

Pea gravel, rod mill, or other similar self-compacting material can be utilized for trench backfill in the building pad. However, the self-compacting material should be compacted with a whacker and placed in minimum 2-foot lifts. The upper foot of backfill in the building pad subgrade should consist of Class 2 baserock. Self-compacting backfill material should not be used in exterior underground trenches due to the potential for water seeping into the trench backfill. Fines may migrate into the voids in the pea gravel or rod mill, which could cause settlement of the ground surface above the trench.

Utility trenches should be sealed with concrete, clayey soil, sand-cement slurry, or controlled density fill (CDF) where the utility enters the building under the perimeter foundation. This would reduce the potential for migration of water beneath the building through the shading material in the utility trench.

4.5 Temporary Excavations

The contractor should utilize proper Cal OSHA methods during construction. Excavations in soil more than 5 feet deep for utility trenches should have side slopes constructed at 1.5H:1V (horizontal to vertical). The grading contractor, based upon the materials encountered during the excavation, should make selection of temporary side slopes. Maximum slope ratios provided above are assumed to be uniform from top to toe of the slope. Adequate provisions should be made to prevent water from ponding on top of the slope and from flowing over the slope face. Surcharge loads should not be permitted within 10 feet of the top of the slope. Desiccation or excessive moisture in the excavation could reduce stability and require shoring or laying backside slopes.

4.6 Building Foundations

The proposed structures can be supported on spread footings. Shallow strip perimeter footings should be founded a minimum of 18 inches below lowest adjacent finish grade. Interior footings can be founded 12 inches below building pad subgrade. The allowable bearing capacity for the proposed foundations is 2,200 pounds per square foot (psf) for dead plus live loads. The allowable bearing capacity may be increased by 1/3 for temporary seismic or wind loading. The allowable bearing capacity can be increased to 3,500 psf if the building pad is overexcavated and replaced as engineered fill (see option in building pad grading section).

For resistance to lateral loads, a coefficient of friction of 0.35 between the base of the foundation elements and underlying material is recommended. In addition, an allowable passive resistance equal to an equivalent fluid weighing 350 pounds per cubic foot (pcf) acting against the foundation may be used to resist lateral forces. The top foot of passive resistance at foundations should be neglected unless the ground surface around the footing is covered by concrete or pavement. If both friction and passive resistance is utilized, a 50 percent reduction is recommended for either of them.

Footing excavations should have firm bottoms and be free from excessive slough prior to concrete or reinforcing steel placement. Where utility trenches are to be located adjacent to foundations, the bottom of the footing should be located below an imaginary 1:1 (horizontal to vertical) plane projected upward from the nearest bottom edge of the utility trench.

The foundation excavations should be observed by a representative of Consolidated Engineering Laboratories prior to placement of reinforcing steel or concrete to evaluate the exposed soil conditions.

Total static and dynamic settlement of the building is anticipated to be about 1-inch. Differential static settlement between isolated columns and perimeter footings is anticipated to be about 3/4-inch. Most of the settlement should occur during construction.

4.7 Drilled Piers

Drilled piers may be used to support awnings for covered walkways, light poles or similar structures. Pier drilling and construction specifications are provided in the appendices. The allowable skin friction for these piers resisting vertical downward loads can be considered to be 450 psf. End

bearing should be neglected. Piers resisting vertical upward (tension) should be designed using an allowable skin friction of 3000 psf. A passive pressure of 350 psf is allowed for lateral resistance. The upper foot of skin friction and passive resistance should be neglected unless the surrounding area is covered by concrete. The piers should be spaced a minimum of 3 diameters apart. Pier spacings less than 3 diameters will require a reduction in allowable skin friction. Passive resistance for less than 6 pier diameters will need to be reduced. For piers spaced at 3 diameters, the passive resistance should be reduced by half. Full passive resistance is allowed for piers spaced on 6 diameter spacings. The amount of reduction for passive resistance between 3 pier diameters to 6 diameters can be considered to be linear. Passive resistance for less than 3 pier diameter spacings should be determined during the plan review process.

The bottom of the piers should be properly cleaned out after drilling. A CEL representative should observe the drilling of the piers to confirm final depths and proper cleaning of the bottom of the piers. Soil should be prevented from falling into the pier hole after drilling. This can be accomplished by removing excess soil cuttings from the top of the pier hole and covering the hole. The pier hole cover should also prevent persons or objects from falling into the hole. Additionally, piers drilled during the day should have the reinforcing cages installed in the hole and filled with concrete before the end of the day.

Because of the presence of near surface cobbles and boulders encountered in our exploratory borings and test pits, the drilling of piers may be difficult in the top five to six feet of soil. The pier contractor should be made aware of the presence of cobbles boulders so the necessary equipment can be utilized. Boulders and cobbles will need to be removed if encountered during pier drilling operations, and the location of piers may need to have some flexibility to account for this condition.

4.8 Concrete Slabs on Grade

Non-structural concrete slab-on-grade floors should be a minimum of 4 inches in thickness. Reinforcing requirements should be determined by the structural engineer. The concrete floor slab can be constructed on 4 inches of Class 2 aggregate baserock compacted to a minimum 95 percent relative compaction. If the floor slab will have high rack loading or fork lift traffic, the slabs should be at least 5-inches thick and underlain by at least 6 inches of Class 2 baserock. If the floor will have moisture sensitive floor coverings, the baserock should be replaced with a vapor barrier over a minimum of 2-inches of angular, clean sand. The civil engineer should determine if a thin sand layer

is required on top of the vapor barrier. If construction occurs in the winter months, the vapor barrier may prevent the vertical percolation of rainwater. Exterior concrete flat work can be placed on the existing site soil. The subgrade beneath the flatwork should be compacted to at least 92 percent

relative compaction as discussed in the grading section of the report. Where flatwork is contiguous to the building at doorways and entrances, the flatwork should be doweled into the building foundation to reduce potential tripping hazards.

4.9 Retaining Wall Design

Proposed retaining walls can be supported on spread footings as discussed above. The anticipated retaining wall pressures for the on-site soil conditions are provided in Figure 3. The active and at rest pressures for soils shown on Figure 3 assume the backfill behind the retaining wall is a gravel blanket or wall drain with native soil or gravel.

Drainage should be provided behind the retaining walls. The drainage system should consist of a minimum of 4-inch diameter perforated pipe placed at the base of the retaining wall and surrounded by 3/4-inch drain rock wrapped in a Mirafi 140N filter fabric, or equivalent approved by the geotechnical engineer. The drain rock wrapped in fabric should be at least 12 inches wide and extend from the base of the wall to within 2 feet of the ground surface. The upper 2 feet of backfill should consist of compacted native soil. The retaining wall drainage system should be sloped to outfall to the storm drain system or other appropriate facility.

As an alternative to the drain rock and fabric, Miradrain 2000, or approved equivalent, may be used behind the retaining wall. The Miradrain 2000 should extend from the base of the wall to within 2 feet of the ground surface. A perforated pipe should be placed at the base of the wall in direct contact with the Miradrain 2000. The Miradrain fabric at the base of the Miradrain 2000 panel should be wrapped around the perforated pipe to prevent soil intrusion into the pipe

The foundation excavations should be observed by a representative of Consolidated Engineering Laboratories prior to placement of reinforcing steel or concrete to evaluate the exposed soil conditions.

4.10 Pavement Design

Recommendations for the design of asphalt concrete pavement sections were developed in accordance with the procedures outlined in the latest edition of the Caltrans Highway Design Manual. The Caltrans design method uses Traffic Indices (TI) to represent anticipated wheel loads and frequency of usage for a given design life. A design life of 20 years is typically used. Factors such as surface and subsurface drainage have an effect on the overall life of a pavement section.

An R-Value of 70 were obtained for a near surface soil samples at the site. An R-Value of 70 was used for design. The following are recommended structural asphalt concrete (AC) pavement sections.

Pavement (Traffic Index)	Asphalt Concrete (Inches)	Class 2 Aggregate Baserock (Inches)	Total Section (Inches)
Car Parking (4.5)	2.5	4	6.5
Car Driveways (5.0)	3.0	4	7.0
Heavy Duty (6.0)	3.5	6	9.5
Street (7.0)	4.0	6	12.0

Asphalt concrete should be designed per Caltrans standards. Car parking areas should be ½-inch maximum medium mix, and the other pavements should be ¾ inch max medium mix. The asphalt pavement should be placed in minimum 1-1/2 inch thick compacted lifts and a maximum 4-inch thick lifts.

The subgrade underlying pavement areas should be prepared per the recommendations provided in the Site Grading section. Aggregate base materials should be compacted to a minimum of 95 percent of the maximum dry density within two percent of the optimum moisture content as determined by ASTM D1557.

4.11 Plan Review

It is recommended that Consolidated Engineering Laboratories be provided the opportunity to review the final project plans prior to construction. The purpose of this review is to assess the general compliance of the plans with the recommendations provided in this report and the incorporation of these recommendations into the project plans and specifications.

4.12 Observation and Testing During Construction

It is recommended that Consolidated Engineering Laboratories be retained to provide observation and testing services during site preparation, site grading, utility construction, foundation excavation, pier drilling and to observe final site drainage. This is to observe compliance with the design concepts, specifications and recommendations, and to allow for possible changes in the event that subsurface conditions differ from those anticipated prior to the start of construction.

REFERENCES

California Building Code, International Conference of Building Officials, 1998.

California Department of Transportation (Caltrans), California Standard Specifications, 1992.

Division of Mines and Geology (DMG), Geologic Map of California, Santa Ana Sheet, 1966.

Division of Mines and Geology (DMG), Probabilitistic Seismic Hazard Assessment for the State of California, DMG Open-File Report 96-08, 1996.

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Division of Mines and Geology (DMG), Guidelines for Evaluating and Mitigating Seismic Hazards in California, DMG Special Publication 117, March 13, 1997.

Division of Mines and Geology (DMG), Epicenters of and Areas Damaged by M> 5, California Earthquakes, 1800-1999

FEMA and ESRI website, Flood Hazard Maps

National Center for Earthquake Engineering Research, Proceedings of the NCEER Workshop on Evaluation of Liquefaction Resistance of Soils, Technical Report NCEER-97-0022, December 31, 1997.

Pradel, Daniel, "Procedure to Evaluate Earthquake-Induced Settlements in Dry Sandy Soils," Journal of Geotechnical and Geoenvironmental Engineering, April 1998.

Uniform Building Code, International Conference of Building Officials, April 1997.

LIMITATIONS AND UNIFORMITY OF CONDITIONS

The recommendations of this report are based upon the soil and conditions encountered in the borings. If variations or undesirable conditions are encountered during construction, Consolidated Engineering Laboratories (CEL) should be contacted so that supplemental recommendations may be provided.

This report is issued with the understanding that it is the responsibility of the owner or his representatives to see that the information and recommendations contained herein are called to the attention of the others members of the design team and incorporated into the plans and specifications, and that the necessary steps are taken to see that the recommendations are implemented during construction.

The findings and recommendations presented in this report are valid as of the present time for the development as currently proposed. However, changes in the conditions of the property or adjacent properties may occur with the passage of time, whether by natural processes or the acts of other persons. In addition, changes in applicable or appropriate standards may occur through legislation or the broadening of knowledge. Accordingly the findings and recommendations presented in this report may be invalidated, wholly or in part, by changes outside our control. Therefore, this report is subject to review by CEL after a period of three (3) years has elapsed from the date of issuance of this report. In addition, if the currently proposed design scheme as noted in this report is altered CEL should be provided the opportunity to review the changed design and provide supplemental recommendations as needed.

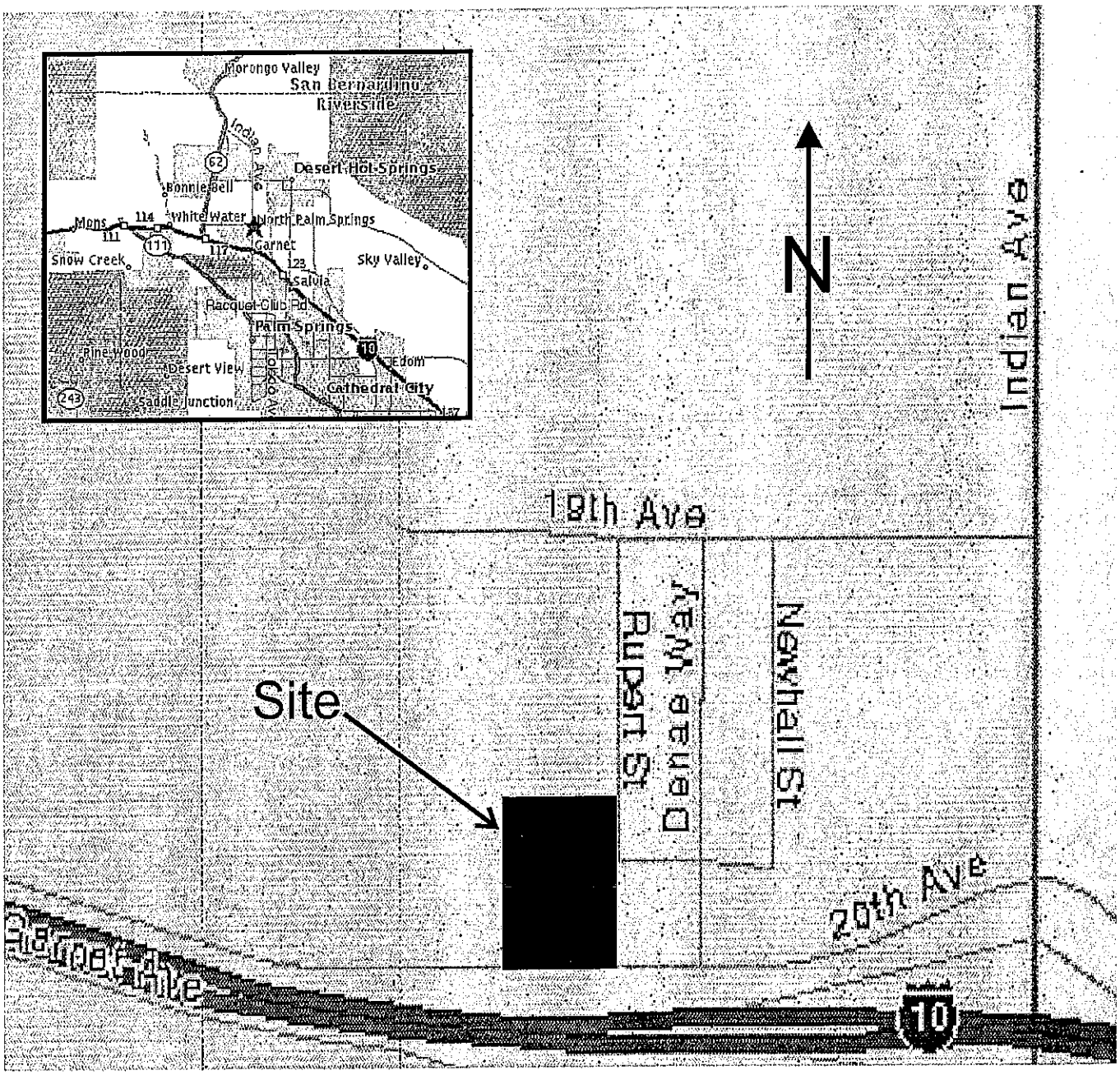
Recommendations are presented in this report which specifically request that CEL be provided the opportunity to review the project plans prior to construction and that we be retained to provide observation and testing services during construction. The validity of the recommendations of this report assumes that CEL will be retained to provide these services.

This report was prepared upon your request for our services, and in accordance with currently accepted geotechnical engineering practice. No warranty based on the contents of this report is intended, and none shall be inferred from the statements or opinions expressed herein.

The scope of our services for this report did not include an environmental assessment or investigation for the presence or absence of wetlands or hazardous or toxic materials in the soil, surface water, groundwater or air, on, below or around this site. Any statements within this report or on the attached figures, logs or records regarding odors noted or other items or conditions observed, are for the information of our client only.

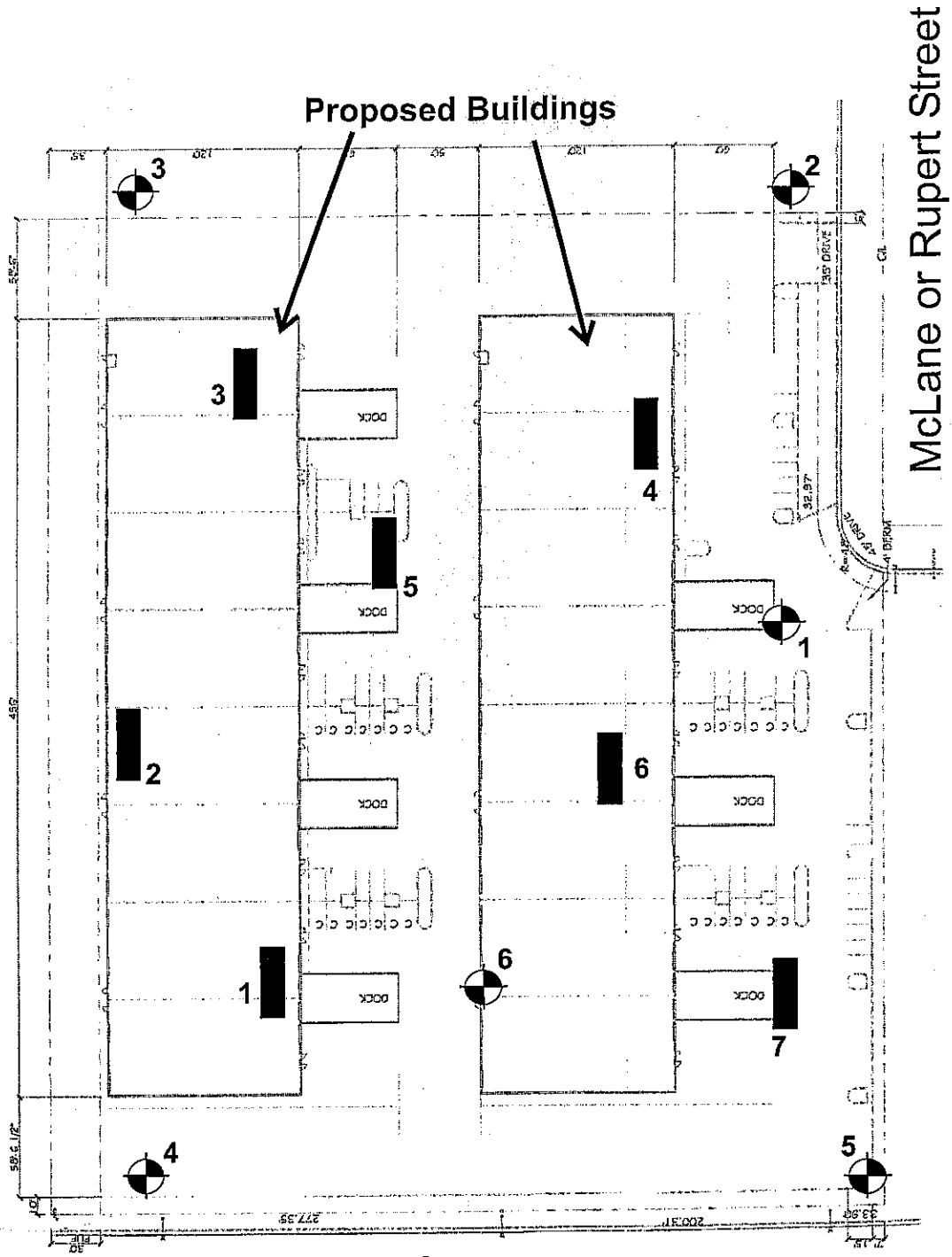
FIGURES

Figure 1 - Site Vicinity
Figure 2 - Site Plan
Figure 3 - Retaining Wall Pressures



No Scale

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Site Vicinity	Figure 1



- Approximate Boring Location

- Approximate Test Pit Location

No Scale

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Site Plan	Figure 2

NOTES

A: Restrained and unrestrained retaining wall schematic.

B: Equivalent fluid pressure for level backfill.

C: Lateral load from vehicles near top of wall.

D: Lateral load from uniform surcharge (S psf) on wall backfill.

E: P = Dynamic thrust on retaining wall from earthquakes utilizing a pseudostatic acceleration of 0.15g.
h = Point of application of dynamic thrust.

1) Assumed drained backfill condition.

2) Equivalent fluid pressure increase for sloping backfill:
Restrained wall; add 1.5 pcf for each degree of backfill inclination.
Unrestrained wall; add 1 pcf for each degree of backfill inclination.

Warehouse Lot - N. Palm Springs	G1357	September 2003
CONSOLIDATED ENGINEERING LABORATORIES	Retaining Wall Pressures	Figure 3

APPENDIX A

Key to Boring Logs
Logs of Borings and Test Pits

Key to Boring Logs



3-inch O.D. Modified California Sampler



2-inch O.D. Standard Penetration Test (SPT)



Bulk Sample



2.5-inch O.D. Split Spoon Sampler



3-inch O.D. Shelby Tube (hydraulically advanced)



Groundwater Level Encountered During Drilling



Groundwater Level Measured After Drilling

25 Blow Count To Drive Sampler One Foot

1. The boring locations were determined by pacing, sighting and/or measuring from site features. Elevations of borings (if included) are determined by interpolation between plan contours. The location and elevation of borings should be considered accurate only to the degree implied by the method used.

2. The stratification lines represent the approximate boundary between soil types. The transition may be gradual.

3. Water level readings have been made in the drill holes at times and under conditions stated on the boring logs. This data has been reviewed and interpretations made in the text of this report. However, it must be noted that fluctuations in the level of the groundwater may occur due to variations in rainfall, tides, temperature and other factors at the time measurements were made.

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 1
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light brown, poorly to well-graded, medium to coarse SAND with silt and gravel. Fill.	Dry	Med. Dense	SP/ SW	0
							R-Value = 77				
5		28	1-1		104.9	6.0	Becoming less silty and gravelly. Fill?	Dry	Med. Dense	SP/ SW	5
							Practical drilling refusal at 5.5 feet. No groundwater encountered.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 2
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light brown, poorly to well-graded, medium to coarse SAND with silt and gravel. Fill.	Dry	Med. Dense	SP/ SW	0
5		32	2-1	(no recovery)							5
		52	2-2		130.6	0.9	Becoming gray and white with feldspar grains, medium to coarse grained, poorly graded. Native	Dry	Med. Dense To Dense	SP	
10		24	2-3		107.1	1.5	Sand with abundant quartz grains, medium to coarse grained with trace gravel.	Dry	Med. Dense	SP	10
15		37	2-4		108.3	1.6	Becoming coarser with more feldspar grains.	Dry	Med. Dense	SP	15
20		54	2-5				Becoming finer, poorly to well-graded.	Dry	Dense	SP/ SW	20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

GF 004

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Boring No.:** 2
Location: N. Palm Springs, California	**Drilling Method:** Mobile B-57, 8" hollow-stem augers, 140 lb hammer		**Date Drilled:** 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
25		34	2-6		110.9	5.5	Moderate brown, fine to medium grained with trace coarse, poorly graded SAND with silt.	Dry To Slight. Moist	Med. Dense	SP	25
30		44	2-7				Becoming brown with white quartz and some gravel.	Dry To Slight. Moist	Dense	SP	30
35		50	2-8				Grading to medium to coarse, poorly-graded, medium to coarse SAND with gravel.	Dry	Dense	SP	35
40		68	2-9				Salt and pepper colored, fine to medium, poorly graded SAND grading to well-graded SAND with gravel.	Dry To Slight. Moist	Dense	SP/ SW	40
45							Boring terminated at 41.5 feet. No groundwater encountered.				45
50											50

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 3
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish to moderate brown, fine to medium, poorly graded SAND with silt binder. Fill.	Slight. Moist	Dense	SP	0
		54	3-1		117.7	3.1					
5											5
		22	3-2		110.0	1.9	Becoming medium to coarse with trace fines and gravel. Native.	Dry	Med. Dense	SP/ SW	
10											10
		45	3-3				Becoming less gravelly.	Dry	Dense	SP/ SW	
15											15
		50	3-4				Becoming fine to medium with trace silt.	Dry	Dense	SP	
20							Boring terminated at 18.5 feet. No groundwater encountered.				20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 4
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Moderate brown, fine to medium, poorly to well-graded SAND with silt and gravel. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
5		74	4-1		109.6	2.5	Becoming siltier and grayish-brown. Fill?	Dry	Very Dense	SP/ SW	5
10		35	4-2		100.0	2.6	Fine to medium with some coarse and silt, poorly graded SAND. Native.	Dry	Med. Dense	SP	10
15		34	4-3				Becoming poorly to well-graded SAND.	Dry	Med. Dense	SP/ SW	15
20		44	4-4				Becoming fine to coarse, well graded.	Dry	Dense	SW	20
25		51	4-5				Trace coarse gravel.	Dry	Dense	SW	25

GF 004

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Boring No.:** 4
Location: N. Palm Springs, California	**Drilling Method:** Mobile B-57, 8" hollow-stem augers, 140 lb hammer		**Date Drilled:** 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
25							Rocky zone, approximately 2 feet thick				25
30		71	4-6				Fine to medium, poorly graded SAND with trace gravel and silt.	Dry	Very Dense	SP	30
35		23	4-7				Moderate brown, fine silty SAND.	Slight. Moist	Med. Dense	SM	35
40		16	4-8				Grading to moderate brown, fine to medium, poorly graded SAND.	Slight. Moist	Loose	SP	40
45							Boring terminated at 40.0 feet. No groundwater encountered.				45
50											50

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 5
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Tannish-brown to grayish-brown silty, fine, poorly-graded SAND with gravel. Fill.	Dry	Med. Dense	SP/ SM	0
5		27	5-1				Native.				5
10							Practical refusal at 8.0 feet. No groundwater encountered.				10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Boring No.: 6
Location: N. Palm Springs, California	Drilling Method: Mobile B-57, 8" hollow-stem augers, 140 lb hammer		Date Drilled: 8-12-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Light grayish-brown, silty to poorly-graded SAND. Fill.	Dry	Med. Dense	SM/ SP	0
5		39	6-1		104.5	2.9		Dry	Med. Dense	SM/ SP	5
10		30	6-2		101.0	4.2	Salt and pepper colored, fine to medium, poorly-graded SAND. Native.	Dry	Med. Dense	SP	10
15		29	6-3					Dry	Med. Dense	SP	15
20		35	6-4				Becoming moderate brown, fine to medium, poorly graded SAND with silt.	Slight. Moist	Med. Dense	SP	20
25							Boring terminated at 21.5 feet. No groundwater encountered.				25

Project Name: Warehouse Lot	**Project No:** G1357	**Logged By:** MAH	**Test Pit No.:** 1
Location: N. Palm Springs, California	**Excavation Method:** Backhoe with Modified California sampler		**Date Excavated:** 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, fine to medium, poorly-graded SAND with gravel, silt and some cobbles. Fill.	Dry	Med. Dense	SP	0
							Becoming medium to coarse with less silt.	Dry	Dense	SP/	
							Difficult digging, becoming moderate brown.	Dry	Dense	SP/ SW	
5							Becoming pebbly. Native?	Dry	Dense	SP/ SW	5
		8	7-1	(no recovery)			Becoming less cobbly, digging easier, large quartz sand grains, little to no silt binder.	Dry	Med. Dense	SP	
10							Test Pit terminated at 9.0 feet. Minor collapsing in top 1.5 feet of pit. No visible fill contact.				10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 2
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly-graded to well-graded, fine to coarse SAND with silt and gravel. Some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
							Becoming moderate brown, less coarse, more silt.	Dry	Dense	SP	
		40	8-1		106.6	3.9					
5		24	8-2		107.9	2.0		Dry	Med. Dense	SP	5
							Test Pit terminated at 6.0 feet. No fill contact visible.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 3
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming moderate brown and slightly more coarse.				
		35	9-1		113.0	2.5					
5							2-boulders 1.5 feet in diameter. 3-boulders 3/4' to 1' in diameter.	Dry	Med. Dense To Dense	SP/ SW	5
							Becoming more coarse. Native.				
							Test Pit terminated at 8.0 feet. Very little to no collapsing of pit.				
10											10
15											15
20											20
25											25

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 4
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Three boulders to 2 feet in diameter. Some pit collapsing. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming coarser sand.				
							Less boulders and cobbles.				
	■	12	10-1	(no recovery)							
5							Digging easier, less cohesion. Native?	Dry	Med. Dense	SP/ SW	5
							Test Pit terminated at 7.0 feet. No visible fill contact.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 5
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well-graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense To Dense	SP/ SW	0
							Becoming moderate brown, some boulders, fine to medium with silt.	Dry	Med. Dense	SP	
		23	11-1		115.4	2.6					
5											5
							Becoming fine to coarse. Native?	Dry	Med. Dense	SP/ SW	
		8	11-2	(slough)							
							Test Pit terminated at 7.5 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 6
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
	■	20	12-1				Becoming cobbly and bouldery, moderate to tannish-brown.				
5							Becoming less cobbly, less cohesive. Native?				5
							Test Pit terminated at 6.0 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

Project Name: Warehouse Lot	Project No: G1357	Logged By: MAH	Test Pit No.: 7
Location: N. Palm Springs, California	Excavation Method: Backhoe with Modified California sampler		Date Excavated: 8-18-03

Depth (ft)	Sample Symbol	Penet. Resist (Blows/ft)	Sample Number	Pocket Pen (TSF)	Dry Density (PCF)	Moisture Content (%)	DESCRIPTION AND REMARKS	Moisture Condition	Consistency	USCS Soil Classification	Water Level
0							Grayish-brown, poorly to well graded, fine to coarse SAND with silt, gravel and some cobbles. Fill.	Dry	Med. Dense	SP/ SW	0
							Becoming moderate brown, fine to medium. Some coarse grains.	Dry	Med. Dense	SP	
							Becoming more cobbly and some boulders.				
							Less cohesion.				
5							Easier digging, fine to coarse, very little cobbles. Native?	Dry	Med. Dense	SP/ SW	5
							Test Pit terminated at 8.0 feet. Little to no collapsing of pit.				
10											10
15											15
20											20
25											25

CONSOLIDATED ENGINEERING LABORATORIES

APPENDIX B

LABORATORY TEST RESULTS

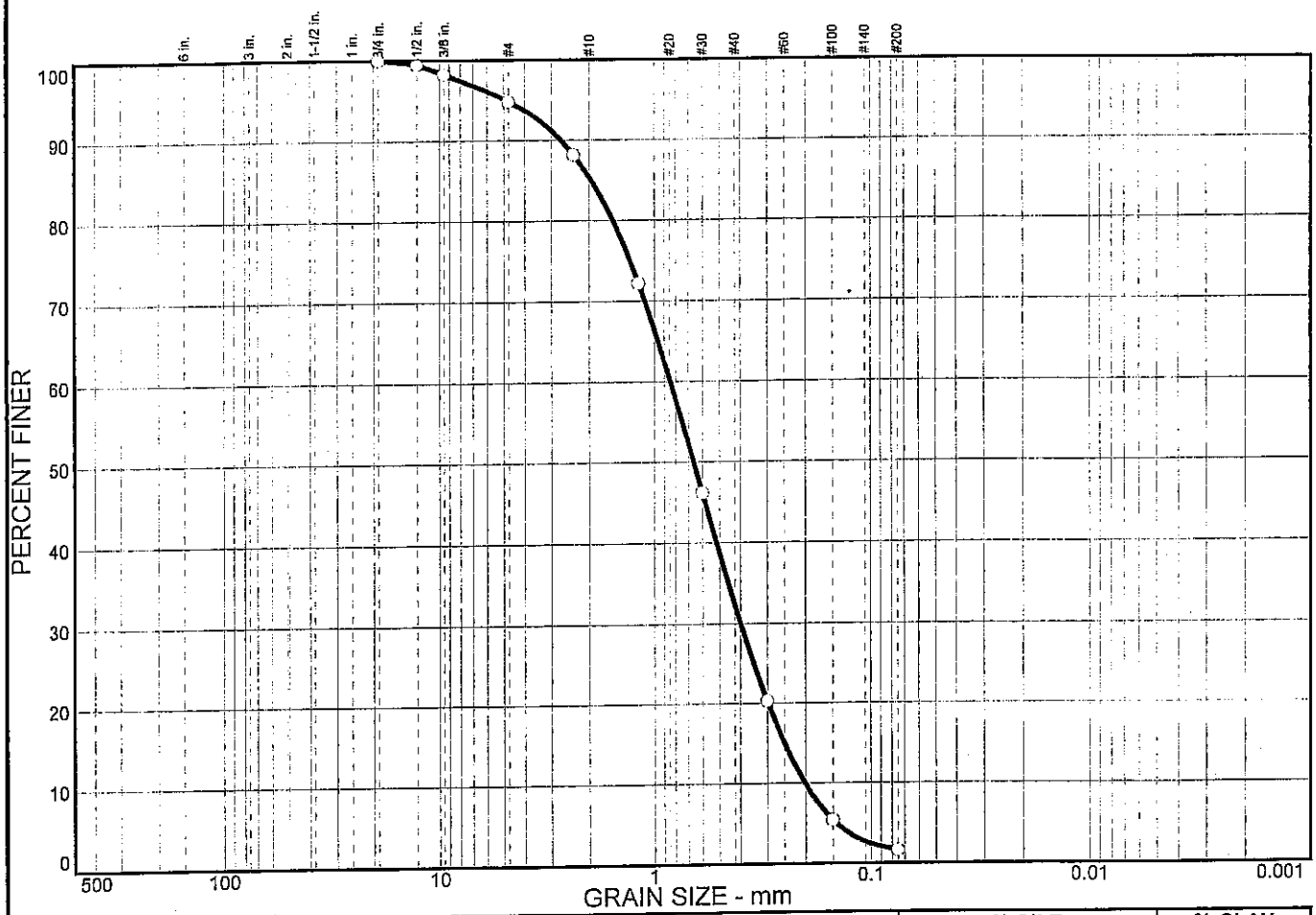
Sieve Analysis

Single Point Consolidation

R-Value

Water Soluble Sulfate

Particle Size Distribution Report



% COBBLES	% GRAVEL	% SAND	% SILT	% CLAY
0.0	5.2	93.2	1.6	

SIEVE SIZE	PERCENT FINER	SPEC.* PERCENT	PASS? (X=NO)
3/4 in.	100.0		
1/2 in.	99.4		
3/8 in.	98.2		
#4	94.8		
#8	88.2		
#16	72.2		
#30	46.2		
#50	20.3		
#100	5.4		
#200	1.6		

* (no specification provided)

Soil Description

7-1: brown sand with some rock

Atterberg Limits

PL= LL= PI=

Coefficients

D_{85}= 1.95 D_{60}= 0.842 D_{50}= 0.658
D_{30}= 0.398 D_{15}= 0.249 D_{10}= 0.200
C_u= 4.21 C_c= 0.94

Classification

USCS= AASHTO=

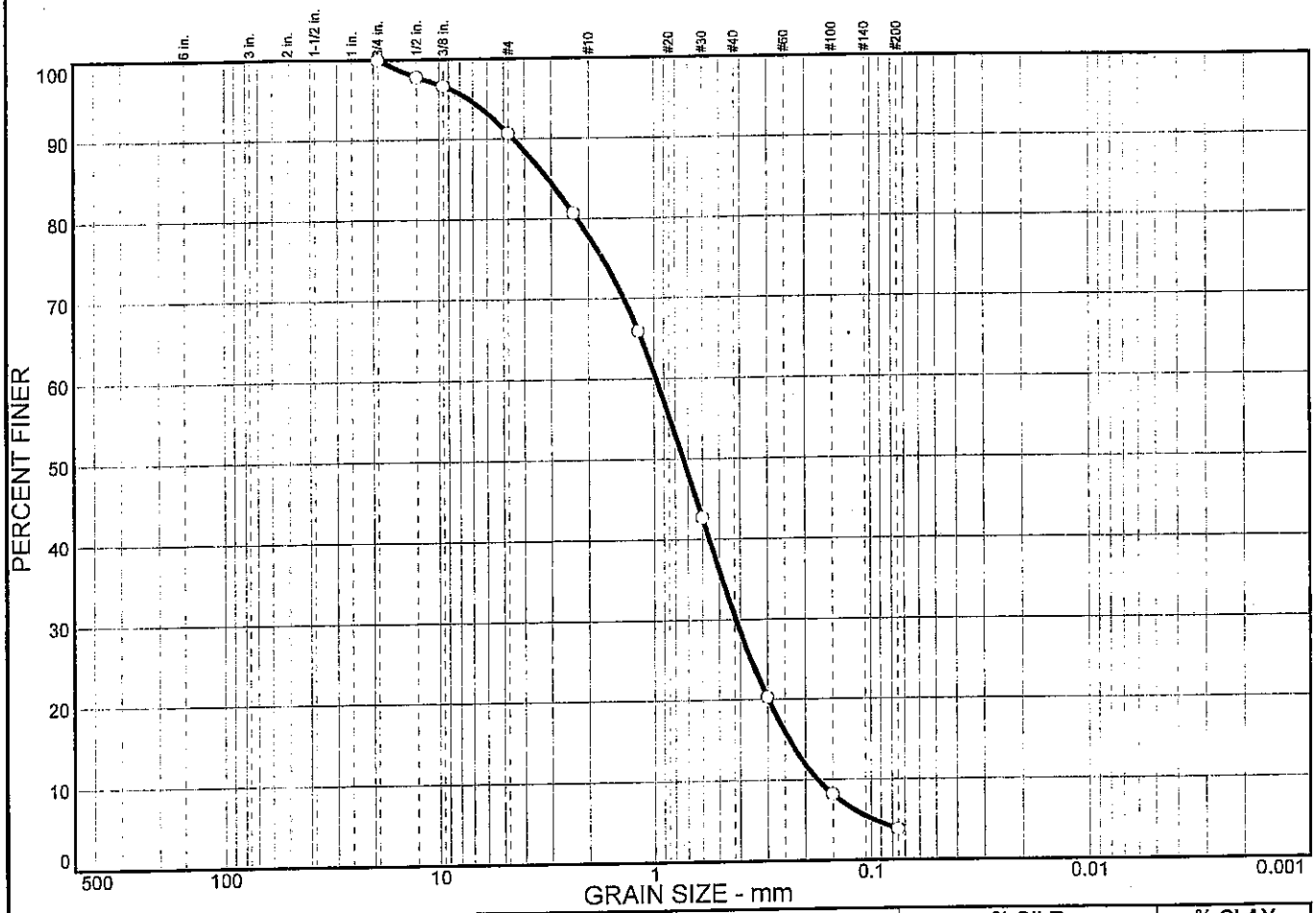
Remarks

Sample No.: S0820-05: 7-1 Source of Sample: Date:
Location: Elev./Depth: 8.0'-8.5'

CONSOLIDATED ENGINEERING LABORATORIES

Client:
Project: Palm Springs
Project No: G1357 Plate 7-1

Particle Size Distribution Report



% COBBLES	% GRAVEL	% SAND	% SILT	% CLAY
0.0	9.3	86.9	3.8	

SIEVE SIZE	PERCENT FINER	SPEC.* PERCENT	PASS? (X=NO)
3/4 in.	100.0		
1/2 in.	97.8		
3/8 in.	96.7		
#4	90.7		
#8	80.7		
#16	65.9		
#30	42.7		
#50	20.3		
#100	8.2		
#200	3.8		

* (no specification provided)

Soil Description

11-2: brown sand with some rock

Atterberg Limits

PL= LL= PI=

Coefficients

D_{85}= 3.10 D_{60}= 0.975 D_{50}= 0.733
D_{30}= 0.417 D_{15}= 0.237 D_{10}= 0.175
C_u= 5.58 C_c= 1.02

Classification

USCS= AASHTO=

Remarks

Sample No.: S0820-05: 11-2 **Source of Sample:** **Date:**

Location: **Elev./Depth:** 6.5'-7.5'

CONSOLIDATED ENGINEERING LABORATORIES

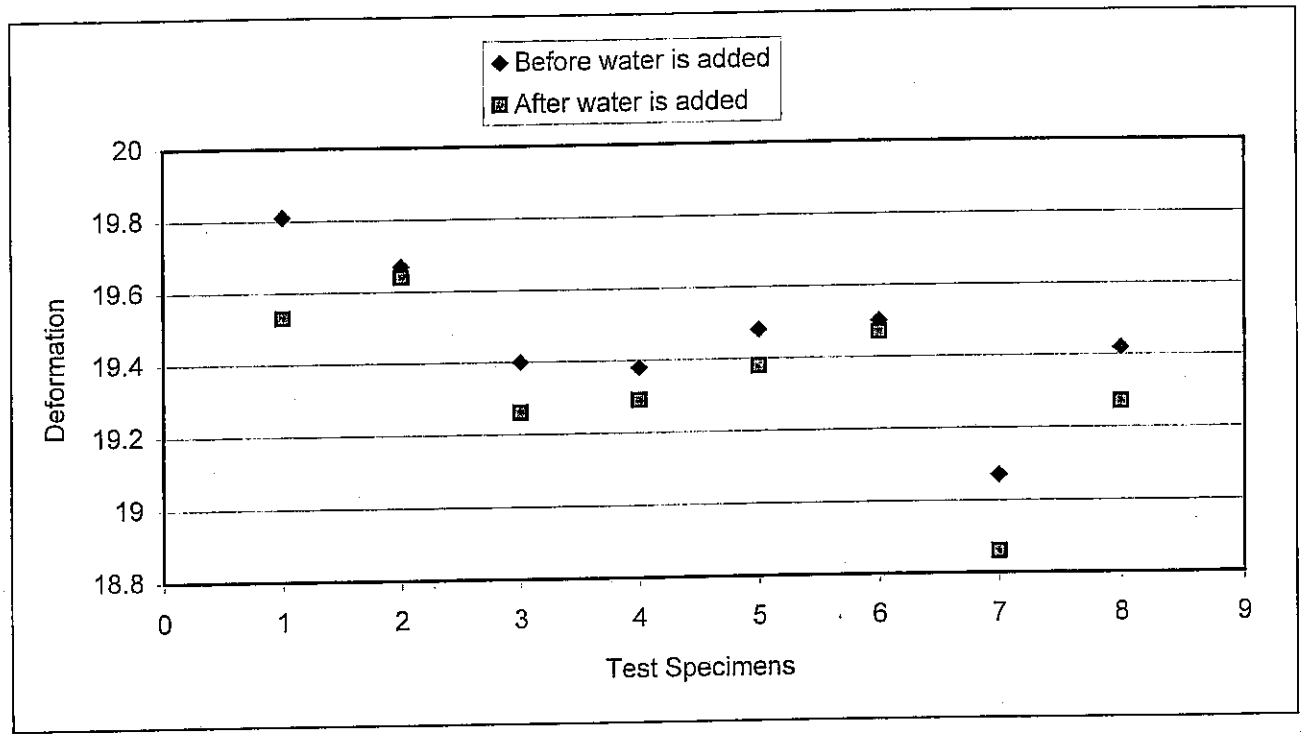
Client:

Project: Palm Springs

Project No: G1357 **Plate** 11-2

CEL# G1357
Project: Palm Springs
Lab No.: S0820-05

One Dimensional Consolidation



Initial Height, mm: 20
Load, psf: 4000

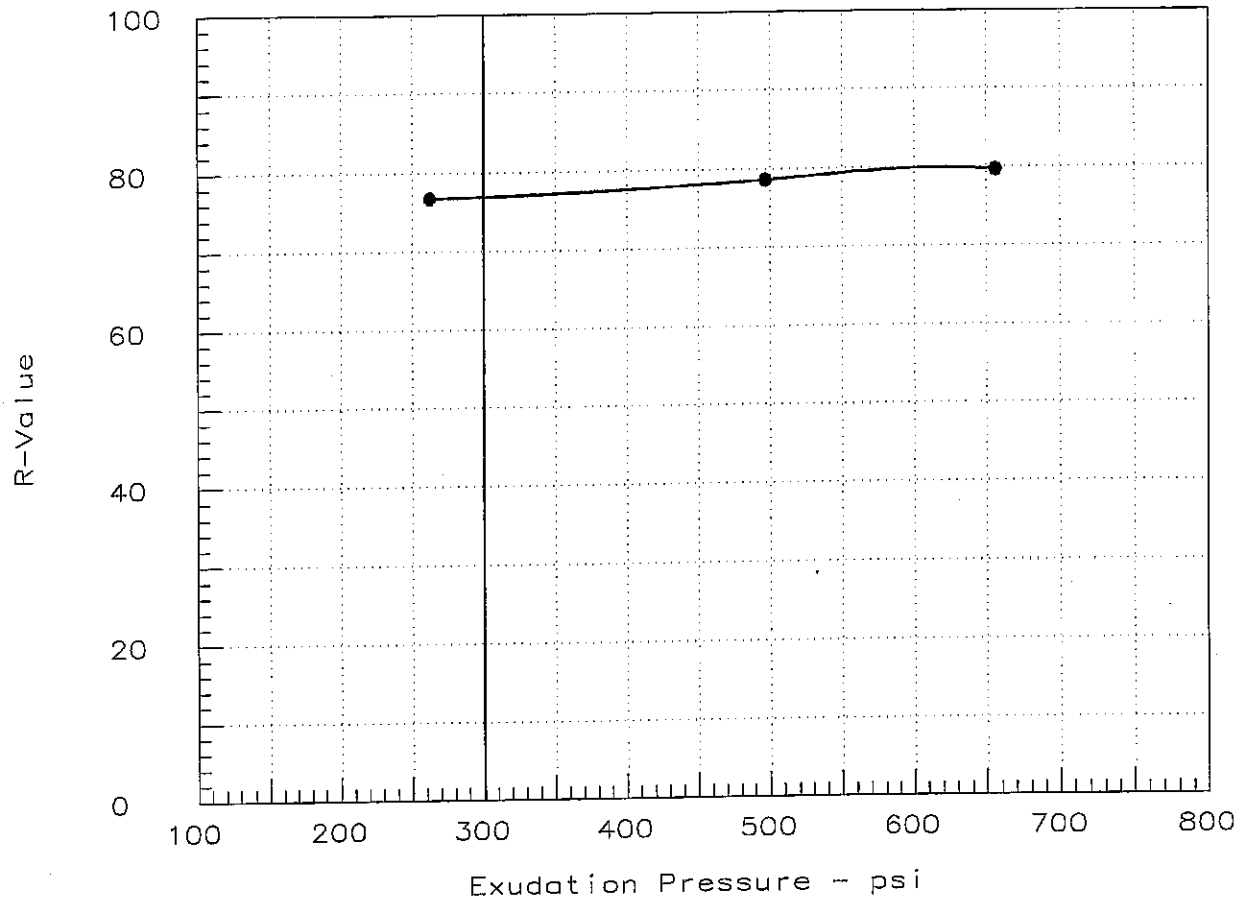
Height of Specimens after Loading

Specimen ID	1-1	3-3	4-1	4-2	6-1	6-3	8-1	8-3
Test Specimen	1	2	3	4	5	6	7	8
Before Water Added	19.81	19.67	19.40	19.38	19.48	19.50	19.07	19.42
After Water Added	19.53	19.64	19.26	19.29	19.38	19.47	18.86	19.27
Deform'n before water, mm	0.188	0.333	0.602	0.617	0.518	0.500	0.927	0.584
Deformation after water, mm	0.470	0.356	0.742	0.706	0.620	0.533	1.140	0.723
* Dry Density, pcf	104.9	98.1	109.6	100.0	104.5	101.0	106.6	107.9
* Moisture Content, %	6.0	4.3	2.5	2.6	2.9	4.2	3.9	2.0
Final Moisture Cont, %	18.8	21.0	17.2	18.4	18.0	21.8	15.3	17.5

* as prepared

Specimen ID	Depth, ft	Material Description
1-1	4.5-5.0	light brownish gray silty sand
3-3	13.0-13.5	light gray coarse sand (moisture added before set up)
4-1	4.5-5.0	brown sand with silt (partially disturbed, removed 1/4" rock)
4-2	9.5-10.0	light brown sand (partially disturbed, removed 1-1/2" rock)
6-1	6.0-6.5	light brown sand
6-3	16.0-16.5	light brownish gray sand
8-1	2.5-3.0	brown sand with some silt
8-3	4.5-5.0	brown sand with some silt

R-VALUE TEST REPORT



Resistance R-Value and Expansion Pressure - ASTM D 2844

No.	Compact. Pressure psi	Density pcf	Moist. %	Expansion Pressure psi	Horizontal Press. psi @ 160 psi	Sample Height in.	Exud. Pressure psi	R Value	R Value Corr.
1	350	121.3	7.8	0.00	26	2.50	263	77	77
2	350	121.5	7	0.00	25	2.51	497	79	79
3	350	122.0	6.8	0.00	22	2.50	657	80	80

TEST RESULTS	MATERIAL DESCRIPTION
R-Value @ 300 psi exudation pressure = 77	brown sand with some gravel
Project No.: G1357 Project: Palm Springs Location: Bulk sample Date: 8-29-2003	Tested by: YD Checked by: CG Remarks: Lab NO. S0820-05
R-VALUE TEST REPORT **Consolidated Engineering Laboratories**	Fig. No.

ETS
Environmental Technical Services
-Soil, Water & Air Testing & Monitoring
-Analytical Labs
-Technical Support
1343 Redwood Way
Petaluma, CA 94954
(707) 795-9605 / FAX 795-9384

Serving people and the environment so that both benefit.

SPECIAL SOIL REPORT

To: Marc Hachey
Consolidated Engineering Labs
7060 Koll Center Parkway, #300
Pleasanton, CA 94566-3108

Date: August 27, 2003
Lab #: 00143-1
Received: August 20, 2003
Tech(s): H. Banwait
Lab Supervisor: D. Jacobson
Lab Director: G.S. Conrad, Ph.D.
Sample ID(s): PS1/C

Sample of: soil (grab)
File Number: G1357
Site Location/Job: Palm Springs, California.

RESULTS

SAMPLE ID	SAMPLE DESCRIPTION	SULFATE (SO_4)
PS1/C	Grab/Bulk	**54 mg/kg**

COMMENTS

This sample has a low sulfate level in terms of adverse engineering impacts at just over 50 ppm. Therefore, as long as this sample is representative of the soil as a whole, the soil is well within acceptable limits for this particular parameter as concerns its potential impact on concrete, mortar, grout and cement.

NOTES:
This test was done in a manner consistent with EPA, DHS, and LUFT protocols, i.e., Standard Methods UC Davis, Methods of Soil Analysis, Association of Test Materials (ASTM), CalTrans or other appropriate protocols: Cal Test - 417 (CalTrans).

APPENDIX C

Grading and Earthwork Specifications

CONSOLIDATED ENGINEERING
L A B O R A T O R I E S

GRADING AND EARTHWORK SPECIFICATIONS

A geotechnical engineering study has been prepared for this site by Consolidated Engineering Laboratories. The contractor shall become familiar with the site conditions and the recommendations contained within this report.

Definition of Terms

1. The term "Geotechnical Engineer," as used in this specification, shall mean a state registered professional engineer or his representative qualified to observe and test earthwork construction, and provide geotechnical engineering and consulting services.

2. "Engineered Fill" shall be earth material mechanically compacted to the degree specified by the Geotechnical Engineer. The Geotechnical Engineer shall make sufficient observations and tests to verify that fills have been placed in accordance with applicable specifications and the recommendations contained in the project geotechnical report.

3. The term "Relative Compaction" is defined as the ratio of in-place field dry density to the theoretical maximum dry density determined in the laboratory by the ASTM D1557 test procedure. The optimum moisture content is the moisture content at which the maximum theoretical dry density has been achieved in the laboratory by the ASTM D1557 test procedure.

Materials

4. Engineered fill shall be either on-site or imported material which is free of organic material, debris or other deleterious material. Engineered fill materials shall be approved by the Geotechnical Engineer prior to their use on the site. Engineered fill material shall not contain rocks or lumps larger than 6 inches in maximum dimension unless otherwise specified or approved by the Geotechnical Engineer. When used for trench backfill, engineered fill shall not contain rocks or lumps larger than 4 inches in maximum dimension.

5. Imported fill materials should meet the requirements of "Engineered Fill," be predominantly non-expansive, and have a Plasticity Index (PI) of 15 or less. Additional requirements for imported fill may be also specified by the Geotechnical Engineer.

6. Paving materials and their placement shall be in conformance with the requirements of the State of California, Department of Transportation (Caltrans) Standard Specifications, except that relative compaction shall be based on the ASTM D1557 test procedure. Aggregate base materials used for pavement construction shall be Caltrans Class 2 Aggregate Base, meeting the requirements of the Caltrans Standard Specifications, current edition.

7. Aggregate subbase materials used for pavement construction shall be Caltrans Class 2 Aggregate Subbase, meeting the requirements of the Caltrans Standard Specifications, current edition.

8. Material used as a capillary break beneath interior concrete slab-on-grade floors shall be clean gravel or crushed rock of 3/4-inch maximum size with less than 5 percent passing the No. 4 sieve. The material should have a Durability Index (CTM 229) of not less than 40.

Site Clearing, Stripping, and Demolition

9. Prior to placement of engineered fills or construction of site improvements, the site shall be cleared of existing abandoned structures, pavements, underground utilities, debris, and other deleterious materials, within proposed development areas. Debris resulting from the removal of these items shall be removed from the site, unless otherwise permitted.

10. Underground utilities shall be located prior to commencing grading operations. If underground utilities are abandoned, they shall be entirely removed, or fully grouted closed, unless otherwise directed by the Geotechnical Engineer. After removal, the excavations shall be backfilled with approved fill material and compacted to at least 90 percent relative compaction.

11. Following demolition and site clearing operations, areas to receive fill, concrete flatwork, structures and/or pavements shall be stripped of surface vegetation, trees and their root systems, existing loose fill materials, organic-laden soils, soft or wet soils and other deleterious materials.

Excavations resulting from the removal of such items shall be cleaned out to firm soil, as directed by the Geotechnical Engineer, and backfilled with engineered fill compacted in accordance with these specifications.

12. The depth of stripping of surface vegetation shall be at least 3 inches, and as necessary to remove organic materials. Tree removal shall include removal of the major root systems, including roots larger than 2 inches in diameter. Excavations in tree removal areas shall be dished to allow through passage of compaction equipment. The stripped materials shall be removed from the site, unless otherwise permitted. Organic-laden soils may be suitable for use in landscape areas with the approval of the owner and the Geotechnical Engineer.

General Grading

13. Following clearing and stripping operations, the exposed soil in areas to receive fill, structures, and/or concrete flatwork shall be scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 90 percent relative compaction at a moisture content at or above optimum, except where otherwise specified in the Geotechnical Engineering Study. Soil areas disturbed during demolition operations shall be sub-excavated to firm native soil, scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 90 percent relative compaction at a moisture content at or above optimum.

14. Processing of soil for compaction shall consist of aerating the material if it is too wet or adding water to the material if it is too dry. When the moisture content of a material is too high to allow the specified degree of compaction to be achieved, the material shall be aerated by plowing, blading, spreading, or other suitable means until the proper moisture content has been achieved. When the moisture content of a material is below optimum, water shall be added and the material thoroughly mixed until the proper moisture content has been achieved.

15. Fill materials shall be placed in lifts not exceeding 8 inches in uncompacted thickness. Each layer shall be thoroughly mixed to promote uniformity in each layer. Engineered fill materials shall be compacted uniformly to at least 90 percent relative compaction at a moisture content at or above optimum, except where otherwise specified in the Geotechnical Investigation Report. Filling operations shall continue until the final grades have been attained in accordance with the approved plans. Structural fills shall extend at least 5 feet beyond the footprints of proposed structures.

16. The Geotechnical Engineer shall observe the placement of fill/backfill and conduct in-place field density tests on the fill/backfill to check for adequate moisture content and relative compaction as outlined herein. Where less than the specified relative compaction is obtained, additional compactive effort shall be applied and the fill moisture-conditioned as necessary until the specified relative compaction is attained. The Contractor shall provide safe and timely access to the Geotechnical Engineer at the grading site, to permit monitoring and testing.

17. Fills constructed on ground sloping steeper than 6H:1V (horizontal to vertical) shall be keyed and benched into the natural grade, as specifically recommended by the Geotechnical Engineer. Subsurface drains shall be installed in areas of observed seepage, as recommended by the Geotechnical Engineer.

18. Fill slopes should be constructed by overfilling and cutting the slope to final grade. Track walking of a slope to achieve slope compaction is not an acceptable procedure for slope construction, unless otherwise permitted by the Geotechnical Engineer.

19. In general, cut and fill slopes should be designed and constructed at slope gradients not steeper than 2H:1V (horizontal to vertical). Interceptor drainage ditches should be constructed at 30-foot vertical intervals on slopes higher than 30 feet. These interceptor drainage ditches should be constructed on drainage terraces that are at least 6 feet wide. The drainage terrace shall be constructed to provide adequate access for periodic maintenance of the drainage ditch. The drainage terrace shall have a minimum cross slope of 2 percent into the hillside, and toward the drainage ditch. Interceptor ditches should be constructed above the tops of slopes where natural drainage is toward the slope. Erosion control planting should be established as soon after grading as possible.

20. Cut slopes should be observed by the Geotechnical Engineer or Engineering Geologist to check for possible adverse geologic conditions. If unfavorable conditions are exposed, supplementary recommendations shall be developed to mitigate possible slope instability.

21. Wherever, in the opinion of the Owner's or the Geotechnical Engineer's representative, an unstable condition is being created either by cutting or filling, work should not proceed in that area until an investigation has been made and the grading operations revised, if found necessary.

Trenches

22. Trench backfill materials shall meet the requirements of "Engineered Fill," as specified in this report, and shall not contain rocks or lumps larger than 4 inches in maximum size. Trench backfill shall be placed in lifts not exceeding 8 inches in uncompacted thickness, and be mechanically compacted to at least 90 percent relative compaction at a moisture content at or above optimum.

23. Where access to construction personnel is required, trenches in excess of 5 feet deep shall be shored or have their side walls sloped back in accordance with OSHA and other applicable regulations.

24. Jetting of trench backfill materials shall not be permitted as a means of obtaining the required compaction. Jetting shall be permitted only within the sand bedding and shading material around buried utilities.

25. Open trenches adjacent and parallel to existing foundations shall not extend below an imaginary 2H:1V (horizontal to vertical) plane projected downward from the nearest edge of the base of the adjacent footing without specific review and recommendation by the Geotechnical Engineer.

Pavement Subgrade and Aggregate Base Preparation

26. The top 8 inches of soil subgrade in pavement areas shall be compacted to at least 95 percent relative compaction. In cut areas, the subgrade soils shall be scarified to a depth of at least 8 inches, processed as necessary to achieve the proper moisture content, and compacted to at least 95 percent relative compaction at a moisture content at or above optimum. The finished subgrade shall be graded to provide a firm and stable base for support of the specified pavement section.

27. Aggregate base and subbase materials within pavement areas shall be placed in lifts not exceeding 8 inches in uncompacted thickness. These materials shall be compacted to at least 95percent relative compaction, at a moisture content at or above optimum. All final grades shall be firm and stable prior to placement of pavement.

28. Where unstable subgrade is encountered, the Geotechnical Engineer shall provide mitigation recommendations as required. The contractor shall minimize the amount of construction traffic on unstable or potentially unstable areas, as defined by the Geotechnical Engineer. If rutting or other instability is caused by the contractor's excessive construction traffic in area designated as unstable or potentially unstable, these areas shall be repaired at the contractor's expense.

Seasonal Limits

29. Fill materials shall not be placed, spread or rolled during unfavorable weather conditions, unless otherwise permitted by the Geotechnical Engineer. Fill operations shall not be resumed until field tests by the Geotechnical Engineer indicate that the moisture contents of subgrade and fill materials are satisfactory. Placement of fill material on frozen ground shall not be permitted.

30. Surface drainage provisions shall be made by the contractor, as necessary during construction, to prevent the ponding of water on engineered fill and pavement subgrade areas during construction. The contractor shall implement erosion control measures as necessary to protect the work.

APPENDIX D

Pier Drilling and Construction Specification

CONSOLIDATED ENGINEERING
LABORATORIES

PIER DRILLING AND CONSTRUCTION SPECIFICATIONS

1. The drilled caisson excavation should be advanced with a single-flight auger or bucket auger to the design depth (the completed excavation should be verified by observations and measurement to be clean and free of water to the specified depth). After reaching the design depth, the auger should be placed back in the hole and two additional passes made without advancement to remove loose material from the bottom of the hole.

2. If the drilled hole is left open, the hole should be covered to prevent tools, soil, or personnel from falling into the drilled hole. During rains, water should be prevented from flowing into the drilled hole.

3. The caisson excavation shall be drilled such that the vertical alignment does not deviate by more than 1/2 caisson diameter from top to bottom.

4. Reinforcing cages should have spacers or centralizers to ensure at least 2 inches of concrete cover.

5. Concrete should be placed through a hopper or other device approved by CEL so that it is channeled in such a manner to free-fall and clear the walls of the excavation and reinforcing steel until it strikes the bottom. Adequate compaction of the concrete will be achieved by free fall up to the top 8 feet or depth of the anchors, whichever is deeper. Above 8 feet the concrete should be vibrated to achieve proper density.

6. If groundwater is present in the caisson excavation it should be pumped dry prior to concrete placement or tremie placement of the concrete should be performed.

7. Concrete placed using the tremie method should be pumped into the excavation with sufficient head to lift the groundwater and spoils present in the excavation to the ground surface. The concrete should be placed in one continuous pour and should continue until "clean" concrete is observed at the top of the excavation.

8. Continuous observation of the construction should be provided by CEL. Our geotechnical engineering personnel should confirm proper diameter, depth and cleaning, and should also confirm the nature of the materials encountered in the caisson excavation. Concrete placement should be continuously observed to confirm that it meets requirements. A quality control report should be submitted on the caisson, verifying that details of the caisson construction have been observed.

Michael Brandman Associates

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714.508.4100

Palm Springs
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San Bernardino
909.884.2255

San Ramon
925.830.2733

September 24, 2009

Claudia Steiding, Senior Environmental Planner
County of Riverside Economic Development Agency
3133 Mission Inn Avenue, Riverside, CA 92507

Subject: **Cultural Resource Review and Initial Study Recommendations for the Roy's Desert Center (Western Coachella Valley Multi-Service Center) Project located at 19-531 McLane Street, North Palm Springs, California.**

Dear Ms. Steiding:

Michael Brandman Associates (MBA) is providing the County of Riverside Economic Development Agency (EDA) with environmental compliance documents in support of this Project. The EDA is proposing interior improvements on an existing 48,000 square foot building and the installation of three (3) additional septic tanks. The shelter is located at 19-531 McLane Street in the City of Palm Springs, California. New construction will occur in areas that have been previously graded for office building construction.

MBA undertook a records search on September 18, 2009 for cultural resources at the Eastern Information Center (EIC) at the Department of Anthropology, University of California - Riverside. The records search was conducted by MBA Senior Archaeologist Michael Dice, M.A. This report summarizes the results of the analysis, and then provides the proper language for insertion into the Initial Study cultural resource section.

Cultural Resource Records Search

The project area is located in Section 15, Township 3 South, Range 4 East as depicted on the Desert Hot Springs, California, United States Geological Survey (USGS) 7.5-minute topographic quadrangle map. A one-mile radius was used for the records search. The results of the records search indicated that few cultural resources (Table 1) have been recorded within the search radius of the project area, and none are located within the boundaries of the proposed project. The project study radius exhibits two nearby cultural resources: the nearest recorded cultural resource is about 600 meters to the southeast.

Table 1: Known Cultural Resources Located in a 1-Mile, 0.5 Mile and 0.25-Mile Radius of the Roys Desert Project

Site Number	Location Section	Resource Description	~0.5-mile Radius	~0.25-mile Radius	On Site?
CA-RIV-3441H	22	Historic Garnet siding site assoc. with the historic railroad grade	●	—	No
33-9498	various	Historic SP and UP railroad grades	—	●	No

Twenty-one area-specific cultural resource reports are on file with the EIC for the search radius. None of these reports directly surveyed the project area. This suggests that the project area has never been surveyed by a qualified archaeologist previously.

Prehistoric Cultural Setting

Four general, but distinctive cultural periods have been identified by Wallace (1955) for the prehistoric occupation of southern California (Early Hunter; Milling Stone; Intermediate; Late). Fagan (2003), Moratto (1984), and Chartkoff and Chartkoff (1984) provide more recent overviews of California archaeology and historical reviews of the inland southern California coast, among other locales. These authors use a modified version of Wallace's period format, updated to reflect newer research efforts.

Early Man Period (before 9500 B.P.) sites are characterized by large projectile points, and other stone implements adapted to chase big game animals. The large size and weight of the points suggest that the primary weapon for hunting was the dart, propelled by a spear thrower. Lack of grinding tools, suggest that the inhabitants were not exploiting the plant foods to the extent that later cultures were. They were nomadic in hunters, following the game throughout the seasons. Archaeological sites representing this early period are not common.

The Milling Stone Period (about 9500 B.P. to 3000 B.P.) represents a long period of time characterized by small, highly mobile groups of Native Americans. These groups probably had a seasonal round of settlement that included both inland and coastal residential bases. They relied primarily on grasses and seeds for food. Characteristic inland sites include numerous manos, metates, and hammerstones. Shell middens are more common at coastal sites.

The Intermediate Period occurred from approximately 3000 B.P. to 1250 B.P. Mortars and pestles first appear in this period, indicating knowledge of acorn leaching. Use of the acorn probably permitted greater sedentism, especially at inland locations. Large projectile points suggest use of spear throwers rather than the bow and arrow. Settlement patterns during this period are not well understood. Exchange between the coast and Colorado River groups becomes apparent in the archaeological record.

The Late Period (1250 B.P. to Historic Contact) saw a more semi-sedentary settlement pattern. Smaller project points suggest introduction of the bow and arrow and less or no reliance on the spear thrower. Lifestyle is little unchanged from the previous period, but influxes of Shoshonean speakers are evident in linguistic studies. Differences in archaeological deposits are representative of changes in population ancestry. Pottery-making is introduced.

The Cahuilla

According to Bean (1978), the Cahuilla traditional use area extends north-south from the summit of the San Bernardino Mountains in the north, to Borrego Springs and the Chocolate Mountains in the south, and extends east-west from the eastern slopes of the Palomar Mountains in the west to the Colorado Desert east of the Orocopia Mountain to the east. This description of Cahuilla territory includes the project area within their traditional use area. Bean (1972, 1978) forms the primary modern reference for this cultural group. Bean notes that of all the southern California Indians, the Cahuilla existed within the most geographically diverse region, constrained only by water supplies and topography.

Pre-contact Cahuilla territory encompassed the extremely rugged San Bernardino Mountain ranges at an elevation of 11,000 feet to the Salton Sink (Salton Sea), which is 273 feet below sea level. The upper Coachella Valley and Palm Springs areas exhibited protohistoric Cahuilla villages near defined water sources, with good access to food-gathering locales. Village sites were usually located near alluvial fans, streams or at the base of the San Jacinto Mountains for protection against the winds, while some Desert

Cahuilla settlements were located around hand dug wells and watering holes. Typically, one clan or family occupied several food-gathering locations and aggressively guarded these areas against other Cahuilla clans (Bean 1972 and 1978, Oswalt 1988, Strong 1972).

The Cahuilla have had definitive historical relationships with the Hopi of Arizona, the Gabrielino and Digueño of the southern Californian coast, the Serrano, and the Luiseño of Riverside County as well as other desert tribes such as the Kamia, Chemehuevi, and Paiute. It is thought the Cahuilla population prior to Spanish contact may have been as numerous as 6,000 people in an area over 2,400 square miles in size (Bean 1978, Bean and Saubel 1972, Strong 1972).

The prehistoric Cahuilla were characterized by the occupation of sedentary villages in subsistence territories that permitted them to reach the majority of their resources within a day's walk. Villages were commonly located near reliable sources of water. During October to November, much of the village population moved to temporary camps in the mountains to harvest acorns and hunt game. Inland groups also had fishing and gathering spots on the coast that they visited annually. In comparison with the Gabrielino and Luiseño, the Cahuilla appear to have had a lower population density and a less rigid social structure. The Cahuilla patterns may have been relatively stable until mission secularization in 1834, due to the policy of the Catholic Mission fathers or padres to maintain imported European traditional style settlement and economic patterns (Bean and Shipek 1978).

Pre-contact Cahuilla homes were generally constructed with forked posts, which supported the wood cross members and were completely covered in thatch, which was then sealed with sand or soil. In some cases the floor was subterranean. Each house was positioned so that a measure of privacy was attained (Bean 1978, Kroeber and Hooper 1978). Wilke confirms Blakes' earlier observations, that the Cahuilla homes were generally hidden in the mesquite groves and consequently overlooked when explorers searched for their villages (Wilke and Lawton 1975).

Cahuilla (Patayan) pottery has been stylistically and ornamentally compared to that of an ancient Pueblo style, as well as that made by Colorado River Indians, the Digueño, Luiseño and Mohave clans (Bean and Lawton 1975, Kroeber and Hooper 1978). Cahuilla pottery was constructed in coil form, then shaped with a polishing stone and wooden paddle, occasionally incised for decorative purposes and then finally sun baked and fired (Bean and Lawton 1975, Kroeber and Hooper 1978). Kroeber and Hooper suggest that the Cahuilla had four definitive pottery forms; an open bowl or dish, a cooking pot, a small-rimmed vessel and a wider opening rimmed vessel (1978), while Bean and Lawton suggest that ladles, trays, and pipes were also manufactured (1975).

Baskets were also an important item, and were manufactured in a variety of shapes and sizes, but always produced from coiled and woven mesquite branches, willow or palm leaves. Grasses were used in the foundation. The only tools used to manufacture these baskets were either a needle made from the leg bone of a deer or a heavy cactus needle, set into a wooden handle (Bean 1978).

Ceremony and ritual was of great importance to the Cahuilla (Bean 1978). Deep ceremonial ties existed between the Serrano and the Cahuilla, and in many cases the desert Cahuilla are thought to have adopted many of the ceremonial practices from the Serrano (Strong 1972). Frequently practiced ceremonies include multiple rituals for the mourning of the dead, the eagle dance, separate initiation rites ceremonies for boys and girls, and a summer and winter solstice celebration (James 1960, Strong 1972). This cultural linkage between the Cahuilla and Serrano is then furthered by inferences from Mission baptismal records and Serrano oral tradition.

According to personal communication with Britt W. Wilson, Cultural Resource Coordinator for the Morongo Band of Mission Indians, the relationship between the Cahuilla and Serrano is borne out of Mission baptismal records, available on-line from the Huntington Memorial Library. From these records, it may be inferred that Cahuilla people from White Water married into people from Serrano villages, such as Gupiabit located in the Cajon Pass region. In addition, the Cahuilla people accepted groups of Serrano peoples from Twentynine Palms, after a migration of Chemehuevi peoples into the Twentynine Palms area. Then, according to Serrano oral tradition, the Cahuilla adopted many of the Serrano songs because they had lost their own traditional songs (Britt W. Wilson, personal communication, 05/29/07).

The first European contact with the Coachella Valley region and the Cahuilla peoples occurred in 1774 and 1775-76, as the Juan Bautista de Anza expedition was looking for an inland route between Sonora, Mexico and the coast. This expedition passed through the Santa Rosa Mountains and established a route between Sonora and newly established Alta California settlements. Thereafter, the Cahuilla remained relatively isolated from Euro-American expansion, as their territory was distanced from the Spanish missions and unsuitable for large-scale ranching and farming. Contact increased in the 1820s with expeditions to find inland routes to the missions, and the first known Europeans to cross the Coachella valley were members of the Jose Romero expedition to Yuma between 1823 and 1825.

The Desert Cahuilla were able to maintain relative autonomy until the Colorado River gold rush of the 1860s. This event brought miners and emigrants to California along the Bradshaw Trail, which later became the route of modern I-10. This event, in conjunction with the 1863 smallpox epidemic and extended droughts, decimated the Cahuilla population. As the populations decreased, old villages were abandoned and traditional Cahuilla lands were rapidly lost to the encroaching settlers. The Cahuilla were finally granted allotments of land when the Morongo, Cabazon and Torres-Martinez Reservations were established by President Grant on May 15, 1876. The Mission Indian Agency was created for southern California in 1877. Today, Cahuilla Reservations include Santa Rosa, Cahuilla and Ramona in addition to the aforementioned Reservations established under President Grant.

Native American Sacred Lands Search and Consultation

The project is very unlikely to affect any cultural resources, nonetheless, a Sacred Lands File search request was sent to the Native American Heritage Commission (NAHC) on September 18, 2009 in an effort to determine whether any scared sites are known within the vicinity of the project area. Our efforts are associated with fact-finding only. The NAHC responded on September 22, 2009 and indicated that no known sacred sites are located in or near the project area. The NAHC indicated that 12 tribal organizations may have additional information associated with the project area. Should the County be required to contact any local Tribes as part of future environmental compliance for this project (i.e.: SB18), we suggest that the attached list be used for this purpose.

It must be noted that the entirety of the project area was graded during construction of the existing office building. This would have resulted in an engineering of topsoil to code. It is highly likely that the upper 5-6 feet of topsoil was disturbed and recompacted at the spot where the existing structures now stand. There is a low-to-none chance that significant buried Native American resources will be impacted during grading of ground below the existing buildings.

Paleontological Impacts

According to an on-line paleontological sensitivity review of the Desert Center parcels using the County's TLMA website (APN 666411011 and 666411012), the property is considered Low in paleontologic sensitivity. The property is covered with recent Holocene Alluvium and Aeolian sand deposits, which is a

soil and rock strata considered too young to exhibit significant paleontological resources. It is very unlikely that fossil resources would be uncovered during excavation for the septic tanks.

Initial Study Analysis

V. CULTURAL RESOURCES -- Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?	☐	☐	☐	☒
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?	☐	☐	☐	☒
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☒

Historical Resource: Would the project cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?

There is no potential for a substantial adverse change in the significance of a historic resource during construction of this project. Records indicate that no historical resources have ever been located on the project site, and that the chance that historic resources could be encountered during grading is extremely low. Therefore, a mitigation-monitoring plan to mitigate for potential impacts to historic resources during construction is not recommended. The Initial Study check box should read "No effect".

Archaeological Resource: Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?

Because it is highly unlikely that most of the subsurface soils on the project site are intact, there is a low-to-none potential for a substantial adverse change in the significance of a prehistoric resource during construction of this project. Records indicate that no prehistoric resources have ever been found on or within one mile of the project site (despite numerous surveys near the project), and that the chance that prehistoric resources could be encountered during grading is extremely low. Therefore, a mitigation-monitoring plan to mitigate for potential impacts to prehistoric resources during construction is not recommended. The Initial Study check box should read "No effect".

Paleontological Resource or Geologic Feature: Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

There is no potential for a substantial adverse change in the significance of a paleontologic resource during construction of this project. Data indicates that paleontologic resources are extremely unlikely to be found during grading because any strata having good potential for fossil resources are not located in the project area. Therefore, a monitoring plan to mitigate for potential impacts to prehistoric resources during construction is not recommended. The Initial Study check box should read "No effect".

Human Remains: Would the project disturb any human remains, including those interred outside of formal cemeteries?

There is little chance that human remains will be encountered during construction-related grading. Records indicate that no human remains have ever been found on or near the project site, and that the chance that human remains could be encountered during grading is extremely low due to heavy disturbance. Therefore, a plan to mitigate for potential impacts to human remains during construction is not required. The Initial Study check box should read "No effect". State law requires that if In the event of an accidental discovery or recognition of any human remains, California State Health and Safety Code § 7050.5 dictates that no further disturbance shall occur until the County Coroner has made the necessary findings as to origin and disposition pursuant to California Environmental Quality Act (CEQA) regulations and Public Resources Code (PRC) § 5097.98.

Summary

Based on the results of the records search, the existing land-use, and development within and adjacent to the project area, and the parameters of the proposed construction, the potential for impacts to buried and potentially significant cultural resources is considered low. Under these conditions and following CEQA guidelines, cultural and paleontological resource mitigation-monitoring is not recommended.

Unanticipated Discoveries

It is always possible that ground-disturbing activities during construction may uncover previously unknown, buried cultural resources without a monitor or archaeologist present. In the event that buried cultural resources are discovered during construction, operations shall stop in the immediate vicinity of the find and a qualified archaeologist shall be consulted to determine whether the resource requires further study. The qualified archeologist shall make recommendations to the Lead Agency on the measures that shall be implemented to protect the discovered resources, including but not limited to excavation of the finds and evaluation of the finds in accordance with §15064.5 of the CEQA guidelines. Cultural resources could consist of, but are not limited to, stone artifacts, bone, wood, shell, or features, including hearths, structural remains, or historic dumpsites. Any previously undiscovered resources found during construction within the project area should be recorded on appropriate Department of Parks and Recreation (DPR) forms and evaluated for significance in terms of CEQA criteria.

If the resources are determined to be unique historic resources as defined under §15064.5 of the CEQA Guidelines, mitigation measures shall be identified by the monitor and recommended to the Lead Agency. Appropriate mitigation measures for significant resources could include avoidance or capping, incorporation of the site into green space, parks, or open space, or data recovery excavations of the finds. No further grading shall occur in the area of the discovery until the Lead Agency approves the measures to protect these resources. Any archaeological artifacts recovered as a result of mitigation shall be donated to a qualified scientific institution approved by the Lead Agency where they would be afforded long-term preservation to allow future scientific study. In addition, reasonable efforts to avoid, minimize, or mitigate adverse effects to the property will be taken, and the State Historic Preservation Office (SHPO) and Native American tribes with concerns about the property, as well as the Advisory Council on Historic Preservation (ACHP), will be notified within 48 hours in compliance with 36 CFR 800.13(b)(3).

In the event of an accidental discovery or recognition of any human remains, Public Resource Code (PRC) §5097.98 must be followed. In this instance, once project-related earthmoving begins and if there is accidental discovery or recognition of any human remains in any location other than a dedicated cemetery, the following steps shall be taken:

1) There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until the County Coroner is contacted to determine if the remains are Native American and if an investigation of the cause of death is required. If the coroner determines the remains to be Native American, then the coroner shall contact the NAHC within 24 hours, and the NAHC shall identify the person or persons it believes to be the "most likely descendant" of the deceased Native American. The most likely descendent may make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and any associated grave goods as provided in PRC §5097.98, or

2) Where the following conditions occur, the landowner or his authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity either in accordance with the recommendations of the most likely descendant or on the property in a location not subject to further subsurface disturbance:

- The NAHC is unable to identify a most likely descendent or the most likely descendent failed to make a recommendation within 24 hours after being notified by the commission;
- The descendant identified fails to make a recommendation; or
- The landowner or his authorized representative rejects the recommendation of the descendant, and the mediation by the NAHC fails to provide measures acceptable to the landowner.

MBA appreciates the opportunity to assist you on this project. If we can assist further, or if you have questions, please contact me at 909.884.2255 extension 1208.

Sincerely,



Michael H. Dice, M.A., RPA
Senior Archaeologist
Michael Brandman Associates
621 E Carnegie Drive
San Bernardino, CA. 92408

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Bean, L.J. and F.C. Shipek. 1978. Luiseño. In Handbook of North American Indians, Vol. 8: California, edited by R.F. Heizer, pp. 550-563. Washington, DC: Smithsonian Institution.

Chartkoff J.L. and K.K. Chartkoff 1984. The Archaeology of California. Menlo Park: Stanford University Press.

Fagan, B.M. 2003. Before California: An Archaeologist Looks at Our Earliest Inhabitants. Alta Mira Press

James, H.C. 1960. The Cahuilla Indians. Banning: Malki Museum Press.

Kroeber, A. L. 1925. Handbook of the Indians of California. Bureau of American Ethnology Bulletin No. 78. Washington, D.C.

Krober, A.L. and L. Hooper. 1978. Studies in Cahuilla Culture, Classics in California Anthropology no. 4. Malki Museum Press, Morongo Indian Reservation, Banning.

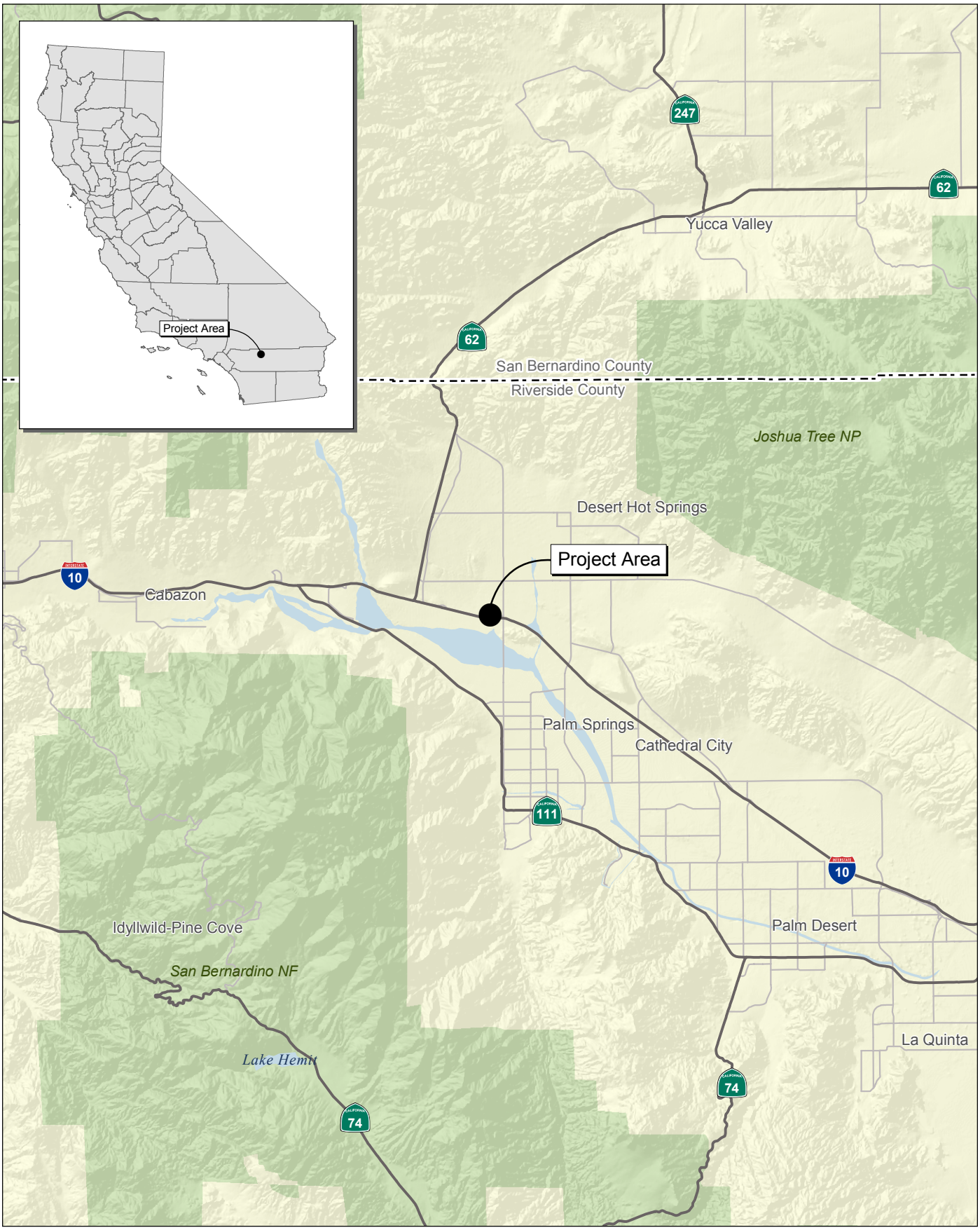
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Source: Census 2000 Data, The CaSIL, MBA GIS 2009.

NORTH

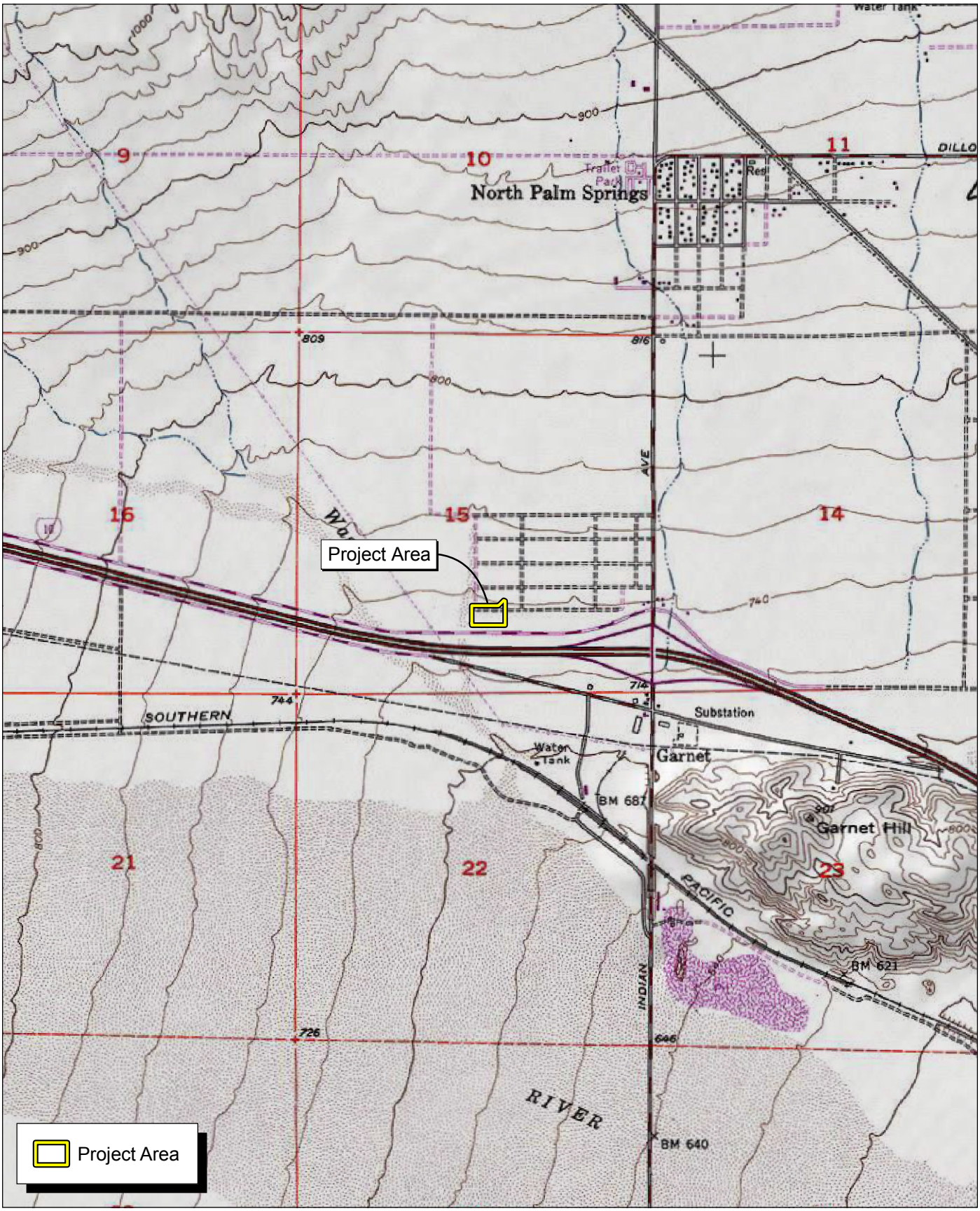
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Michael Brandman Associates

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Exhibit 1
Regional Location Map

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE



Source: TOPO! Desert Hot Springs (1978) 7.5' DRG.

Exhibit 2
Local Vicinity Map
Topographic Base

NORTH

2,000 1,000 0 2,000 Feet

Michael Brandman Associates

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COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE



Source: Google Earth Pro Aerial (January, 2006).

Exhibit 3
Local Vicinity Map
Aerial Base

NORTH

800 400 0 800

Feet

Michael Brandman Associates

27490030 • 09/2009 | 3_Local_Aerial.mxd

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY
ROY'S DESERT RESOURCE CENTER
CULTURAL RESOURCE DUE DILIGENCE

Appendix A:
NAHC Request Letter (MBA)
NAHC Response Letter
MBA Staff Resumes

Michael Brandman Associates

Fresno
559.497.0310

Irvine
714.508.4100

Palm Springs
760.322.8847

Sacramento
916.447.1100

San Bernardino
909.884.2255

San Ramon
925.830.2733

September 18, 2009

Native American Heritage Commission
915 Capitol Mall, Suite 364
Sacramento, CA 95814-4801

VIA FACSIMILE: 916.657.5390

Subject: **Request for a Sacred Lands Records Search for the Roys Center IS Project located in the City of Palm Springs, California. (USGS Desert Hot Springs, CA. quad)**

County of Riverside, California.

To Whom It May Concern:

Michael Brandman Associates (MBA) would like to determine whether any listed sacred sites are located within or near a future development project on private land in the City of Palm Springs, CA. The project will involve modification of about 2 acres of land where three septic tanks will be undergrounded. Excavation during construction is required

As seen in the attached topographic map, the project area is located in Section 15 of Township 3 South and Range 4 East as found on the USGS Desert Hot Springs, CA. 7.5' topographic quadrangle.

Please notify us of any sacred Native American sites that may be affected by the undertaking. A full description of this project can be found in our archaeological survey report, which is forthcoming. A response can be sent to our FAX, 909-884-2113. If you have any more questions or need to speak with me, please feel free to call me at 714.742.0468. Thank you for your time and effort!

Sincerely,

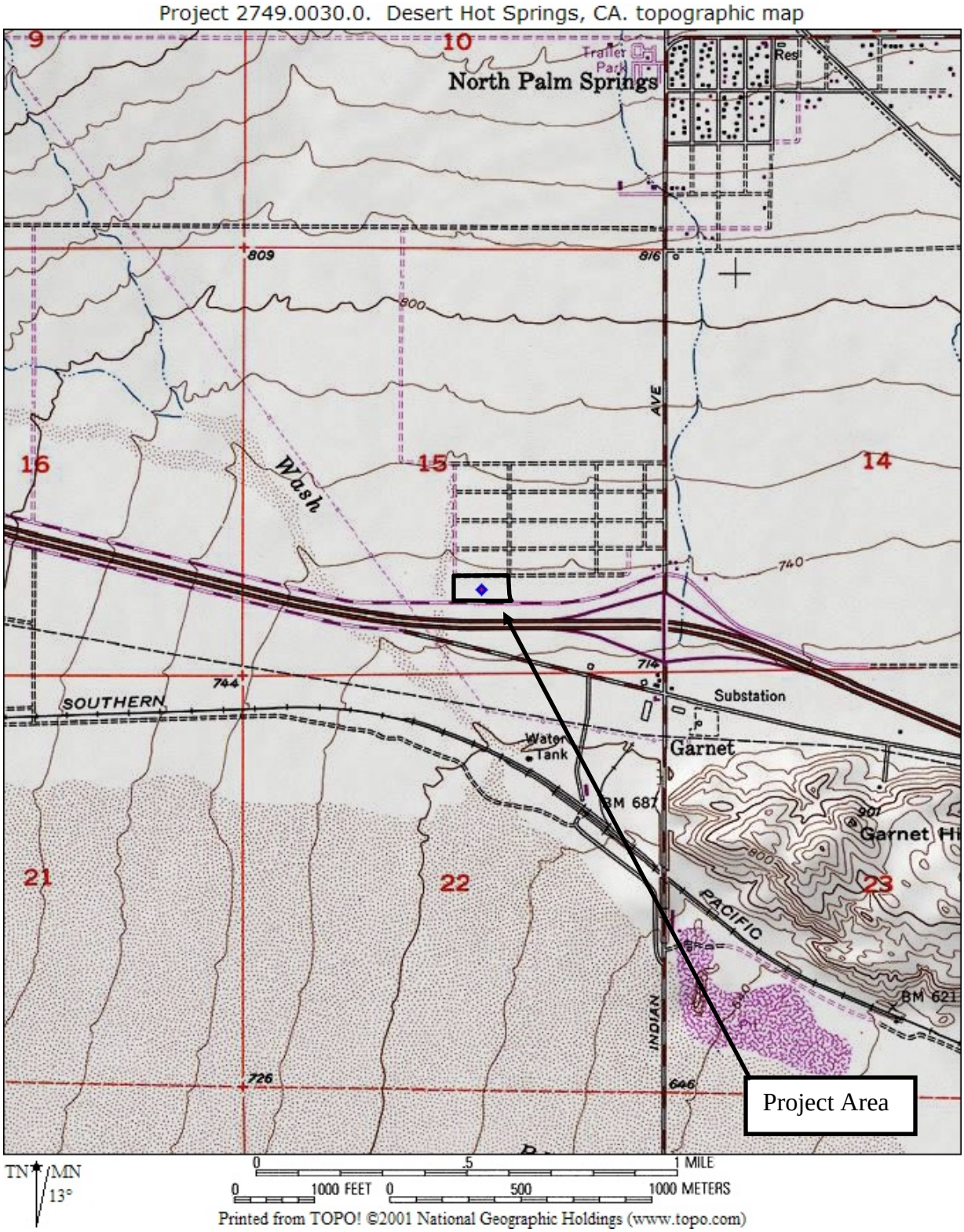


Michael H. Dice, M.A., R.P.A., Senior Archaeologist
Michael Brandman Associates
621 E Carnegie Drive Suite 100
San Bernardino, CA. 92408

Enclosures: Exhibit 1: Topographic Map

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MD:md



Source: Topo! @National Geographic Holdings.

Exhibit 1
Topographic Map
Roys Center Project • Cultural Resource RS

STATE OF CALIFORNIA Arnold Schwarzenegger, Governor

NATIVE AMERICAN HERITAGE COMMISSION
915 CAPITOL MALL, ROOM 364
SACRAMENTO, CA 95814
(916) 653-6251
Fax (916) 657-5390
Web Site www.nahc.ca.gov
ds_nahc@pacbell.net

September 21, 2009

Mr. Michael H. Dice, M.A., R.P.A., Senior Archaeologist
MICHAEL BRANDMAN ASSOCIATES
621 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

Sent by FAX to: 909-884-2113
Number of pages: 4

Re: Request for a Sacred Lands File Search and Native American Contacts List **for a Proposed. Roys Center IS Project;** located in the City of Palm Springs; Riverside County, California

Dear Mr. Dice:

The Native American Heritage Commission (NAHC), the State of California 'Trustee Agency' for the protection and preservation of Native American cultural resources (c.f. CA Public Resources Code §21070), was able to perform a record search of its Sacred Lands File (SLF) for the affected project area (APE) requested. The California Environmental Quality Act (CEQA; CA Public Resources Code Section 21000 – 21177)) requires that any project that causes a substantial adverse change in the significance of an historical resource, that includes archaeological resources, is a 'significant effect' requiring the preparation of an Environmental Impact Report (EIR) per the California Code of Regulations §15064.5(b)(c)(f) CEQA guidelines). Section 15382 of the 2007 CEQA Guidelines defines a significant impact on the environment as "a substantial, or potentially substantial, adverse change in any of physical conditions within an area affected by the proposed project, including ...objects of historic or aesthetic significance." The NAHC SLF search **did not indicate** the presence of Native American cultural resources within one-half - mile radius of the project area (APE) of the proposed project (APE). There are, however, Native American cultural resources in close proximity to the APE.

This letter includes state and federal statutes relating to Native American historic properties of religious and cultural significance to American Indian tribes and individuals as 'consulting parties' under both state and federal law.

Early consultation with Native American tribes in your area is the best way to avoid unanticipated discoveries once a project is underway. Enclosed are the names of the nearest tribes and interested Native American individuals that the NAHC recommends as 'consulting parties,' for this purpose, that may have knowledge of the religious and cultural significance of the historic properties in the project area (e.g. APE). We recommend that you contact persons on the attached list of Native American contacts. A Native American Tribe or Tribal Elder may be the only source of information about a cultural resource.. Furthermore we suggest that you contact the California Historic Resources Information System (CHRIS) at the Office of Historic Preservation Coordinator's office (at (916) 653-7278, for referral to the nearest Information Center of which there are 11..

Consultation with tribes and interested Native American consulting parties, on the NAHC list ,should be conducted in compliance with the requirements of federal NEPA (42 U.S.C. 4321-43351) and Section 106 and 4(f) of federal NHPA (16 U.S.C. 470 [f]*et se),* and NAGPRA (25 U.S.C. 3001-3013), as appropriate..

Lead agencies should consider avoidance, as defined in Section 15370 of the California Environmental Quality Act (CEQA) when significant cultural resources could be affected by a

project. Also, Public Resources Code Section 5097.98 and Health & Safety Code Section 7050.5 provide for provisions for accidentally discovered archeological resources during construction and mandate the processes to be followed in the event of an accidental discovery of any human remains in a project location other than a 'dedicated cemetery. Discussion of these should be included in your environmental documents, as appropriate.

The response to this search for Native American cultural resources is conducted in the NAHC Sacred Lands Inventory, established by the California Legislature (CA Public Resources Code §5097.94(a) and is exempt from the CA Public Records Act (c.f. California Government Code §6254.10) although Native Americans on the attached contact list may wish to reveal the nature of identified cultural resources/historic properties. Confidentiality of "historic properties of religious and cultural significance' may also be protected the under Section 304 of the NHPA or at the Secretary of the Interior' discretion if not eligible for listing on the National Register of Historic Places. The Secretary may also be advised by the federal Indian Religious Freedom Act (cf. 42 U.S.C, 1996) in issuing a decision on whether or not to disclose items of religious and/or cultural significance identified in or near the APE and possibly threatened by proposed project activity.

If you have any questions about this response to your request, please do not hesitate to contact me at (916) 653-6251.

Sincerely,

Dave Singleton
Program Analyst

Attachment: Native American Contacts List (NOTE: we further recommend that other forms of 'proof of mailing or proof of contact be utilized instead of 'Return Receipt Requested' Certified or Registered Mail.) Further, we suggest a follow-up telephone call to the contacts if the replies are not received or need clarification.

Native American Contact
Riverside County
September 21, 2009

Cabazon Band of Mission Indians
David Roosevelt, Chairperson
84-245 Indio Springs Parkway Cahuilla
Indio , CA 92203-3499
(760) 342-2593
(760) 347-7880 Fax

Santa Rosa Band of Mission Indians
John Marcus, Chairman
P.O. Box 609 Cahuilla
Hemet , CA 92546
srtribaloffice@aol.com
(951) 658-5311
(951) 658-6733 Fax

Los Coyotes Band of Mission Indians
Francine Kupsch, Spokesperson
P.O. Box 189 Cahuilla
Warner , CA 92086
loscoyotes@earthlink.net
(760) 782-0711
(760) 782-2701 - FAX

Augustine Band of Cahuilla Mission Indians
Mary Ann Green, Chairperson
P.O. Box 846 Cahuilla
Coachella , CA 92236
(760) 369-7171
760-369-7161

Ramona Band of Cahuilla Mission Indians
Joseph Hamilton, Chairman
P.O. Box 391670 Cahuilla
Anza , CA 92539
admin@ramonatribe.com
(951) 763-4105
(951) 763-4325 Fax

Morongo Band of Mission Indians
Michael Contreras, Cultural Heritage Prog. Coordinatr
12700 Pumarra Road Cahuilla
Banning , CA 92220 Serrano
mcontreras@monongo-nsn.
(951) 755-5025
(951)201-1866 - cell
(951) 922-0105 Fax

Torres-Martinez Desert Cahuilla Indians
Mary Resvaloso, Chairperson
PO Box 1160 Cahuilla
Thermal , CA 92274
mresvaloso@torresmartinez.or
(760) 397-0300
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Diana L. Chihuahua, Cultural Resources Coordinator
P.O. Boxt 1160 Cahuilla
Thermal , CA 92274
dianac@torresmartinez.org
760) 397-0300, Ext. 1209
(760) 272-9039 - cell (Lisa)
(760) 397-8146 Fax

Torres-Martinez Desert Cahuilla Indians
Ernest Morreo
PO Box 1160 Cahuilla
Thermal , CA 92274
maxtm@aol.com
(760) 397-0300
(760) 397-8146 Fax

Los Coyotes Band of Mission Indians
Melody Sees, Environmental Director
P.O. Box 189 Cahuilla
Warner , CA 92086
(760) 782-0712
(760) 782-2730 - FAX

This list is current only as of the date of this document.
Distribution of this list does not relieve any person of statutory responsibility as defined in Section 7050.5 of the Health and Safety Code, Section 5097.94 of the Public Resources Code and Section 5097.98 of the Public Resources Code. and federal NEPA (42 USC 4321-43351), NHPA Sections 106, 4(f) (16 USC 470(f) and NAGPRA (25 USC 3001-3013)

This list is only applicable for contacting local Native Americans with regard to cultural resources for the proposed Roya Center I5 Project; located in the City of Palm Springs; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested.

Native American Contact
Riverside County
September 21, 2009

Agua Caliente Band of Cahuilla Indians THPO
Patricia Tuck, Tribal Historic Perservation Officer
5401 Dinah Shore Drive Cahuilla
Palm Springs , CA 92264
ptuck@aguacaliente-nsn.gov
(760) 699-6907
(760) 699-6800
(760) 699-6924- Fax

Cahuilla Band of Indians
Luther Salgado, Sr.
PO Box 391760 Cahuilla
Anza , CA 92539
tribalcouncil@cahuilla.net
915-763-5549

This list is current only as of the date of this document.
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and federal NEPA (42 USC 4321-43351), NHPA Sections 106, 4(f) (16 USC 470(f) and NAGPRA (25 USC 3001-3013)

This list is only applicable for contacting local Native Americans with regard to cultural resources for the proposed Roys Center IS Project; located in the City of Palm Springs; Riverside County, California for which a Sacred Lands File search and Native American Contacts list were requested.

Michael H. Dice, RPA

Senior Cultural Resource Specialist/Project Manager

Overview

- 30+ years experience
- Master's degree, Anthropology – Arizona State University, Tempe. 1993
- Bachelor's degree, Anthropology – Washington State University, Pullman. 1986
- Registered Professional Archaeologist (RPA 2000)
- Registered Archaeologist in Orange County and Riverside County

Michael H. Dice, MA, Senior Cultural Resource Specialist and Project Manager, has more than 30 years experience performing record searches, archaeological surveys, archaeological site testing projects, and data collection projects on private and public lands in the Southwestern United States. He has authored or co-authored more than 150 Cultural Resources Inventory Reports required for CEQA and/or NEPA level documents including several manuscripts for the National Park Service. Michael has extensive experience with California Native American Tribes, having provided direct consultation and coordination with the Agua Caliente Band, Gabrielino Band, Juaneno Band, Morongo Band, and Pechanga Band.

Related Experience

High Desert Archaeological Projects

Sky Harbor Ranch Specific Plan Project. 2008. Town of Yucca Valley. Mr. Dice undertook an archaeological survey of 640 acres located south of the Town of Yucca Valley and bordering Joshua Tree National Park. Mr. Dice surveyed the entirety of the section with two staff archaeologists, then wrote the report and recorded a single historic archaeological site. The survey was undertaken for a Specific Plan in the Town.

The Barstow Industrial Park Project. 2007-2009. City of Barstow. MBA is preparing an EIR for a new logistics center to handle multi-modal transport of goods in and out of the Los Angeles Basin and throughout the country. The center, being developed by IDA Real Estate Group, will be located on 1,200 acres along the Mojave River west of the City of Barstow. Technical studies will be completed and integrated into the EIR that will be used by the City of Barstow and the various regulatory agencies involved in the permitting process. The cultural resource analysis was led by Mr. Dice and consisted of a Phase 1 survey and Phase II test of various historic and historic archaeological resources. The final cultural resource element to the project is the crafting of a Phase III (data collection through subsurface excavation) program consistent with scientific studies that have taken place in the region in previous years. More than 30 cultural resources have been identified in the project area and consultations with Native Americans have taken place since project inception.

An Archaeological Survey of the Mastro Property. 2007. Yucca Mesa Area, County of San Bernardino. Mr. Dice undertook a survey of 30 acres in the Yucca Mesa region of Joshua Tree. Several archaeological resources were detected and recorded onto DPR523a form sets. Mitigation measures were recommended that asked for test excavations before the property was approved for subdivision by the County.

The Foxfire Ranch Project. 2005. City of Victorville. Mr. Dice performed a Phase 1 Cultural Resource Survey of a 65-Acre Property at Tentative Tract #16574 (Foxfire Ranch), located near Cobalt and Dos Palmas Roads, Section 26 of T.5N R.5W, City of Victorville, Including Parcel #3094-131-02. Century-Crowell Communities.

Cultural Survey Report for Two Planned Ryland Homes Developments in the City of Victorville. 2004 and 2006. City of Victorville. Mr. Dice performed a Phase I Cultural Resources Assessment and Paleontological Records Review Tract Nos. 16496 and 16905 in the City of Victorville. Ryland Homes of Corona.

Phase I Cultural Resources Survey for the Victorville Acres Project, Tentative Tract 16847, City of Victorville, San Bernardino County. Mr. Dice prepared a cultural resource survey report for planned development in the City of Victorville. Van Daele Homes, Inc.

Project Archaeologist for the California Lightweight Pumice Makayla Mine Expansion. Mr. Dice undertook a Class III Intensive Field Survey of mining lease properties located within Sections 21 and 28, T21S/R38W, Coso Junction Area, County of Inyo, California. Wrote research design, direct survey and recordation of more than 20 obsidian scatter and two quarries in an area southeast of Olancha and west of Coso Junction. All Native American coordination flowed through the BLM-Ridgecrest Field Office.

Cultural Resource Survey Reports for the Palm Desert Rock Project, and the Coachella Aggregates Expansion Project, Coachella Valley, Riverside County. Mr. Dice prepared cultural survey and inventory reports for planned mining development in the County of Riverside. Requires Section 106 and County of Riverside General Plan concurrence through the County Archaeologist.

High Desert Water-Related Cultural Resource Management Projects

The Victor Valley Recycled Water Project 2004-2006. Mr. Dice served as the Project Archaeologist for a series of studies in Hesperia, Victorville, Apple Valley and the County of San Bernardino for a proposed subregional facilities project that will treat excess and sewage for recycling in the noted towns and communities. The project was completed for Bauer Consulting, Irvine, Ca. A records search, survey and mitigation recommendations were made as part of an EIR/EIS. Contact with the SWCB (Cookie Hearn, Archaeologist) were made as part of the Section 106 (Federal) compliance process.

Navajo Road Sewer Project **2002-2004**. Mr. Dice served as the Project Archaeologist for a infrastructure improvement project in the Town of Apple Valley. A right-of-way for the new sewer was surveyed between the existing airport and the new Costco distribution center for Carter and Burgess Engineering of Fort Worth, Texas. Mr. Dice recommended testing and monitoring of the project

Professional Affiliations

- Member, California Historical Society
- Member, National Trust for Historic Preservation
- Certified County of Riverside Archaeologist
- Certified County of Orange Archaeologist

Arabesque Said

Staff Archaeologist

Overview

- 5 Years Experience
- Bachelor's degree, Anthropology – University of California, Riverside, California

Arabesque Said, BA, has been working in the archaeological field since 2004. She has conducted numerous pre-field assessments, archival research, pedestrian field surveys, site evaluation and testing, and data recovery and analysis. As an Archaeological crew member for the URS Corporation she has gained expertise in both prehistoric and historical site testing. Her projects have included testing on both private and public land throughout the Southwest and have allowed her to build relationships with various federal and state level entities.

Related Experience

Historical, Archaeological and Paleontological Resources

Solar 1, Mojave Desert, County of Riverside. Archaeological crew member for a 6,500 acre pedestrian survey for prehistoric and historic sites. This Phase I cultural resources survey was conducted on BLM land for a solar energy field that will include approximately 20,000 solar dishes by SES (Stirling Energy Systems).

Solar 2, Yuha Desert, County of Riverside. Archaeological crew member for a 7,500 acre pedestrian survey for prehistoric and historic sites. This Phase I cultural resources survey was conducted on BLM land for a solar energy field that will include approximately 20,000 solar dishes by SES (Stirling Energy Systems).

Chuckwalla Valley Project, Chuckwalla Valley, County of Riverside. Archaeological crew member for a 5,200 acre pedestrian survey for prehistoric and historic sites. Located previously recorded sites, taking and recording photographs of site and artifacts, and creating site map.

Redland Crossing Walmart EIR, Redlands, County of Riverside. Archaeological Field assistant for testing of numerous historical sites through out Redlands as part of the EIR process. Conducted excavation of trenches, artifact collection, screening and sidewall profile drawing with costs of $28,000.

EIR/EA- 800MHz Radio Tower Sites Project, Riverside County, CA. Currently assisting with the cultural resources assessment and technical reports for the Radio Tower project through out Southern California and Arizona. The Environmental Impact Report, Environmental Assessment and all related studies are for developing 75 800MHz radio tower sites throughout the County of Riverside. An opportunity and constraints analysis was conducted on each site using a specific set of criteria to determine which sites could be eliminated immediately due to a particular constraint (i.e., proximity to a known fault, habitat for a threatened or endangered species, proximity to a known site of significant cultural resource, land use constraints, etc.) and which sites could realistically be developed. The analysis included a summary of potential permitting requirements at the state, federal, and local levels.

Phase I Archaeological Survey 11-acres, City of Wildomar, CA. Currently assisting with the cultural resources assessment and phase 1 report for the development of an 11-acre site in Wildomar.

09 OCT 27 AM 10: 57

Kotake Trust

Via Certified United States mail

County of Riverside
Economic Development Agency
Claudia Steiding
3133 Mission Inn Avenue
Riverside, CA 92507

Date: October 26, 2009

Subject: Project Site - Instillation of 3 - 5,000 gallon septic tanks
19533 Mclane Street
Palm Springs, CA

Reference: Notice of Intent to a adopt a Negative Declaration
Geotechnical Study prepared by Consolidated Engineer Laboratories
Proposed site plan of project

Dear Ms. Claudia Steiding,

Although I see the need for your departments services in our area, and I understand the difficulties to find a suitable site; regretfully the North Palm Springs Business Center is not the place. The County of Riverside and its' project is in conflict of the land use.

I represent a trust that owns several properties located in the North Palm Springs Business Center. The area is zoned a Regional Business Center and I am sure habitation is not allowed on the premises. Properties located in the Business Center had been subdivided into half acre and above. All of the buildings in the center are on a septic system and there no sewer lines in the immediate area to tap into.

In reference to the department's plans for (I assume) 120 individuals - single men, single women, families and 30 employees will occupy the above mention facility at any given time. This plan is not suited for this use. It is my opinion that the Phase II of the department's plans to construct a kitchen, washing facility, extra toilets, showers and I assume a laundry facility, would taxed the soil in the immediate and surrounding areas. Yet the department has not stated or estimated the amount of raw sewage and or non – potable water that will be discharge into the septic system and ultimately end up in the leach line and in the soil.

Please be advised that the outdated geological study prepared by Consolidated Engineer Laboratories was submitted for the purpose to evaluate the site for an industrial

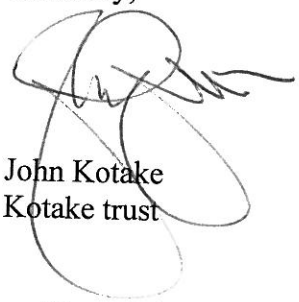
3 Upper Newport Plaza, Newport Beach CA 92660 · Phone (949) 756-2161 · Fax (949) 756-2515

warehouse and should not be used as a reference to the negative declaration. Although the study's conclusion ultimately allowed the construction of the subject building, I found that the scope of the study did not include any percolation tests. I would like to know if the county has done their due diligence to find out if the soils are able to retain the discharge from the facility, or what would happen to the soil if it became supersaturated. The soil also is porous. Is there a chance that the discharge can leach and contaminate to the ground water? Please note that the ground water is only located approximately 230 to 330 feet, as explained in the study.

I also examined the site plans for the project and did not find a pretreatment system for the discharge from the kitchen facility. Does the project address the reduction of BOD (Biochemical oxygen demand) before the non – potable water is discharged in to the septic system?

Lastly, if the county is going to adamantly pursue the project, I would ask if the county would be neighborly and pump the septic tanks during weekends and on off business hours. I thank you for your time, and I await your reply.

Sincerely,



John Kotake
Kotake trust

cc. North Palm Springs Business Association
AES Wind Generation, Inc.

3 Upper Newport Plaza, Newport Beach CA 92660 · Phone (949) 756-2161 · Fax (949) 756-2515

major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any the following:(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternatives; or,(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects of the project on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

Claudia Steiding 9/29/09

Signature Date

Sr. Env. Planner For County of Riverside

Claudia Steiding
Senior Environmental Planner
County of Riverside Economic Development Agency

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR DATE 10/21/09

Departmental Concurrence

Reviewed by CIP Christopher Hans

129

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency and Riverside County Information Technology

SUBMITTAL DATE: September 15, 2009

SUBJECT: Riverside County Public Safety Radio Sites - Emergency Generator Upgrades

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the plans and specifications for the Riverside County Public Safety Radio Sites – Emergency Generator Upgrades and authorize the Clerk of the Board to advertise for bids; and

2. Delegate project management authority for the project to the Assistant County Executive Officer/EDA in accordance with Board policies.

BACKGROUND: (Commences on Page 2)

Matthew Frymire
Chief Information Officer

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ 0	**In Current Year Budget:**	N/A
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	N/A
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: RCIT Departmental Budget

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: Jennifer L. Sargent

☐ Consent ☒ Policy

☐ Consent ☒ Policy

Dep't Recomm.:

Per Exec. Ofc.:

Prev. Agn. Ref.: 3.35, 7/15/08; 3.35, 6/03/08; 3.28, 10/16/07; 3.24, 11/28/06; 3.36, 7/11/06; 3.21, 2/28/06; 3.23, 12/20/05; 3.70, 7/13/04

District: 4

Agenda Number: 3.33

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

On April 21, 2009, the Economic Development Agency (EDA), formerly known as Facilities Management, entered into a purchase order agreement for engineering design services with MRC Engineering. This agreement was to provide design, bid support and construction contract administration services for the upgrade of emergency generators at two remote public safety radio sites located near Indio at Edom Hill and Indio Hill.

The bid documents are now complete and EDA requests approval to solicit bids for construction of this project. The bid documents have been approved by County Counsel as to legal form.

All costs associated with this project will be funded through the RCIT Departmental Budget. EDA will return to the Board under separate cover to approve the project budget and execute any related project agreements.

PROJECT MANUAL

for the

COUNTY OF RIVERSIDE
TWO PUBLIC SAFETY RADIO SITES
GENERATOR UPGRADES

County of Riverside Project Number:
20064034

COUNTY OF RIVERSIDE
ECONOMIC DEVELOPMENT AGENCY
DESIGN & CONSTRUCTION DIVISION

PREPARED BY:

MRC ENGINEERING, INC.
72-880 Fred Waring Drive, Suite C-11
Palm Desert, CA 92260

T: 760.340.9005
F: 760.340.9100

MRC ENGINEERING, INC. Project No.: 9026.00

September 2009

FORM APPROVED COUNTY COUNSEL
BY: _____ 10/21/09
MARSHA L. VICTOR DATE

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NOTICE INVITING BIDS

COUNTY OF RIVERSIDE, herein called Owner, invites sealed proposals for:

This project is to remove two existing back up generators systems at remote Riverside County Information Technology (RCIT) sites. One is located at Indio Hill, the other at Edom Hill and both are near the city of Indio. The removed generators will be relocated by the contractor to other County facilities. The work also includes the installation of two new 100kw generator systems that will be provided by the County.

Proposals shall be delivered to the Clerk of the Board of Supervisors, on the 1st floor of the County Administrative Center located at 4080 Lemon Street, Riverside, CA 92501 no later than _____a.m., on, , 2009 to be promptly opened in public at said address.

Each Proposal shall be in accordance with the Plans, Specifications, and other Contract Documents, dated September 2009, and prepared by MRC Engineering. A nonrefundable fee of dollars ($) will be charged for each set of Plans and Specifications furnished to Contractors. An additional nonrefundable fee will be charged for each set of Plans and Specifications furnished that are requested to be mailed to Contractors. Plans and Specifications may be obtained from Mission Reprographics @ 2050 LaCadena Dr., Riverside, CA (951) 686-8828, Attn: Gary Schwalbe. All fees are due at the time of request and must be paid by check or money order made payable to "Mission Reprographics".

Pursuant to the Labor Code, the Governing Board of the Owner has obtained from the Director of the Department of Industrial Relations, State of California, his determination of general prevailing rates of per diem wages applicable to the work, and for holiday and overtime work, including employer payments for health and welfare, pension, vacation, and similar purposes, as set forth on the schedule which is on file at the principal office of the Owner, and which will be made available to any interested person upon request.

The Contract General Conditions for this project will contain provisions allowing successful contractor to substitute securities for monies withheld by the County to ensure performance (Public Contract Code 22300).

A performance Bond and Payment Bond shall be required for this Project.

The Contractor will be required, per Public Contracts Code, Section 3300 and for this contract, to have a State of California contractor's license classification C-10. A **mandatory** pre-bid job walk inspection will be held on _____ 2009 at 10:00 a.m., meeting at _____, _____, Ca, **No bids will be accepted from bidders who have not attended the pre-bid jobwalk.**

For further information, contact John Alfred at the Economic Development Agency, Design and Construction Division, located at 3133 Mission Inn Avenue, Riverside, CA 92507-4199 whose office telephone number is (951) 955-4844 and mobile telephone number is (951) 315-4462.

INSTRUCTIONS TO BIDDERS

A. **FORM OF PROPOSAL:** The Proposal must be made on the attached Contractor's Proposal Form which must be filled out completely, dated and signed by the bidder or duly authorized agent in accordance with the directions on the Proposal Form. Each Proposal shall include a complete list of the Subcontractors proposed for every portion of the work, in accordance with Public Contract Code, Section 4100-4114, inclusive.

B. **SUBMISSION OF THE PROPOSAL:** Signed copies of each Proposal shall be sealed in an envelope labeled with Title of Bid and Opening Time. Proposals shall be submitted at the place designated in the Notice Inviting Bids at or before the time specified in said notice. Before that time a proposal may be withdrawn, but only in person by the bidder or someone authorized by him in writing, and not by telephone or telegram.

C. **SPECIFICATIONS:** All specifications, herein enclosed, become a part of the Bid Documents. Additional sets may be provided if requested by bidders and deemed necessary and if there is sufficient time, for the sum of _____ Dollars ($0.00) per set plus an additional fee per set for mailing if required. Specifications may be obtained from Mission Reprographics @ 2050 LaCadena Dr., Riverside, CA (951) 686-8828, Attn: Gary Schwalbe.

D. **INTERPRETATION OF THE DOCUMENTS:** Discrepancies in and omissions from the Plans, Specifications or other Contract Documents or questions as to their meaning shall, at once, be brought to the attention of the Owner. Any interpretation of the Documents will be made only by Addenda duly issued and a copy of such Addenda will be mailed or delivered to each person or firm receiving a set of such documents. The Owner will not be responsible for any other explanations or interpretations. Should anything in the scope of the work or any of the sections of the Specifications be of such nature as to be apt to cause disputes between the various trades involved, such information shall be promptly called to the attention of the Owner.

E. **ADDENDA TO THE DOCUMENTS:** The Owner reserves the right to issue such Addenda to the documents as it may desire at any time prior to the time fixed for receiving Proposals. A copy of all such Addenda will be promptly mailed or delivered to each bidder. The number and date of each Addenda shall be listed on the Contractor's Proposal in the space provided.

F. **OWNER'S RESERVATION OF RIGHTS:** The Owner reserves the right to reject any or all Proposals and to waive any informalities in a bid or in the bidding. No bidder may withdraw his bid for a period of sixty (60) days after the time set for the opening thereof.

G. **BIDDER'S CHECK OR BOND:** Each Proposal must be accompanied by a certified or cashier's check or by a bid bond on the form supplied by the Owner, drawn in favor of the Owner in an amount not less than ten percent (10%) of the total Proposal. This check or bond shall be given as a guarantee that the bidder, if awarded the contract, will execute and deliver the Contract Documents and the required Payment and Performance Bonds and proof of insurance in accordance with his Proposal accepted by the Owner. In default of execution of the Contract upon award and/or delivery of said Payment and Performance Bonds, such Proposal bond or check shall be held subject to payment to the Owner of the difference in money between the amount of the bidder's Proposal and the amount for which the Owner may legally contract with another party to perform the said work, together with the costs to the Owner of redrafting, redrawing and publishing documents and papers shall, in addition, be held subject to all other actual damages suffered by the Owner, as set forth on the Contract Documents. Said check or bond will be returned upon the close of the period mentioned in Paragraph F above, and to the successful bidder upon execution of the Contract Documents. **NO BONDS WILL BE ACCEPTED UNLESS SUBMITTED ON THE FORM SUPPLIED BY OWNER.**

H. **AWARD OF CONTRACT:** The Contract shall be awarded upon a Resolution or Minute Order to that effect duly adopted by the Governing Board of the Owner. Execution of the Contract Documents shall constitute a written memorial thereof.

I. **ADDITIONAL INFORMATION:** The Owner reserves the right to require of a bidder, information regarding financial responsibility or such other information as the Owner determines is necessary to ascertain whether a bid is in fact the lowest responsible bid submitted, All references to an Architect shall be deemed to refer to the Owner where no Architect has been employed by the Owner.

J. **PROMPT ACTION BY THE CONTRACTOR:** After the award of the Contract by the Governing Board and within four (4) days after the Agreement Forms are presented to the Contractor for signing, he shall return to the Owner the signed Agreements, along with all necessary Bonds and insurance.

K. **PRE-BID CONFERENCE:** There will be a mandatory pre-bid conference for this project that will be held at the site. No bids will be accepted from bidders who have not attended the pre-bid conference.

L. **BIDS:** Under the bidding items listed on the Contractor's Proposal, bidders shall state prices for each basis for bid given hereinafter.

1. Base Bid shall be the entire work complete in accordance with the contract documents, but not including work indicated or specified to be provided under any of the other bid items.

The basis for award will be the qualified bidder with the lowest total of the Base Bid with Course of Construction Insurance and all alternates. Alternates may be awarded in any order after determination of the lowest responsible and responsive bidder.

CONTRACTOR'S PROPOSAL

TO THE GOVERNING BOARD OF THE COUNTY OF RIVERSIDE:

Date: _____

Bidder: _____

The undersigned, having carefully examined the proposed site and the Plans and Specifications, the Notice Inviting Bids, the Instructions to Bidders, the Agreement Form, the Bond Forms, the General Conditions for the

Two Public Safety Radio Sites-Generator Upgrade

hereby proposes and agrees to furnish all tools, equipment, services, apparatus, facilities, transportation, labor and materials necessary to complete the work in strict conformity with the Plans and Specifications, including all work specified in Addenda numbered and dated:

Addendum No. _____ Date _____

Addendum No. _____ Date _____

Addendum No. _____ Date _____

For the total Base Bid _____ dollars ($_____), including all applicable taxes, permits, licenses.

		(Add or Deduct state which)
Alternate 1	$ _____	_____
Alternate 2	$ _____	_____
Alternate 3	$ _____	_____
Alternate 4	$ _____	_____

Bids must be submitted on all items. Failure to bid on all items may result in the bid being rejected as non-responsive. The basis for award will be the qualified bidder with the lowest total of the Base Bid and all alternates. Alternates may be awarded in any order after determination of the lowest responsible and responsive bidder.

DESIGNATION OF SUBCONTRACTORS

In compliance with Section 4104 of the Public Contract Code the undersigned submits the following complete list of each Subcontractor who will perform work or labor or render service in or about the construction/installation in an amount in excess of 1/2 of 1% of said total bid.

PORTION OF THE WORK	SUBCONTRACTOR	ADDRESS

AWARD OF CONTRACT

The undersigned fully understands that a Contract is formed upon the acceptance of this Proposal by the Owner and the undersigned further agrees that upon request he will promptly execute and deliver to Owner a written memorial of the Contract together with the required Payment and Performance Bonds and proof of insurance.

BID GUARANTEE

The enclosed certified or cashier's check or bidder's bond on approved form, made payable to the Owner in the amount of ten percent of the total bid submitted herewith, is hereby given as a guarantee that the bidder will execute and deliver the above mentioned written memorial and required bonds and insurance if awarded the contract, and in the event that the undersigned fails or refuses to execute and deliver said documents, such check or bond is to be charged with the costs of the damages experienced by the Owner as a result of such failure or refusal, including but not limited to publication costs, the difference in money between the amount of the bid of the said principal and the amount for which obligee may legally contract with another party to perform the said work if such amount be in excess of the former, building lease or rental costs, transportation costs and additional salary costs that result from the delay due to the principal's default on the awarded contract. In no event, however, shall the Surety's liability exceed the penal sum hereof.

Name of Bidder: _____

Type of Organization: _____

Signed By: _____

Title of Signer: _____ Affix Seal

Address of Bidder: _____ If

_____ Corporation

_____

Telephone No.: _____

Contractor's License No.: _____

Classification: _____ Expiration Date: _____

LICENSURE STATEMENTS ARE MADE UNDER PENALTY OF PERJURY

If bidder is a corporation, and signer is <u>not</u> President or Secretary, attach a certified copy of By-Laws or resolution authorizing execution. If bidder is a corporation, affix corporate seal. If signer is an agent, attach Power of Attorney. If bidder is not an individual, list names of other persons authorized to bind the organization.

NONCOLLUSION AFFIDAVIT TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

State of California) ss.
County of Riverside)

_____, being first duly sworn, deposes and says:

That he or she is _____ of _____ the party making the foregoing bid; that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

_____
Signature

Subscribed and sworn to before me this _____ day of _____, 2009.

_____
Signature of officer administering oath

Bid Bond

KNOWN TO ALL MEN BY THESE PRESENTS, that we, the undersigned _____ _____, as Principal; and _____, as Surety, are hereby held and firmly bound unto the County of Riverside, hereinafter called the "Owner", in the sum of _____ Dollars ($ _____) for the payment of such sum, well and truly to be made, do hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns.

WHEREAS, the said Principal is herewith submitting its Proposal for the **Two Public Safety Radio Sites-Generator Upgrade**

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if the aforesaid Principal shall be awarded the Contract upon said Proposal and shall, within the required number of days after the notice of such award, execute a written memorial of the awarded Contract and submit the required Labor and Material Payment and faithful Performance Bond and proof of insurance, then this obligation shall be null and void; and in the event that the Principal fails and/or refuses to execute and deliver said documents this Bond will be charged with the costs of the damages experienced by the Owner as a result of such refusal, including but not limited to, publication cost, the difference in money between the amount of the bid of the said Principal and the amount for which the obligee may legally contract with another party to perform the said work if such amount be in excess of the former; building lease or rental costs, transportation cost, and additional salary costs that result from the delay due to the Principal's default on the awarded Contract. In no event however, shall the Surety's liability exceed the penal sum hereof.

The Surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its bond shall be in no way impaired or affected by any extension of the time within which the Owner may accept such bid; and said Surety does hereby waive notice of any such extension.

IN WITNESS WHEREOF, the above bounded parties have executed this instrument under their separate seals this _____day of _____, 2009, the name and corporate seal of each corporate party being hereto affixed and those present duly signed by its undersigned representative, pursuant to authority of its governing body.

_____
(Firm Name - Principal)

_____
(Business Address)

Affix Seal If Corporation

By_____
(Original Signature)

_____
(Title)

_____
(Corporation Name - Surety)

_____
(Business Address)

Affix Corporate Seal

By _____
(Original Signature)

ATTORNEY-IN-FACT

AGREEMENT FORM

THIS AGREEMENT, entered into this _____day of _____, 2009, by and between _____, hereinafter called the "Contractor", and the County of Riverside hereinafter called the "Owner".

WITNESSETH: That the parties hereto have mutually covenanted and agreed as follows:

CONTRACT: The Complete Contract includes all of the Contract Documents, to wit: The Notice Inviting Bids, the Instructions to Bidders, the Contractor's Proposal, Wage Schedule, Payment and Performance Bonds, the Plans and Specifications plus any Addenda thereto, the General Conditions, the Supplementary General Conditions, if applicable and this Agreement. All Contract Documents are intended to cooperate and be complimentary so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all Contract Documents.

STATEMENT OF WORK: The Contractor hereby agrees to furnish all tools, equipment, services, apparatus, facilities, transportation, labor and materials for the **2 Public Safety Radio Sites-Generator Upgrade**, Project # FM083740002339). In strict accordance with the Plans and Specifications dated September 2009 and prepared by MRC Engineering, Inc., including Addenda thereto as listed in the Contractor's Proposal, all of which are made a part hereof.

TIME FOR COMPLETION: The work shall be commenced on a date to be specified in a written order of the Architect and shall be completed within sixty (60) calendar days from and after said date. It is expressly agreed that except for extensions of time duly granted in the manner and for the reasons specified in the General Conditions, time shall be of the essence.

COMPENSATION TO BE PAID TO CONTRACTOR: The Owner agrees to pay and the Contractor agrees to accept in full consideration for the performance of the Contract, subject to additions and deductions as provided in the General Conditions, the sum of _____ dollars ($_____) being the total of the base bid plus the following addenda: ___, ___, ____. The sum is to be paid according to the schedule as provided in the General Conditions.

Pursuant to Labor Code, Section 1861, the Contractor gives the following certification: I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

IN WITNESS WHEREOF, the parties hereto on the day and year first above written have executed this agreement in four (4) counterparts.

Type of Contractor's organization: _____.

If other than individual or corporation, list names of all members who have authority to bind firm.

_____, _____, _____, _____

Firm Name: _____

Address: _____

Contractor's License No.: _____

IF OTHER THAN CORPORATION EXECUTE HERE

Signature: _____

Title: _____

Affix Seal If Corporation

IF CORPORATION, FILL OUT FOLLOWING AND EXECUTE

Name of President of Corporation: _____

Name of Secretary of Corporation: _____

Corporation is organized under the laws of State of _____

Signature: _____

Title: _____

Owner: COUNTY OF RIVERSIDE

Signature: _____

Title: Chairman - Board of Supervisors

Attest: Clerk - Board of Supervisors

By: _____

Title: _____

PAYMENT BOND

(Public Work - Civil Code Section 3247 et seq.)

The makers of this Bond are _____ as Principal and Original Contractor and _____, a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract dated _____, 2009 between Principal and County of Riverside, a public entity, as owner, for _____ dollars ($ _____) the total amount payable. THE AMOUNT OF THIS BOND IS 100% OF SAID SUM. Said contract is for public work of: **2 Public Safety Radio Sites-Generator Upgrade**

The beneficiaries of this Bond are as is stated in 3248 of the Civil Code and the requirements and conditions of this Bond are as is set forth in Sections 3248, 3249, 3250 and 3252 of said Code. Without notice, Surety consents to extension of time for performance, change in requirements, amount of compensation, or prepayment under said Contract.

Signed and Sealed this _____Day of _____2006.

_____
(Firm Name - Principal)

_____
(Business Address)

Affix Seal if Corporation

By: _____
(Signature - Attach Notary's Acknowledgment)

_____
(Title)

_____
(Corporation Name - Surety)

_____
(Business Address)

Affix Corporate Seal

By: _____
(Signature - Attached Notary's Acknowledgment)

ATTORNEY-IN-FACT
(Title-Attach Power of Attorney)

PERFORMANCE BOND

The makers of this Bond, _____, as Principal, and _____ as Surety, are held and firmly bound unto County of Riverside, hereinafter called the Owner, in the sum of _____Dollars ($_____) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the Principal entered into a certain contract, hereto attached, with the Owner, dated _____, 2009 for **2 Public Safety Radio Sites-Generator Upgrade**.

Now therefore, if the Principal shall well and truly perform and fulfill all the undertakings covenants, terms, conditions and agreements of said Contract during the original term of said Contract and any extension thereof that may be granted by the Owner, with or without notice to the Surety, and during the file of any guarantee required under the Contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said Contract that may thereafter be made, then this obligation to be void, otherwise to remain in full force and virtue. Without notice, Surety consents to extension of time for performance, change in requirements, change in compensation or prepayment under said Contract.

Signed and Sealed this _____ Day of _____, 2009.

_____
(Firm Name - Principal)

_____
(Business Address)

Affix Seal if Corporation

By: _____
(Signature - Attach Notary's Acknowledgment)

_____
(Title)

_____
(Corporation Name - Surety)

_____
(Business Address)

Affix Corporate Seal

By: _____
(Signature - Attach Notary's Acknowledgment)

ATTORNEY-IN-FACT
(Title-Attach Power of Attorney)

CONTRACTOR'S CERTIFICATE
REGARDING WORKERS' COMPENSATION

Labor Code Section 3700

Every employer, except the State and all political subdivisions or institutions thereof, shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.

(b) By securing from the Director of Industrial Relations, a Certificate of Consent to Self-Insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of this Contract.

_____
Principal

_____
Principal

_____
Title

(In accordance with Article 5 [commencing at Section 1860], Chapter, Part 7, Division 2 of the Labor Code, the above Certificate must be signed and filed with the Owner prior to performing any work under this Contract.)

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GENERAL CONDITIONS OF THE CONTRACT

ARTICLE 1 GENERAL PROVISIONS

1.1 DEFINITIONS

THE CONTRACT DOCUMENTS - The Contract Documents consist of the Contract, the Performance Bond and Payment Bond and any other bond required by the Contract, the drawings, the specifications, addenda issued prior to execution of the Contract, and all modifications thereto.

THE CONTRACT - The Contract Documents form the Contract. The Contract represents the entire and integrated agreement between the parties hereto, and supersedes all prior negotiation, representations, or agreements, either written or oral, including the bidding documents.

ACT OF GOD - An Act of God is an earthquake of magnitude 4.5 or greater on the Richter scale, flood, tornado, or other cataclysmic phenomenon of nature, or rain, snowstorm, windstorm, high water, or other natural phenomenon in excess of the normal as established by National Oceanic and Atmospheric Administration weather data.

ACCEPTANCE - Acceptance is when the County determines all of the Contract requirements have been completed. Execution of the Notice of Completion will signify acceptance. A copy of the Notice of Completion will be sent to the Contractor after execution by the County. Upon receipt of the Notice of Completion, the Contractor will be relieved of the duty of protecting the work, and the County will initiate final settlement and payment.

ARCHITECT - The use of the term Architect shall mean the individual, partnership, corporation, association or joint venture contracted by the County for the design of this Work, as designated on the title sheet of these specifications and Contract Documents.

BENEFICIAL OCCUPANCY - The right of the County to occupy all or any portion of the project prior to final Acceptance of the Work. Such occupancy does not constitute acceptance or completion by the Contractor of the Work or any portion thereof, nor will it relieve the Contractor of the responsibility for correcting defective work or materials found at any time before Acceptance of the Work.

COUNTY - The term County when used herein shall mean the Board of Supervisors of the County of Riverside, a political subdivision of the State of California.

CHANGE ORDER - A Change Order is the document issued by the County authorizing any change or adjustment to the Contract Documents in accordance with Article 19 of this Contract.

CONTRACT DRAWINGS - "Contract drawings" or "drawings" means and includes (a) all drawings which have been prepared on behalf of the County and are included in the Contract Documents and all clarification drawings issued by notice to the bidders thereto; (b) all drawings submitted pursuant to the terms of the Contract by the Contractor to the County during the progress of the Work, which are accepted by the County.

CONTRACTOR'S AGENT - The representative of the Contractor, approved by the County, who shall be present at the Work and be authorized to receive and act upon instructions from the County and to execute and direct the Work on behalf of the Contractor.

CONTRACTOR - When used herein, Contractor means the prime or principal Contractor licensed

to perform work in the State of California, including all joint ventures. References to subcontractor or others are only for convenience and all such references shall be considered to refer to the Contractor. The prime or principal Contractor shall be responsible for all subcontractors, and all subcontractors shall require their subcontractors to comply with the relevant provisions of the prime or principal contract.

CRITICAL PATH METHOD(CPM) - "Critical Path Method" is a schedule technique.

DAY - The use of "day" herein means calendar day and shall include every day including Saturdays, Sundays, and legal holidays.

DIRECTOR - The use of "Director" shall mean the Director of Department of Facilities Management of the County or his designated representative.

INSTALL - When used herein, "install" shall mean the complete installation, in place, of any item, equipment or material.

MATERIAL - Material shall be construed to include machinery, equipment, manufactured articles, or construction such as form work, fasteners, etc., and any other classes of material to be furnished in connection with the Contract. All materials shall be new.

NOTICE OF COMPLETION - The Notice of Completion ("NOC") shall be issued at that point in the Contract when the Contractor has completed all Work required in the Contract Documents. The time for issuance shall be determined by the County through a final inspection. The NOC shall be issued by the Board of Supervisors.

NOTICE TO PROCEED - The Notice to Proceed is the written notification from the County giving the Contractor notice to commence with the Work. The Notice to Proceed will specify the start date for the Work and the completion date.

REQUEST FOR INFORMATION - (RFI) The form and procedure established for communication between the Contractor and the County to clarify or interpret the Contract Documents.

REQUEST FOR QUOTATION - (RFQ) A document consisting of supplemental details, instruction, or information issued by the Architect, through the County, for the purpose of obtaining price quotations for possible changes in the Work.

SHALL - When used herein, "shall" means anything, which is mandatory to be performed by the Contractor.

SPECIFICATIONS - The term "Specifications" means that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the Work.

SUBCONTRACTOR - The term "Subcontractor" means a person or firm that has a contract with Contractor or with another subcontractor to perform a portion of the Work. Unless otherwise specifically provided, the term Subcontractor includes Subcontractors of any tier, suppliers, manufacturers, and distributors. The term Subcontractor is referred to throughout the Contract Documents as if singular in number.

WORK - The term "Work" comprises the services and materials required by the Contract Documents, as may be amended, and includes all labor necessary to produce the construction required

by the Contract Documents, and all materials and equipment incorporated or to be incorporated in such construction.

1.2 AUTHORITIES AND LIMITATIONS

1.2.1 The Board of Supervisors alone have the power to bind the County and to exercise the rights, responsibilities, authorities, and functions vested therein by the Contract Documents, except that they shall have the right to designate authorized representatives to act for them.

1.2.2 Neither the Contract, nor any part thereof, nor moneys due or to become due there under may be assigned by the Contractor without the prior written approval of the County, with the exception of the assignments to County which may be required under the terms of this Contract.

1.3 LEGAL REQUIREMENTS

1.3.1 Contractor shall keep informed of, and comply with, all federal, state and county laws, ordinances, rules, and regulations applicable to the Work or to those engaged or employed in the Work of this Contract, especially (but not limited to) those laws relating to hours of employment, prevailing wages, payment of wages, sanitary and safety conditions for workers, workers' compensation insurance, type and kind of materials that can be used, non-discrimination in employment and affirmative action programs. Failure to identify a specific provision in these Contract Documents shall not excuse the Contractor from complying with such applicable statutory requirements.

1.3.2 If conflict arises between provisions of the Contract Documents and any such laws, rules, or regulations, the Contractor shall notify the County at once in writing. If, before receiving clarification, Contractor performs any portion of the Work affected by such apparent conflict, such performance shall be at Contractor's own risk. Contractor shall not be entitled to any additional compensation or time by reason of the conflict or its later correction.

1.3.3 All work and materials shall be in full accordance with the latest applicable (or otherwise noted) codes, rules, and regulations including, but not limited to, the following:
.Uniform Building Code
.Uniform Plumbing Code
.Uniform Mechanical Code
.Uniform Fire Code
.State Fire Marshal
.State Industrial Accident Commission's Safety Orders
.Rules of Local Utilities

1.3.4 Nothing in the specifications is to be construed to permit work not conforming to the above, and expense incurred complying with the above shall be borne by the Contractor. Whenever the specifications and working details require higher standards than those required by the ordinances, codes and statutes, the specifications and working details shall take priority over the ordinances, codes and statutes.

1.3.5 In submitting a bid on this public works projects, or any subcontractor agreeing to supply goods, services, or materials, and entering a contract pursuant thereto, the contractor and\or subcontractor do offer and agree to assign the County all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final acknowledgement by the parties.

1.4 STANDARD REFERENCES

1.4.1 All documents and publications (such as, but not limited to, manuals, handbooks, codes, standards, and specifications) which are cited in this Contract for the purpose of establishing technical (non-administrative) requirements applicable to equipment, materials, or workmanship under this Contract, shall be deemed to be incorporated herein as though fully set forth.

1.4.2 Whenever reference is made to any particular document or publication, the Contractor shall comply with the requirements set out in the edition specified in this Contract, or if not specified, the latest edition or revision thereof, in effect on the date of the solicitation of bid on this project, except as modified by, as otherwise provided in, or as limited to type, class, or grade, in the specifications of this Contract.

1.5 PERMITS, LICENSES, FEES & TAXES

1.5.1 COUNTYS RESPONSIBILITIES

a. The County will apply for all plan checks and will apply for and obtain the Building Permit(s), the Grading Permit and Construction Permits required by the County of Riverside, paying all fees in connection therewith.

b. The County will furnish, at no expense to the Contractor, all on-site inspection of the Work and will arrange and pay for off-site inspection only as noted in the Contract Documents.

1.5.2 CONTRACTOR'S RESPONSIBILITIES

a. The Contractor shall obtain and pay for all other permits and licenses required for the Work, including excavation permit and for plumbing, mechanical and electrical work and for operations in or over public streets or right of way under jurisdiction of public agencies other than the County.

b. Exclusive of off-site inspection specified herein to be the County's responsibility, the Contractor shall arrange and pay for all off-site inspection of the Work, including certification, required by the specifications, drawings, or by governing authorities.

c. Before Acceptance of the project by the County, the Contractor shall submit all licenses, permits, and certificates of inspection to the County.

1.6 SEPARATE CONTRACTS

1.6.1 The County reserves the right to perform work related to this project with its own forces, and to award separate contracts in connection with other portions of the project or other work on the site. The Contractor shall cooperate with others in the prosecution of all work and shall not interfere with material, appliances or workmen of the County or any other contractor engaged by the County at the site of the Work. In case of disagreement regarding such use, the matter shall be referred to the County whose decision relative to said use shall govern.

1.6.2 The Contractor shall afford the County and separate contractors reasonable opportunity for the introduction and storage of their materials and equipment and the execution of their work, and shall properly connect and coordinate Contractor's Work with theirs.

1.6.3 If any part of the Contractor's Work depends for proper execution or results upon the work of the County or any separate contractor, the Contractor shall inspect and promptly report to the County any discrepancies or

defects in such other work that render it unsuitable for such proper execution and results. Failure of the Contractor to so inspect and report shall constitute an acceptance of the County's or the separate contractor's work as fit and proper to receive the Work, except as to defects which may develop in the other separate contractor's work after the execution of the Contractor's Work.

1.6.4 Should the Contractor cause damage to the work or property of any separate contractor on the Project, the Contractor shall, upon due notice, settle with such other contractor by agreement, if both will so settle. If such separate contractor sues the County because of any damage alleged to have been so sustained, the Contractor agrees to indemnify and defend the County in such proceedings with the County retaining the right to select and hire independent counsel for the County paid by the Contractor.

1.6.5 Any cost caused by defective or ill-timed work shall be borne by the party responsible therefore.

1.7 COUNTY'S AUTHORIZED REPRESENTATIVE, INSPECTOR(S), & ARCHITECT

1.7.1 AUTHORIZED REPRESENTATIVE

The County shall designate a representative during the Work, who shall have the right to be present at the job site during construction and shall supervise any additional representatives appointed by the County.

1.7.2 INSPECTOR(S)

The Inspector(s) shall have the right to observe the installation of all materials and equipment to be incorporated into the Work and the placing of such material and equipment to determine in general if the Work is proceeding in accordance with the Contract Documents. The Inspector(s) is not authorized to make changes in the Contract Documents. On the basis of his observations, he shall keep the County informed as to the progress of the Work. The Inspector shall not be responsible for means, methods, techniques, sequences, or procedures of construction nor for safety precautions and programs in connection with the Work. Nor will the inspector be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

1.7.3 ARCHITECT

a. The County has retained an Architect for this project. The Architect will advise and consult with the County, and the County will issue instructions to the Contractor. The Architect will be requested to interpret the requirements of the Contract. When requested by the County, the Architect will, within a reasonable time, render such interpretations as he may deem necessary for the proper execution of the Work.

b. The Architect will make periodic visits to the job site to familiarize himself generally with the progress and quality of the Work and to determine in general whether the work is proceeding in accordance with the Contract Documents. Based on such observations he will recommend approval of applications for progress payments made by Contractor. The Architect shall not be responsible for means, methods, techniques, sequences, or procedures of construction nor for safety precautions and programs in connection with the Work. Nor will the Architect be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

ARTICLE 2 BONDS AND INSURANCE

2.1 BIDS OF $25,000 OR LESS

2.1.1 If the total amount bid on the Work is $25,000 or less, the payment bond and performance bond are not

required, provided that one payment of all compensation shall be made following Acceptance of all work.

2.2 BONDS

2.2.1 GENERAL REQUIREMENTS

a. Before commencing any Work under this Contract, the Contractor shall file four of each bond with the County. These bonds shall be in the amounts and for the purposes specified below. They shall be surety bonds issued by:

(1) Either a California Admitted Surety OR a current Treasury Listed Surety (Federal Register).

And

(2) Either a current A.M. Best A VIII rated Surety OR an admitted surety insurer which complies with the provisions of the Code of Civil Procedure, § 995.660.

b. Should any surety or sureties upon said bonds or any of them become insufficient, Contractor shall renew said bond or bonds with good and sufficient sureties within ten (10) calendar days after receiving notice from the County that the surety or sureties are insufficient. Cost of bonds shall be included in the bid price.

2.2.2 PERFORMANCE BOND

The successful bidder shall deliver to the County an executed Performance Bond on the attached form in an amount equal to 100% of the accepted bid as security for the faithful performance of the Contract.

2.2.3 PAYMENT BOND

The successful bidder shall deliver to the County an executed Payment Bond on the attached form in an amount equal to 100% of the accepted bid as security for the payment of all persons performing labor and furnishing materials in connection with the Work.

2.3 INSURANCE

2.3.1 GENERAL REQUIREMENTS

Before commencing this Work under the Contract, and without limiting or diminishing CONTRACTOR'S obligation to indemnify and hold the COUNTY harmless, the Contractor shall procure and maintain, or cause to be maintained at its sole cost and expense, the following insurance coverages during the term of this Contract.

2.3.2 WORKERS' COMPENSATION INSURANCE

Contractor shall secure Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. Policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement, and contain a Waiver of Subrogation in favor of the County of *Riverside* Pursuant to Section 3700 of the Labor Code of the State of California, Contractor shall file with the County before commencing the Work the following signed certification:

"I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance

with the provisions of that Code, and I shall comply with such provisions before commencing the performance of the Work of this Contract."

2.3.3 COMMERCIAL GENERAL LIABILITY:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products/completed operations if applicable, personal and advertising injury – which may arise from or out of CONTRACTOR'S operations, use, and management of the premises, or the performance of its obligations hereunder. Policy shall name the County of Riverside—it's Director's, Officers, special Districts, Board of Supervisors, employees, agents or representatives as Additional Insured, and contain a Waiver of Subrogation in favor of the County of Riverside. Policy limits shall not be less than $1,000,000 per occurrence combined single limits. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall also contain coverage for $5,000 Medical Payments coverage per accident, per person, and Fire Legal Liability in an amount not less than $50,000.

2.3.4 VEHICLE LIABILITY:

If CONTRACTOR'S vehicles or licensed mobile equipment are used on County property, or used in any manner on behalf of the County, CONTRACTOR shall maintain auto liability insurance for all owned, non-owned and hired automobiles in an amount not less than $1,000,000 per occurrence combined single limit, $2,000,000 in the aggregate. Policy shall name the County of Riverside, its Director's Officers, Special Districts, Board of Supervisors, employees, agents, or representatives as Additional Insured, and provide a Waiver of Subrogation in favor of the County of Riverside.

2.3.5 PROPERTY (PHYSICAL DAMAGE):

All-Risk property insurance coverage for the full replacement value of all CONTRACTOR'S equipment, improvements/alterations, temporary structures, and systems (Care, Custody, and Control of CONTRACTOR) used on COUNTY property, or used in any way connected with the accomplishment of the Work performed in this contract.

2.3.6 COURSE OF CONSTRUCTION INSURANCE

Not required this contract.

2.3.7 GENERAL INSURANCE PROVISION – ALL LINES:

a. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by the County Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A:VIII. Insurance deductibles or self-insured retentions must be declared by the carrier(s), and such deductibles and retentions shall have the prior written consent from the County Risk Manager. At the election of the Risk Manager, carriers shall provide written notification, and shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. If no written notice is received from the County Risk Manager within ten (10) days of the acceptance of agreement, then such deductibles or self-insured retentions shall be deemed acceptable.

b. Cause its insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificates(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so in writing by the County Risk Manager, provide original

Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. The County of Riverside, its Director's and Officers, Special Districts, Board of Supervisors, elected officials, employees, agents or representatives are named as Additional Insureds. Further, said Certificates(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that shall provide no less than thirty (30) days written notice be given to the County of Riverside prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in fullforce and effect. **CONTRACTOR shall not take possession, or use the Premises, or commence operations under this Agreement until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of Endorsements or policies of insurance including all Endorsements and any and all other attachments as required in this Section. The original Endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.**

c. It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary, and the COUNTY'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

The County of Riverside's Reserved Rights-Insurance. The County of Riverside reserves the right to adjust the monetary limits of insurance coverage's during the term of this agreement or any extension thereof-if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR becomes inadequate.

d. CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of sub-consultants working under this Agreement.

2.4 INDEMNITY AND HOLD HARMLESS

2.4.1 CONTRACTOR agrees to and shall indemnify and hold the COUNTY-its officers, employees and agents free and harmless from any and all claims, actions, damages and liabilities of whatsoever kind and nature arising from death, personal injury, property damage or other cause asserted or, based upon any negligent act or omission of CONTRACTOR, its employees, agents, invitees, or any subcontractor of CONTRACTOR relating to or in any way connected with the accomplishment of the work or performance of services under this Agreement, regardless of the existence or degree of fault or negligence on the part of the COUNTY or any officer or employee of said COUNTY, other than the sole active negligence or willful misconduct of COUNTY-its Directors and Officers, Special Districts, Board of Supervisors, elected officials, employees, agents or representatives. As part hereto of the foregoing indemnity CONTRACTOR agrees to protect and defend at its own expense, including attorneys' fees the COUNTY-its Directors and Officers, Specials Districts, Board of Supervisors, elected officials, employees, agents or representatives from any and all legal action based upon any acts or omissions, as stated hereinabove, by any person or persons.

2.4.2 If any such claim, action, or proceeding is brought against County or County's officers, agents, employees, or independent contractors, Contractor, upon notice from County, shall defend the same at Contractor's expense by counsel satisfactory to County.

2.4.3 County shall promptly notify Contractor of any claim, action, or proceeding against County or County's officers, agents employees, independent contractors, and consultants relating to the performance, or omission

to perform, any term or condition of this Contract. County shall cooperate fully in the defense of such claim, action, or proceeding.

2.4.4 County shall not be liable or responsible for any accident, loss or damage occurring to the Work prior to the completion and Acceptance of same, unless otherwise specifically agreed to at the time of occupancy by the County.

ARTICLE 3 SITE CONDITIONS

3.1 DIFFERING SITE CONDITIONS

3.1.1 The Contractor shall have reviewed and ascertained pertinent local conditions such as location, accessibility, and general character of the site and satisfy himself as to the conditions under which the Work is to be performed. No claim for allowances shall be made because of Contractor's error or negligence in acquainting himself with the conditions at the site.

3.1.2 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by County. The Contractor shall promptly report in writing to County any errors, inconsistencies, or omissions in the Contract Documents or inconsistencies with applicable code requirements observed by Contractor.

3.1.3 If Contractor performs any construction activity which it knows or should know involves an error, inconsistency, or omission without notifying and obtaining the written consent of County, Contractor shall be responsible for the resultant losses, including, without limitation, the costs of correcting defective work.

3.1.4 The County will furnish surveys necessary to properly locate the property and establish the boundaries thereof with general reference points as well as to enable the Contractor to proceed with the Work.

3.1.5 The Contractor shall provide competent engineering services to lay out the Work and all parts thereof and to establish all grades and elevations in accordance with the Contract requirements. He shall verify the figures shown on the survey and approach drawings before undertaking any construction work and shall be responsible for the accuracy of the finished work.

3.1.6 The Contractor shall protect and preserve established bench marks and monuments and shall make no changes in locations without the written approval of the County. Any bench marks or monuments that are lost or destroyed shall be replaced by the Contractor subsequent to notification and approval from County.

3.2 SITE INVESTIGATION AND CONDITIONS AFFECTING THE WORK

3.2.1 The Contractor acknowledges by submission of his/her bid that he has satisfied himself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including any exploratory work deemed necessary by the Contractor. Any failure of the Contractor to take the actions described and acknowledged in this paragraph will not relieve the Contractor from responsibility for estimating the difficulty and cost of successfully performing the Work, or for proceeding to successfully perform the Work without additional expense to the County.

3.3 DIMENSIONS AND MEASUREMENTS

3.3.1 All dimensions shown for existing conditions and all dimensions required for work that is to connect with work now in place, shall be verified and calculated by the Contractor by actual measurement of the existing work. Any discrepancies between the Contract Documents and the existing conditions shall be referred to the

authorized representative of the County before any work affected thereby has been performed. Failure to notify the County before starting work will be considered acceptance by the Contractor. Where doubts as to dimensions exist, County shall determine the correct dimensions.

ARTICLE 4 SPECIFICATIONS AND DRAWINGS

4.1 GENERAL PROVISIONS

4.1.1 SUBDIVISIONS

For convenience, the specifications are arranged into several sections, but such separation shall not be considered as the limits of the work required of any separate trade. The terms and conditions of such limitations are wholly between the Contractor and his subcontractors. Requirements contained in any section are required as if contained in all sections and are the responsibility of the Contractor. The Contractor, prior to awarding subcontracts, will assure the Work required as a whole has been coordinated among the subcontracts.

4.1.2 RECORD DOCUMENTS

a. The Contractor shall keep on the Work site a copy of the awarded construction documents (drawings and specifications) and shall at all times give the County and Architect access thereto.

b. The Contractor will be given one set of drawings and specifications which shall be kept at the site of the Work at all times and updated weekly. Payment may be withheld if drawings are not kept current. Exact locations of all pipes and conduits and all changes in construction and details shall be indicated and dimensions provided upon these drawings, and all changes in materials and equipment installed shall be indicated in these specifications. Upon completion and prior to Acceptance of the Work, a final reproducible (transparencies) set of project record documents and specifications shall be submitted to the County by the Contractor. County will furnish a set of reproducibles.

c. The working details will indicate dimensions, position, and kind of construction, and the specifications, qualities, and methods. Any Work indicated on the working details and not mentioned in the specifications, or vice versa, shall be furnished as though fully set forth in both. Work not particularly detailed, marked, or specified shall be the same as similar work that is detailed, marked, or specified.

d. In case of discrepancy in the documents, the matter shall be promptly submitted to the County, who shall make a determination in writing. Any adjustment by the Contractor without such a determination shall be at its own risk and expense. The County shall furnish from time to time such detailed information as considered necessary to clarify the Work.

e. Where the word "similar" occurs on the drawings, it shall have a general meaning and not be interpreted as meaning identical, and all details shall be worked out in relation to their location and their connection with other parts of the work.

f. Standard details or specification drawings are applicable when listed, bound with specifications, noted on the drawings or referenced elsewhere in the specifications. Where the notes on the drawings indicate modifications, such modifications shall govern.

g. All drawings, specifications and copies thereof furnished to the Contractor are the property of the County and shall not be used on other work without its consent. Upon completion of this project, all copies of the drawings and specifications shall be returned to the County.

4.2 SUMMARY OF THE ORDER OF THE PROCEDURE

4.2.1 In case of conflicts between the Contract Documents, the order of precedence shall be as follows:

1) Modifications or changes last in time are first in precedence.
2) Addenda.
3) County-Contractor agreement.
4) General Conditions except for specific modifications thereto stated in the Supplementary Conditions.
5) Supplementary Conditions.
6) Division One Specifications.
7) Division Two through Sixteen Specifications.
8) Drawings - as between figured dimensions given on drawings and the scaled measurements, the figured dimension shall govern; as between large-scale drawings and small-scale drawings, the larger scale shall govern.
9) Structural drawings
10) Architectural drawings.
11) As between detailed drawings and typical details bound within the specifications, the detailed drawings govern.
12) In the event provisions of codes, safety orders, contract documents, referenced manufacturer's specifications or industry standards are in conflict, the more restrictive and higher quality shall govern.
13) Schedules shown on the drawings take precedence over conflicting information given on other drawings.
14) Mechanical drawings.
15) Electrical drawings.

4.3 CLARIFICATIONS/REQUEST FOR INFORMATION AND ADDITIONAL INSTRUCTIONS

4.3.1 NOTIFICATION BY CONTRACTOR

a. Should Contractor discover what he perceives to be conflicts, omissions, or errors in the Contract Documents, or have any question concerning interpretation or clarification of the Contract Documents, or if it appears that the work to be done or any matters relative thereto are not sufficiently detailed or explained in the Contract Documents, then, before proceeding with the work affected, Contractor shall notify County's authorized representative in writing, and request interpretation, clarification, or additional detailed information concerning the work. The Contractor shall ask for the clarification (Request for Information) immediately upon discovery but no less than 14 calendar days prior to the start date of the activities related to the clarification, based on the latest updated version of the accepted Progress Schedule. County, whose decision shall be final and conclusive, shall resolve such questions and issue instructions to Contractor. Should Contractor proceed with work affected before receipt of instructions from County, Contractor shall remove and replace or adjust work which is not in accordance with the instructions from County and shall be responsible for resultant damage, defect or added cost. In event of failure to agree as to scope of Contract requirements, Contractor shall follow the procedure set forth in the DISPUTES article.

b. The Contractor shall not be entitled to any compensation for delays, disruptions, inefficiencies or additional administrative effort caused by the Contractor's untimely review of the Contract Documents for potential conflicts, omissions, discrepancies or ambiguities.

c. County may charge back to the Contractor, time and expense associated with RFI's, as may be reasonably determined by the County to be unnecessary.

4.3.2 ADDITIONAL DETAILED INSTRUCTIONS

a. The County may furnish additional detailed written instructions on any Request for Information to further explain the Work. If in the opinion of Contractor, the additional detailed instructions constitute work in excess of the scope of the Contract, he must submit written notice thereof immediately to the County, but no later than seven (7) calendar days following receipt of such instruction(s), and in any event prior to commencement of work thereon. The Contractor shall not be entitled to additional compensation due to any additional instructions unless the Contractor shall have given the appropriate written notice. County will then consider such notice and, if in its judgment it is justified, the County instructions will be revised or extra work shall be authorized by Change Order. In the event of a dispute hereunder, attention is directed to the DISPUTES article.

ARTICLE 5 SHOP DRAWINGS AND SUBMITTALS

5.1 SHOP DRAWINGS, PRODUCT DATA, COORDINATION DRAWINGS AND SCHEDULES

5.1.1 Shop drawings are drawings submitted to the County by the Contractor showing detail of the proposed fabrication and assembly of structural elements and the installation (i.e., form, fir, and attachment details) of materials or equipment. It includes drawings, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, fabrication, erection and setting drawings, manufacturers' scale drawings, wiring and control diagrams, cuts or entire catalogs, pamphlets, and performance and test data, and similar materials furnished by the Contractor to explain in detail specific portions of the Work required by the Contract. The County may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under this Contract.

5.1.2 The Contractor shall coordinate all shop drawings and review them for accuracy, completeness, and compliance with Contract requirements, and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to the County without evidence of the Contractor's approval shall be returned for resubmission. The Architect will indicate review for compliance of the shop drawings, and if not in compliance as submitted, shall indicate the reasons therefore. Any work done before such review shall be at the Contractor's risk. Review by the Architect shall not relieve the Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of this Contract, except with respect to variations described and approved in accordance with paragraph 5.1.3.

5.1.3 If shop drawings show any variations from the Contract requirements, the Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If the Architect approves any such variation, no change in time or price will be allowed for Contractor changes. Should the Architect make changes on the shop drawings which affect time and/or cost, the Contractor will immediately notify the County with a Request for Information. If the Contractor fails to issue the Request for Information within seven (7) calendar days from receipt of the returned shop drawing, the Contractor shall have waived his right to any potential Change Order.

5.1.4 The Contractor shall submit shop drawings, coordination drawings, and schedules for review as required by the Contract Documents. The Contractor will provide a submittal schedule listing all shop drawings and submittals, the submission dates by the Contractor, and return dates from the Architect. This schedule will be provided fourteen (14) calendar days after the Notice to Proceed.

5.1.5 Shop drawings and schedules, other than catalogs, pamphlets, and similar printed material, shall be submitted with one reproducible plus one copy.

5.1.6 Each shop drawing or coordination drawing shall have a blank area 4 by 4 inches located adjacent to the title

block. The title block shall display the following:

1) Number and title of drawing
2) Date of drawing or revision
3) Name of project building or facility
4) Name of Contractor and (if appropriate) name of subcontractor submitting drawings
5) Clear identity of contents and location on the work
6) Project title and project number
7) Submittal number

5.1.7 Unless otherwise provided in this Contract or otherwise directed by County, shop drawings, coordination drawings, and schedules shall be submitted to the Architect with a letter, sufficiently in advance of construction requirements to permit no less than twenty (21) calendar days for checking and appropriate action.

5.2 SAMPLES

5.2.1 After the award of the Contract, the Contractor shall deliver samples required by the specifications to the County for approval. The Contractor shall prepay any shipping charges. Any materials or equipment for which samples are required shall not be used in the Work until reviewed by County.

5.2.2 Each sample shall have a label indicating:

1) Name of project building or facility, project title, and project number.
2) Name of Contractor and, if appropriate, name of subcontractor.
3) Identification of material or equipment with specification requirement.
4) Place of origin.
5) Name of manufacturer and brand (if any).
6) Identify by specification section.

5.2.3 Samples of finished materials shall have additional markings that will identify them in reference to the finish schedules.

5.2.4 The Contractor shall mail a letter in triplicate under separate cover submitting each shipment of samples and containing the information required in paragraph 5.2.2. He shall enclose a copy of this letter with the shipment and send a copy to the County representative on the project. Approval of a sample shall be only for the characteristics or use `named in such review and shall not be construed to change or modify any Contract requirement. Substitutions will not be permitted unless they are approved under paragraph 5.3.

5.2.5 Approved samples not destroyed in testing will be sent to the County. Approved samples of hardware in good condition will be marked for identification and may be used in the Work. Materials and equipment incorporated in the Work shall match the approved samples. Other samples not destroyed in testing or not approved will be returned to the Contractor at his expense if so requested at time of submission.

5.2.6 Failure of any material to pass the specified tests will be sufficient cause for refusal to consider any further samples of the same brand or make of that material or equipment under this Contract.

5.2.7 Samples of various materials or equipment delivered on the site or in place, may be taken by the County for testing. Samples failing to meet Contract requirements will automatically void previous approvals of the items tested. The Contractor shall replace such materials or equipment found not to have met Contract requirements, or there shall be a proper adjustment of the Contract price as determined by the County.

5.2.8 Unless otherwise specified, when tests are required, only one test of each sample proposed for use will be made at the expense of the County. Samples which do not meet specification requirements will be rejected.

Requests for testing of additional samples by Contractor may be made by the County at the expense of the Contractor.

5.3 SUBSTITUTIONS

5.3.1 Wherever the name, or brand, or manufacturer of an article is specified in the Contract Documents, it is used as a measure of quality and utility or a standard. Except in those instances where the product is designated to match others presently in use, specifications calling for a designated material, product, thing or service by specific brand or trade name shall be deemed to be followed by the words "or equal" so that bidders may propose any equal material, product, thing or service in their bid. If the Contractor desires to use any other brand or manufacturer of equal quality and utility to that specified, he shall list definite particulars of that which he considers equivalent to the specified item in his bid. The Contractor shall have thirty-five (35) days after the award of the Contract for submission of data substantiating substitution of "equal" items. The County will then determine whether or not the proposed name brand or article is equal in quality and utility to that specified in the Contract Documents, and its written decision shall be final.

5.3.2 No proposal will be considered unless accompanied by complete information and descriptive data necessary to determine the equality of the offered materials, articles, or equipment. Samples shall be provided when requested by the County.

5.3.3 The burden of proof as to the comparative quality or suitability of the offered materials, articles, or equipment shall be upon the Contractor. The County shall be the sole judge as to such matters. In the event that the County rejects the use of such alternative materials, articles, or equipment, then one of the particular products designated by brand name in the specifications shall be furnished.

5.3.4 The County will examine Contractor's submittals with reasonable promptness. Return of the submittals to the Contractor shall not relieve the Contractor from responsibility for deviations and alternatives from the Contract Documents nor shall it relieve him from responsibility for errors in the submittals. A failure by the Contractor to identify, in his letter of transmittal, material deviations from the Contract Documents shall void the submittal and any action taken thereon by the County. When specifically requested by the County, the Contractor shall resubmit such shop drawing(s), descriptive data, and samples as may be required.

5.3.5 If any mechanical, electrical, structural, or design revisions are required for the proper installation and fit of alternative materials, articles, or equipment, or because of deviations from the Contract Documents, such changes shall not be made without the consent of the County's authorized representative, and shall be made without additional cost to the County, such costs, including the fees of the Architect, to be borne by the Contractor.

ARTICLE 6 SCHEDULES

6.1 CONSTRUCTION SCHEDULE

6.1.1 The Contractor shall prepare and submit to the County a practicable schedule showing the order in which the Contractor proposes to perform the work, and the dates on which the Contractor contemplates starting and completing the salient features of the work (including acquiring materials and equipment). The schedule shall be in the form of a CPM (critical path method) schedule, of suitable scale to indicate appropriately the percentage of work scheduled for completion by any given date during the period. The scheduled completion date shall be the same as the contractual completion date, for the initial schedule and subsequent updates. Any proposed early completion date shall show the difference between that date and the contract completion date as Float, which shall belong to both the County and Contractor.

6.1.2 If, in the opinion of the County, the Contractor falls behind the approved schedule, the Contractor shall take

steps necessary to improve its progress, without additional cost to the County. The Contractor shall submit any supplementary schedule or schedules in CPM form as the County deems necessary to demonstrate how the approved rate of progress will be regained.

6.1.3 All schedule updates must accurately reflect the as-built schedule. There shall be no change to the Critical Path without the County's written consent.

ARTICLE 7 TIME, LIQUIDATED DAMAGES AND EXTENSIONS

7.1 TIME OF WORK

The Contractor shall commence work on this project immediately upon receipt of the written Notice to Proceed and shall perform the work diligently to completion within the number of calendar days specified in the Contract. Neither site access nor physical work shall be commenced before the Contract is fully executed, and bonds, insurance and the schedule are submitted as required by the Contract Documents. No work shall be done on Saturday, Sunday and holidays and no work shall be performed outside of normal working hours without the prior written consent of the County, unless required by these Specifications. See: Working Hours.

7.2 LIQUIDATED DAMAGES

If the Work is not completed within the time required, damage will be sustained by the County. It is and will be impracticable and extremely difficult to ascertain and determine actual damage which County will sustain by reason of such delay; and it is therefore agreed that Contractor will pay to County the sum of $1000.00 per day for each and every day's delay in finishing the Work beyond the time prescribed. If the Contractor fails to pay such liquidated damages, the County may deduct the amount thereof from any money due or that may become due the Contractor under the Contract.

7.3 UNAVOIDABLE DELAYS

7.3.1 TIME EXTENSION

a. The Contractor will be granted an extension of time for completion of the Work beyond that named in the Contract Documents, for delays which may result through causes beyond the control of the Contractor and which he could not have avoided by the exercise of care, prudence, foresight and diligence. The appropriate extension of time shall constitute full compensation. Costs associated with extended overhead will not be considered.

b. If the Contractor is allowed extensions of time in which to complete the Work equal to the sum of all unavoidable delays, plus any adjustments of contract time due to contract change orders, during such extension of time liquidated damages shall not be charged to the Contractor.

c. Unavoidable delays within the meaning of this section shall be those caused by Acts of God or of the public enemy, fire, epidemics, or strike. There will be no liquidated damages for delays as described within this paragraph.

d. Delays in the performance of parts of the work which may in themselves be unavoidable, but do not necessarily prevent or delay the performance of critical activity(s) while the activity(s) is on the Critical Path, will not be considered as unavoidable delays within the meaning of the contract and shall not be the basis of a claim for delay.

7.3.2 WEATHER

Inclement weather shall not be a prima facie reason for granting a time extension. The Contractor shall make every effort to continue work under prevailing conditions. However, if the inclement weather prevents the Contractor from beginning at the usual starting time, or prevents the Contractor from proceeding with seventy-five percent (75%) of the normal labor and equipment force towards completion of the day's current Critical Path activities (shown on the most current, and accepted schedule update) for a period of at least five (5) hours, and the crew is dismissed as a result thereof, the County will designate such time as unavoidable delay and grant a one (1) calendar day, non-compensable, time extension.

7.3.3 NOTICE OF DELAYS

a. Whenever the Contractor foresees any delay in the performance of a Critical Path work activity, and in any event immediately upon the occurrence of any delay which he regards as an unavoidable delay, the Contractor shall notify the County in writing of such delay and its cause, in order that the County may take immediate steps to prevent, if possible, the occurrence or continuance of the delay, and may determine whether the delay is to be considered avoidable or unavoidable, how long it continues, and to what extent the prosecution and completion of the work are to be delayed thereby.

b. After the completion of any part or the whole of the Work, the County, in calculating the amount due the Contractor, will assume that any and all delays which have occurred have been avoidable delays, except such delays as shall have been called to the attention of the County at the time of their occurrence and found by the County to have been unavoidable as substantiated by a change order. The Contractor shall make no claims that any delay not called to the attention of the County at the time of its occurrence has been an unavoidable delay.

7.4 REQUEST FOR TIME EXTENSION

7.4.1 In the event the Contractor requests an extension of contract time for unavoidable delay, justification shall be submitted no later than seven (7) calendar days after the initial occurrence of any such delay. When requesting time for proposed change orders, the request(s) must be submitted with the proposed change order with full justification. If the Contractor fails to submit justification he shall waive his right to a time extension at a later date. Justification must be based on the currently accepted contract schedule as updated at the time of occurrence of delay or execution of work related to any change(s) in the scope of work. The justification must include a schedule, including, but not limited to, the following information:

a. The duration to perform the activity relating to the change(s) in the work and the resources (manpower, equipment, material, etc.) required to perform these activities within the stated duration.

b. Logical activity ties to the contract schedule for the proposed changes and/or delay showing the activity/activities in the schedule whose start or completion dates are affected by the change and/or delay.

7.4.2 The County, after receipt of such justification and supporting evidence, shall make its finding of fact. The County's decision shall be final and conclusive and the County will advise the Contractor in writing of such decision. If the County finds that the Contractor is entitled to any extension of Contract time, the County's determination as to the total number of days of extension shall be based upon the latest updated version of the approved contract schedule.

7.4.3 In the event the Contractor disagrees with the County's decision, the Contractor shall be required to submit a

claim pursuant to the DISPUTE article.

ARTICLE 8 PERFORMANCE

8.1 SUPERVISION & CONSTRUCTION PROCEDURES

8.1.1 The Contractor shall supervise and direct the work. The Contractor shall be solely responsible for all construction means, methods, techniques, sequences, procedures, project safety, and shall coordinate all portions of the Work under the Contract, including the relations of the various trades to the progress of the Work, in accordance with the provisions of the Contract Documents.

8.1.2 The Contractor shall be responsible to the County for the acts and omissions of the Contractor's employees, subcontractors, and their agents and employees, and any other persons performing any of the work under a contract with the Contractor.

8.1.3 The Contractor is an independent contractor and nothing in the Contract Documents shall be interpreted to make the Contractor an agent of the County.

8.2 SUPERVISION

8.2.1 Within seven (7) days after the Notice to Proceed, the Contractor shall provide to the County an organization chart outlining key job personnel. The Contractor will also provide a Letter of Authority or Corporate Resolution for the individual(s) authorized to sign documents on its behalf, i.e., payment requests, change orders, inspection reports, etc.

8.2.2 The Contractor shall employ, during the progress of the Work, a competent Project Superintendent and any necessary assistants, as approved by the County. The Project Superintendent shall not be changed except with the consent of the Authorized Representative of County, unless the Superintendent proves to be unsatisfactory to the Contractor or ceases to be in his employ. The County shall be notified immediately of any new Superintendent appointed to the Work and the Contractor shall submit qualifications for approval. The Superintendent shall represent the Contractor and all directions given to him shall be as binding as if given to the Contractor.

8.2.3 The County shall be supplied at all times with the name and telephone number of a person in charge of or responsible for the Work, who can be reached for emergency work twenty-four (24) hours a day, seven (7) days a week.

8.3 CONDUCT OF WORK

8.3.1 In connecting one kind of work with another, marring or damaging same will not be permitted and, in the event such occurs, shall be corrected by the Contractor at its cost prior to acceptance by the County. Should improper work of any trade be covered by another which results in damage or defects, the whole work affected shall be made good by the Contractor without expense to County.

8.4 PROTECTION OF WORK & PROPERTY

8.4.1 The Contractor shall continuously maintain adequate protection of the Work from damage and shall protect the County's property from injury or loss in connection with this Contract. He shall make good any such damage, injury, or loss, except what may be directly due to errors in the Contract Documents or caused by agents or employees of the County. He shall adequately protect adjacent property as provided by law and the Contract Documents.

8.4.2 The Contractor shall preserve and protect all structures, equipment, and vegetation (such as trees, shrubs, and grass) on or adjacent to the Work site which are not to be removed and which do not unreasonably interfere with the work required under this Contract.

8.4.3 The Contractor shall protect from damage all existing improvements and utilities at or near the Work site and on adjacent property of a third party, the locations of which are made known to or should be known by the Contractor. The Contractor shall repair any damage to those facilities, including those that are the property of a third party, resulting from failure to comply with the requirements of this Contract or failure to exercise reasonable care in performing the Work. If the Contractor fails to repair the damage promptly, the County may have the necessary work performed and charge the cost to the Contractor.

8.5 CONTRACTOR'S RESPONSIBILITY FOR WORK

8.5.1 Until Acceptance of the Work by the County, Contractor shall have the charge and care thereof and shall bear risk of injury or damage to any part of the Work by action of the elements. If a separate Contractor sues the Owner, on account of any loss so sustained, the County shall notify the Contractor, who shall indemnify and hold harmless the County against any expenses, or judgment arising therefrom.

8.5.2 Contractor, at its cost, shall rebuild, repair, restore and make good all damages from the elements to any portion of the Work occasioned by such causes before its Acceptance.

8.5.3 No advertising of any description will be permitted in or about the Work, except by order of the County.

8.5.4 Contractor shall not create or permit the continued existence of any nuisance in or about the Work.

8.6 UTILITIES

8.6.1 Unless otherwise provided for under separate sections herein, Contractor will arrange all water, gas, and electricity required for construction purposes until acceptance of the Work. Contractor shall pay for such services unless otherwise specifically noted.

8.6.2 Utilities shall not be interrupted except with the approval of the County. A two (2) work day written notice is required prior to any and all interruptions. Interruptions shall be scheduled so as to minimize duration and disruption to existing operations.

8.6.3

a. The Contractor shall send notices, make all necessary arrangements, and perform all other services required in the care and maintenance of all public utilities.

b. Enclosing or boxing in, for protection of any public utility equipment, shall be done by the Contractor. Upon completion of the Work, the Contractor shall remove all enclosures, and leave in a finished condition.

c. All connections to public utilities shall be made and maintained in a manner so as not to interfere with the continuing use of same by the County during the entire progress of the Work.

8.7 WORKING HOURS

8.7.1 All work shall be performed on a calendar day basis during the customary working hours of the trades involved unless otherwise specified in this Contract. Work performed by the Contractor of his own volition outside such established working hours shall be at no additional expense to the County and without County approval.

8.7.2 It is expressly stipulated that no laborer, workman, or mechanic employed at any time by the Contractor or by any subcontractor(s) under this Contract upon the Work or any part thereof, shall be required or permitted to work thereon more than eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except, as provided by Section 1815 of the California Labor Code. It is further expressly stipulated that for each and every violation of Sections 1811-1815, inclusive, of the California Labor Code, all the provisions of which are deemed to be incorporated herein, said contractor shall forfeit, as a penalty to County, twenty-five dollars ($25.00) for each laborer, workman, or mechanic employed in the execution of this Contract by contractor for each calendar day during which said laborer, workman, or mechanic is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of said Sections of the Labor Code.

8.7.3 The Contractor, and each subcontractor, shall keep an accurate record showing the names of and actual hours worked each calendar day and each calendar week by all laborers, workmen, and mechanics employed by them in connection with the Work contemplated by this Contract, which record shall be open at all reasonable hours to the inspection of the County or its officers or agents and to the Division of Labor Standards Enforcement of the Department of Industrial Relations.

8.7.4 No construction work shall be done on Saturdays, Sundays or County holidays and no work shall be performed outside of normal working hours without the prior written consent of the County. In any event, all work shall be subject to approval of the County. Prior to start of such work, the Contractor shall arrange with the County for the continuous or periodic inspection of the Work and testing of materials, when necessary. If requests are made by the Contractor for permission to work overtime, nights, Saturdays, Sundays or County holidays, and such requests are granted, the Contractor shall bear all extra expense to the County for inspection and other incidental expenses caused by such overtime work. If contractors are requested, in the interest of the County, to work overtime by the County, or if overtime work is specifically required by these specifications, all extra expense of inspection will be paid by the County.

8.8 MATERIAL & EQUIPMENT

8.8.1 Materials, equipment, and articles incorporated into the Work shall be new and of equal quality to the types and grades specified. When not particularly specified, the Contractor shall submit for approval satisfactory evidence as to the kind and quality of material. See SUBSTITUTION provision 5.3 concerning "or equal" requirements and procedure for submitting alternative material, articles, or equipment.

8.8.2 All materials shall be delivered so as to insure a speedy and uninterrupted progress of the Work. All materials shall be stored so as to cause no obstruction and so as to prevent overloading of any portion of the structure on the Work site, and the Contractor shall be entirely responsible for damage or loss by weather, theft, vandalism, or other cause.

8.8.3 Materials shall be stored to assure the preservation of their quality and fitness for the Work. Stored materials shall be reasonably accessible for inspection. When considered necessary by the County, stored materials shall be placed on wooden platforms or on other hard, clean surfaces and not directly on the ground, and shall be placed under cover when so directed.

8.9 LAYOUT OF WORK

8.9.1 The Contractor shall lay out its work from established base lines and bench marks indicated on the drawings, and shall be responsible for all measurements in connection with the layout. The Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, material, and labor required to lay out any part of the Work. The Contractor shall be responsible for executing the Work to the lines and grades that may be established or indicated in the Contract Documents. The Contractor shall also be responsible for maintaining and preserving all stakes and other marks established by the County until authorized to remove them. If such

marks are destroyed by the Contractor before their removal is authorized, the County may replace them and deduct the expense of the replacement from any amounts due or to become due to the Contractor.

8.10 USE OF PREMISES

8.10.1 The Contractor shall maintain the entire premises under his control in an orderly condition. He shall store his apparatus, materials, supplies and equipment in such a manner as will not interfere with the progress of his work or the work of other contractors.

8.11 OPERATIONS & STORAGE

8.11.1 The Contractor shall confine all operations (including storage of materials) on County premises to areas authorized or approved by the County.

8.11.2 Temporary buildings (e.g., storage sheds, shops, offices) and utilities may be erected by the Contractor only with the approval of the County and shall be built with labor and materials furnished by the Contractor without expense to the County. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at his expense upon completion of the work.

8.11.3 The Contractor shall, under regulations prescribed by the authority having jurisdiction, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the authority having jurisdiction. When materials are transported in performance of the Work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any Federal, State, or County regulation. When it is necessary to cross curbs or sidewalks, the Contractor shall protect them from damage. The Contractor shall repair, or pay for the repair, of any damaged curbs, sidewalks, or roads.

8.12 HEAT/POWER/LIGHT

8.12.1 Unless otherwise specified or already provided by the County, the Contractor shall:

a. Provide heat, as necessary to protect all work, materials, and equipment against injury from dampness and cold;

b. Provide heat as necessary in the area where work is to be done to provide the minimum temperature recommended by the supplier or manufacturer of the material;

c. Provide electric power and light as required for performance of the Work.

8.13 CLEANING UP

8.13.1 The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. Before completing the Work, the Contractor shall remove from the work and premises any weeds, rubbish, tools, scaffolding, equipment, and materials that are not the property of the County. Upon completing the Work, the Contractor shall leave the work area in a clean, neat, and orderly condition satisfactory to the County.

ARTICLE 9 SAFETY & HEALTH

9.1 ACCIDENT PREVENTION

9.1.1 In performing this Contract, the Contractor shall provide for protecting the lives and health of employees and other persons; preventing damage to property, materials, supplies, and equipment; and avoiding work

interruptions. For these purposes, the Contractor shall:

a. Provide a copy of its safety program;

b. Provide appropriate safety barricades, signs, and signal lights;

c. Comply with standards issued by the U.S. Government, State, County and City, and other governing agencies having jurisdiction;

d. Ensure that any additional measures the County determines to be reasonably necessary for this purpose are taken.

9.1.2 The Contractor shall maintain an accurate record of exposure data on all accidents incident to work performed under this Contract resulting in death, traumatic injury, occupational disease, or damage to property, materials, supplies, or equipment. The Contractor shall report this data in the manner prescribed by the County.

9.1.3 Before beginning excavation for a trench 5 feet or more in depth, Contractor shall provide evidence of having obtained a permit from the authority having jurisdiction.

9.1.4 Nothing herein shall be deemed to allow use of shoring, sloping, or protective systems less effective than those required by the Construction Safety Orders of the California Division of Industrial Safety.

9.2 SANITARY FACILITIES

9.2.1 Contractor shall supply and maintain at its expense such toilets and other sanitary facilities including those which are accessible by the disabled as per ADA and Title 24 requirements necessary for use by visitors and workers employed at the job site. Such facilities shall be approved by the County.

9.3 RESPONSIBILITY FOR COMPLIANCE WITH CAL-OSHA

9.3.1 All work, materials, work safety procedures and equipment shall be in full accordance with the latest Cal-OSHA rules and regulations.

9.3.2 Contractor warrants that he and each of his subcontractors shall, in performance of this Contract, comply with each and every compliance order issued pursuant to Cal-OSHA. The Contractor assumes full and total responsibility for compliance with Cal-OSHA standards by his subcontractors as well as himself. The cost of complying with any order and/or payment of any penalty assessed pursuant to Cal-OSHA shall be borne by the Contractor. Nothing contained therein shall be deemed to prevent the Contractor and his subcontractors from otherwise allocating between themselves responsibility for compliance with Cal-OSHA requirements; provided, however, that the Contractor shall not thereby, in any manner whatsoever, be relieved of his responsibility to the County as herein set forth.

9.4 TOXIC AND HAZARDOUS MATERIALS AND WASTE

9.4.1 ASBESTOS

Operations which may cause release of asbestos fibers into the atmosphere shall meet the requirements of Title 8 CCR General Industrial Safety Orders, Section 5208 and California law. Some operations which may cause such concentrations include sanding, grinding, abrasive blasting, sawing, drilling, shoveling, or otherwise handling materials containing asbestos so that dust will be raised.

9.4.2 TOXIC MATERIALS

Operations which release toxic materials into the atmosphere shall meet the requirements of Title 8 CCR, General Industrial Safety Orders. Some operations which may release such materials include use of adhesives, sealants, paint, and other coatings.

9.4.3 LEAD-BASED PAINT

Lead-based paint is prohibited. Lead-based paint is defined as:

a. Any paint containing more than five-tenths of one percentum lead by weight (calculated as lead metal in the total non-volatile content of the paint) or the equivalent measure of lead in the dried film of paint applied or both; or

b. For paint manufactured after June 22, 1977, any paint containing more than six one-hundredths of one percentum lead by weight (calculated as lead metal) in the total content of the paint or the equivalent measure of lead in the dried film or paint already applied.

9.4.4 HAULING AND DISPOSAL

All hauling and disposal shall meet requirements of Title 22 CCR, Division 4. Chapter 30, "Minimum Standards for Management of Hazardous and Extremely Hazardous Wastes."

9.4.5 ASBESTOS PROHIBITED

No products or materials containing asbestos shall be incorporated into the Work without the prior written approval of the County.

ARTICLE 10 COUNTY-FURNISHED PROPERTY

10.1 COUNTY-FURNISHED PROPERTY

10.1.1 The County may furnish to the Contractor property as identified in the specification(s) to be incorporated or installed into the Work or used in performing the Contract. The listed property will be furnished f.o.b. railroad cars at the place specified in the Contract or f.o.b. truck at the project site. The Contractor is required to accept delivery. When the property is delivered, the Contractor shall verify its quantity and condition and acknowledge receipt in writing to the County within twenty-four (24) hours of delivery, also specifying any damage to or shortage of the property as received. All such property shall be installed or incorporated into the Work at the expense of the Contractor, unless otherwise indicated in this Contract.

10.1.2 Each item of property to be furnished under this clause shall be identified by the Contractor in a schedule by quantity, item, and description. Schedule form will be provided by the County.

10.1.3 The Contractor shall be held responsible for all material delivered to him and deductions will be made from any moneys due him to make good any shortages and deficiencies, from any cause whatsoever, which may occur after such delivery.

10.1.4 The Contractor shall set up accounting records and establish an inspection procedure as approved by the County.

ARTICLE 11 BENEFICIAL OCCUPANCY

11.1 BENEFICIAL OCCUPANCY

11.1.1 The County shall have the right to take possession of or use any completed or partially completed portion of the Work. The County's possession or use shall not be deemed an acceptance of any Work under the Contract. The Contractor will continue to pay for any portion of the utilities which he is using.

11.1.2 While the County has such possession or use, the Contractor shall be relieved of the responsibility for the loss of or damage to that portion of the Work resulting from the County's possession or use. If Contractor believes the partial possession or use by the County will delay the progress of the Work or will cause additional expense to the Contractor, Contractor shall immediately submit a written request for an equitable adjustment in the Contract price or the time of completion. County will then consider such request and, if in its judgment it is justified, the County will modify the contract in writing accordingly. In the event the Contractor disagrees with the County's decision, the Contractor shall be required to submit a claim pursuant to the DISPUTE article.

ARTICLE 12 INSPECTION AND TESTING

12.1 INSPECTION AND TESTING

12.1.1 The Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the work called for by this Contract conforms to contract requirements. The Contractor shall maintain complete inspection records and make them available to the County. The County shall at all times have access to the Work, and the Contractor shall provide proper facilities for such access and for inspection.

12.1.2 County inspections and tests are for the sole benefit of the County and do not:

a. Relieve the Contractor of responsibility for providing adequate quality control measures;

b. Relieve the Contractor of responsibility for damage to or loss of the material before Acceptance;

c. Constitute or imply Acceptance; or

d. Affect the continuing rights of the County after Acceptance regarding latent defects, gross mistakes, fraud or the County's rights under any warranty or guarantee.

12.1.3 The presence or absence of a County inspector does not relieve the Contractor from any Contract requirement, nor is the inspector authorized to change any term or condition of the specifications without the County's written authorization.

12.1.4 The Contractor shall promptly furnish, without additional charge, all facilities, labor, and material reasonably needed for performing such safe and convenient inspections and tests as may be required by the County. The County may charge to the Contractor any additional cost of inspection or test when work is not ready at the time specified by the Contractor for inspection or test, or when prior rejection makes reinspection or retest necessary. Special, full size, and performance tests shall be performed as described in the Contract.

12.1.5 The Contractor shall, without charge, replace or correct work found by the County not to conform to contract requirements, unless in the public interest the County consents to accept the work with an appropriate adjustment in Contract price. The Contractor shall promptly segregate and remove rejected material from the premises.

12.1.6 If, before Acceptance of the Work, the County decides to examine already completed work by removing it or tearing it out, the Contractor, on request, shall promptly furnish all necessary facilities, labor, and material. If the work is found to be defective or nonconforming in any material respect due to the fault of the Contractor or

its subcontractors, the Contractor shall defray the expenses of the examination and of satisfactory reconstruction. However, if the work is found to meet Contract requirements, the County shall issue a Change Order for such removal and reinstallation.

12.1.7 The Contractor shall at all times maintain proper facilities and provide safe access for inspection by the County to all parts of the work, and to the shops wherein the work is in preparation. Where the specifications require work to be specially tested or approved, it shall not be tested or covered up without timely notice to the County of its readiness for inspection and without the approval or consent of County. Should any such work be covered up without such notice, approval, or consent, it must, if required by County, be uncovered for examination at the Contractor's expense.

12.1.8 The Contractor shall notify the County at least one (1) work day in advance of the time scheduled for the inspection. Should the Contractor fail to notify the County and proceed with work requiring inspection, all such work is rejected, and no further work shall be done on that portion of the project until the rejected work is accepted by the County. Should the Contractor request acceptance of such rejected work the County shall, at the Contractor's expense, secure the services of private material testing laboratories, consulting engineers or licensed land surveyors, who shall certify that said work does in fact conform to the requirements of the Contract Documents. The work previously rejected shall be accepted by the County after receipt of such certification if the County approves of such certification.

12.1.9 If the Contractor does not promptly replace or correct rejected work, the County may (1) by contract or otherwise, replace or correct the work and charge the cost to the Contractor or (2) terminate for default the Contractor's right to proceed.

12.1.10 Construction review of the Contractor's performance by the County is not intended to include the review of the adequacy of the Contractor's safety measures, in, on, or near the construction site.

12.1.11 The County will pay for initial testing services specified to be performed by the County. When initial tests indicate non-compliance with the Contract Documents, subsequent retesting occasioned by the non-compliance shall be performed by the same testing agency, and costs thereof will be deducted by the County from the Contract sum.

12.2 INSPECTION BY OTHER JURISDICTIONS

Whenever any part of the Work to be performed is under the jurisdiction or control of another public entity, including but not limited to: The United States Government, State of California, or City, such work shall be subject to inspection by the officials of such entities and it must pass inspection, in addition to County inspection, and such other inspections as may otherwise be provided for in the Contract Documents.

12.3 FINAL INSPECTION AND TESTS

The Contractor shall give the County at least ten (10) calendar days advance written notice of the date the Work will be fully completed and ready for final inspection and tests. Final inspection and tests will be started within ten (10) calendar days from the date specified in the aforementioned notice unless the County determines that the Work is not ready for final inspection and so informs the Contractor.

ARTICLE 13 ACCEPTANCE

13.1 ACCEPTANCE OF THE WORK

13.1.1 After the final inspection by County and all the contract documentation has been received, it will be recommended to the County Board of Supervisors to accept the Work and file a Notice of Completion. Upon

approval of the Notice of Completion, a copy will be sent to the Contractor. (See final payment clause.) Upon Acceptance of the Work, Contractor will be relieved of the duty of maintaining and protecting the Work. Neither determination by the County that the Work is complete, nor Acceptance thereof, shall operate as a bar to County's claim against Contractor pursuant to Contractor's warranty and guarantees.

13.1.2 Partial payments shall not be construed as acceptance of any part of the Work.

13.1.3 In judging the Work, no allowance for deviations from the drawings and specifications will be made, unless already approved in writing at the time and in the manner as called for herein.

13.1.4 County shall be given adequate opportunity to make any necessary arrangements for fire insurance and extended coverage.

13.1.5 The Acceptance of the Work will not be recommended until all requirements of the Contract Documents are complete and approved by the County. This shall include, but is not limited to, all construction, guarantee forms, parts lists, schedules, tests, operating instructions, as-built drawings, and all other documentation identified by the Contract Documents.

ARTICLE 14 WARRANTY AND GUARANTEES

14.1 CONTRACTOR'S WARRANTY AND GUARANTEE

14.1.1 Contractor warrants that all materials and equipment furnished under this Contract shall be new unless otherwise specified, and that all Work performed under this Contract conforms to the Contract requirements and is free of any defect whether performed by the Contractor or any subcontractor or supplier.

14.1.2 This warranty shall continue for a period of one (1) year from the date of filing of Notice of Completion on the Work. The Performance Bond shall remain in force during the warranty period.

14.1.3 The Contractor shall remedy at the Contractor's expense any damage to County-owned or controlled real or personal property, when that damage is the result of:

a. The Contractor's failure to conform to Contract requirements or

b. Any defect of equipment, material, workmanship, or design furnished by the Contractor.

14.1.4 The Contractor shall restore any work damaged in fulfilling the terms and conditions of this Article. The Contractor's warranty with respect to work repaired or replaced will run for one (1) year from the date of repair or replacement.

14.1.5 The County shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage. The Contractor shall within ten (10) calendar days after being notified in writing by the County of any work not in accordance with the requirements of the Contract or any defects in the Work, commence, and perform with due diligence, all work necessary to fulfill the terms of this Article. If the Contractor fails to remedy any defect, or damage within fourteen (14) calendar days after receipt of notice, the County shall have the right to replace, repair, or otherwise remedy the defect, or damage at the Contractor's expense. Payment due to the Architect from the County for extra architectural services required in the enforcement of Contractor's guarantee after Acceptance of the Work shall be paid to the County by the Contractor.

14.1.6 In the event of any emergency constituting an immediate hazard to health or safety of County employees, property, or licensees, when caused by work of the Contractor that is not in accordance with the Contract

requirements, the County may undertake at Contractor's expense and without prior notice, all work necessary to correct such hazardous condition(s).

14.1.7. With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this Contract, the Contractor shall:

a. Obtain all warranties that would be given in normal commercial practice;

b. Require all warranties to be executed, in writing, for the benefit of the County, unless directed otherwise by the County; and

c. Enforce all warranties for the benefit of the County, unless otherwise directed by the County.

14.1.8 This warranty shall not limit the County's rights under the Inspection and Acceptance section(s) of this Contract with respect to latent defects, gross mistakes, or fraud.

ARTICLE 15 ENVIRONMENTAL PROTECTION

15.1 DUST CONTROL

15.1.1 The Contractor shall provide any and all dust control required.

15.1.2 Whenever the Contractor is negligent in providing dust control, the County shall order the Contractor to provide such dust control. If the Contractor does not comply promptly with such order, the County shall have the authority to provide such dust control and charge the Contractor therefore by deducting the cost from progress payments to the Contractor as such costs are incurred by the County. The County shall not be held responsible for schedule delays due to actions taken by County to mitigate the failure of the Contractor in providing dust control.

15.2 EXCESSIVE NOISE

15.2.1 The Contractor shall use only such equipment on the Work and in such state of repair, that the emission of sound therefrom is within the noise tolerance level of that equipment as established by CAL-OSHA.

15.2.2 Should the County determine that the muffling device on any equipment used on the Work is ineffective or defective so that the noise tolerance of such equipment is exceeded, such equipment shall not, after such determination by the County, be used on the Work until its muffling device is repaired or replaced so as to bring the noise tolerance level of such equipment within such standards.

15.3 POLLUTION CONTROL, CLEANING

15.3.1 The Contractor shall not, in connection with the Work, discharge any smoke, dust, or other contaminants into the atmosphere which are in violation of South Coast Air Quality Management District standards or discharge any fluids or materials into any lake, river, stream, or channel as will violate regulations of State of California Water Resources Board. The Contractor shall control accumulation of waste materials and rubbish and dispose of waste materials and rubbish off-site at a minimum of weekly intervals. Burning of materials is not permitted.

ARTICLE 16 EMPLOYMENT PRACTICES

16.1 QUALIFICATIONS FOR EMPLOYMENT AND APPRENTICESHIP STANDARDS

16.1.1 In accordance with Section 1735 of the California Labor Code, no person under the age of 16 years and no

person currently serving sentence in a penal or correctional institution shall be employed to perform any Work under this Contract. No person whose age or physical condition is such as to make his employment dangerous to his health or safety or to the health or safety of others shall be employed to perform Work under this Contract; provided that this requirement shall not operate against any physically handicapped persons otherwise employable where such persons may be safely assigned to Work which they ably perform.

16.1.2 This contract is subject to the provisions of Sections 1777.5 and 1777.6 of the California Labor Code concerning the employment of apprentices by the Contractor or any subcontractor under him. Section 1777.5 as amended, requires the Contractor or subcontractor employing tradesmen in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of this project and which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen that will be used in the performance of the Contract.

16.1.3 The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade on such contracts and if other contractors on the public works site are making contributions.

16.1.4 All employees engaged in work on the project under this Contract shall have the right to organize and bargain collectively through representatives of their own choosing, and such employees shall be free from interference, restraint, and coercion of employers in the designation of such employees for the purpose of collective bargaining or other mutual aid or protection, and no person seeking employment under this Contract shall be required as a condition of initial or continued employment to join any company, union, or to refrain from joining, organizing, or assisting a labor organization of such person's own choosing. No person in the employment of the County shall be employed by this contractor.

16.2 WAGES & RECORDS

16.2.1 WAGE RATES

a. Pursuant to Section 1770 and 1773 et seq. of the Labor Code of the State of California, the Director of Industrial Relations has ascertained the general prevailing rate of per diem wages and the rates for overtime and holiday work in the locality in which the work is to be performed for each craft, classification, or type of workman needed to execute the contract which will be awarded to the successful bidder, copies of which are on file and available upon request at the Clerk of the Board, Board of Supervisors, 4080 Lemon St., 14th Floor, Riverside, CA 92501-3655, and shall be posted at the job site.

b. It shall be mandatory upon the Contractor and upon any subcontractor under him, to pay not less than the said specified rates to all laborers, workmen, and mechanics employed in the execution of the Contract. It is further expressly stipulated that the Contractor shall, as a penalty to County, forfeit twenty-five dollars ($25.00) for each calendar day, or portion thereof, for each laborer, workman, or mechanic paid less than the stipulated prevailing rates for any work done under this Contract by him or by any subcontractor under him; and Contractor agrees to comply with all provisions of Section 1770 et. seq. of the Labor Code.

c. In case it becomes necessary for the Contractor or any sub-contractor to employ on the project under this Contract any person in a trade or occupation (except executives, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate is herein specified, the Contractor shall immediately notify the County who will promptly thereafter determine the prevailing rate for such additional trade or occupation and shall furnish the Contractor with the minimum rate based thereon. The minimum rate thus furnished shall be applicable as a minimum for such trade or occupation

from the time of the initial employment of the person affected and during the continuance of such employment.

d. The County will not recognize any claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rate set forth as provided herein. The possibility of wage increases is one of the elements to be considered by the Contractor in determining his bid, and will not under any circumstances be considered as the basis of a claim against the County on the Contract.

16.2.2 WAGE RECORDS

a. The Contractor and each subcontractor shall keep or cause to be kept an accurate record (certified payroll) showing the names and occupations of all laborers, workers, and mechanics employed by him in connection with the execution of this Contract or any subcontract thereunder. The record shall show the actual per diem wages paid to each of said workers, which records shall be provided to the County, and to the Division of Labor Standards Enforcement upon its request. Copies provided will include one which has the name and social security numbers marked out.

16.3 NOTICE OF LABOR DISPUTES

16.3.1 If the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Contract, the Contractor shall immediately give notice, including all relevant information, to the County.

16.3.2 The Contractor agrees to insert the substance of this clause, including this paragraph into any subcontract in which a labor dispute may delay the timely performance of this Contract; except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or the prime Contractor, as the case may be, of all relevant information concerning the dispute.

16.4 NONDISCRIMINATION

16.4.1 EQUAL EMPLOYMENT OPPORTUNITY

a. Contractor agrees for the duration of this Contract that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap. The Contractor will take affirmative action to insure that employees are treated during employment or training without regard to their race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

b. The Contractor will in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, political affiliation, marital status, or handicap.

c. The Contractor will send to each labor union or other representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising the workers' representative of the Contractor commitments under this agreement.

d. The Contractor agrees that it will comply with the provisions of Titles VI and VII of the Civil Rights Act, Revenue Sharing Act Title 31, U.S. Code Section 2716, and California Government Code Section 12990.

e. The Contractor agrees that it will assist and cooperate with the County, the State of California and the United States Government in obtaining compliance with the equal opportunity clause, rules, regulations, and relevant orders of the State of California and United States Government issued pursuant to the Acts.

f. In the event of the Contractor's non-compliance with the discrimination clause, the affirmative action plan of this contract, or with any of the said rules, regulations or orders, this Contract may be canceled, terminated, or suspended in whole or in part by the County.

16.4.2 HANDICAPPED NON-DISCRIMINATION

This project is subject to Section 504 of the Rehabilitation Act of 1973 as amended, (29 U.S.C. 794), and the Americans with Disabilities Act of 1990, as amended, and all requirements imposed by the guidelines and interpretations issued thereto. In this regard, the County and all of its contractors and subcontractors will take all reasonable steps to ensure that handicapped individuals have the maximum opportunity for the same level of aid, benefit or service as any other individual.

16.4.3 FAIR EMPLOYMENT AND HOUSING ACT ADDENDUM

In the performance of this Contract, the Contractor will not discriminate against any employee or Applicant for employment because of race, sex, color, religion, ancestry, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, sex, color, religion, ancestry, or national origin. Such action shall include, but not limited to, the following: employment, upgrading, emotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State or local agency setting forth the provisions of this Fair Employment and Housing Section.

16.4.4 ACCESS TO RECORDS

The Contractor will permit access to his records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment and Housing Commission, or any other agency of the State of California designated by the awarding authority, for the purposes of investigation to ascertain compliance with the Fair Employment and Housing section of this Contract.

16.4.5 REMEDIES FOR WILLFUL VIOLATION

The State or local agency may determine a willful violation of the Fair Employment and Housing provision to have occurred upon receipt of a final judgment having that effect from a court in an action to which Contractor was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that the Contractor has violated the Fair Employment and Housing Act and has issued an order or obtained an injunction under Government Code Sections 12900, et seq.

ARTICLE 17 SUBCONTRACTING

17.1 SUBCONTRACTORS

17.1.1 A subcontractor is an individual, firm or corporation having a direct contract with the Contractor or with any other subcontractor for the performance of a part of the Work. In accordance with Section 4104 of the Public Contract Code, each Contractor, in his bid, shall include the name and location of each subcontractor who will perform work or labor, or render services to the Contractor in or about the Work in an amount in excess of one half of 1% of the Contractor's total bid.

17.1.2 The County reserves the right to approve all subcontractors. Such approval shall be a consideration to the awarding of the Contract and unless notification to the contrary is given to the Contractor prior to the signing of the Contract, the list of subcontractors which is submitted with his proposal will be deemed to be acceptable.

17.1.3 The Contractor shall be as fully responsible to the County for the acts and omissions of his subcontractors and of persons either directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

17.1.4 Nothing contained in the Contract Documents shall create any contractual relationship between any subcontractor and the County.

17.1.5 The divisions or sections of the specifications are not intended to control the Contractor in dividing the Work among subcontractors or to limit the work performed by any trade.

17.2 RELATIONS OF CONTRACTOR AND SUBCONTRACTOR

17.2.1 The Contractor agrees to bind every subcontractor by the terms of the Contract with the County, the General Conditions, Supplementary Conditions, and the drawings and specifications as far as applicable to his work, unless specifically noted to the contrary in a subcontract approved in writing as adequate by the County.

17.3 SUBCONTRACTS

17.3.1 Pursuant to the provisions of Sections 4100 to 4114 of the California Public Contract Code, inclusive, the Contractor shall not, without the consent of the County, either:

a. Substitute any persons as subcontractors in place of the subcontractors designated in his original bid without the consent of County. (The County's consent can only be given in cases permitted by Public Contract Code Section 4107.)

b. Permit any subcontract to be assigned or transferred or allow any work to be performed by anyone other than the original subcontractor listed in his bid.

c. Sublet or subcontract any portion of the work in excess of one-half of one percent of his bid to which his original bid did not designate a subcontractor.

Should the Contractor violate any of the provisions of Sections 4100 to 4114, inclusive, of the Public Contract Code, his so doing shall be deemed a violation of this Contract, and the County may either cancel the contract, or assess the Contractor a penalty in the amount of not more than ten (10) percent of the amount of the subcontract involved, or both.

ARTICLE 18 TAXES

18.1 SALES AND PAYROLL TAXES

18.1.1 Each Contractor, subcontractor, and material dealer shall include in their bid all applicable taxes including but not limited to sales tax and payroll taxes required by law.

ARTICLE 19 CHANGES

19.1 CHANGE ORDER WORK

19.1.1 The County reserves the right to make changes in the work without impairing the validity of the Contract. The County may make changes to the work, or suspend the work, and all such changes or suspension are within the contemplation of the parties and will not be a basis for compensable delay. Such changes may be made in accordance with any of the following methods:

a. By written change order to the Contract ordered by the Board of Supervisors.

b. By written change order, signed by the Director of Facilities Management in the manner and amounts specified by Board Policy B-11.

c. By written authorization, issued by the Director of Facilities Management, for items of work done under unit prices. The cost or credit for such added or omitted work shall be determined by multiplying the number of units added to or omitted from the work by the applicable unit price.

19.1.2 Upon receipt of a proposed Change Order from County, the Contractor shall submit a proposal in accordance with the requirements and limitations set forth in this "Change Orders" article, for work involved in the contemplated change.

19.1.3 The Contractor must submit a cost proposal within fifteen (15) calendar days after receipt of the proposed change order. The Contractor must submit cost proposals in less than fifteen (15) calendar days if requested by the County or if required by schedule limitations.

19.1.4 If the Contractor fails to submit the cost proposal within the 15-day period (or as requested), the County has the right to order the Contractor in writing to commence the work immediately on a force account basis and/or issue a lump sum change to the contract price in accordance with the County's estimate of cost. If the change is issued based on the County estimate, the Contractor will waive his right to dispute the action unless within fifteen (15) calendar days following completion of the added/deleted work, the Contractor presents proof that the County's estimate was in error.

19.1.5 If the County disagrees with the proposal submitted by Contractor, it will notify the Contractor in writing and the Contractor may elect to proceed under the DISPUTE article of this Contract, or, in the event either party contests the price or time extension of Change work, or time is of the essence, the County may issue a Construction Change Directive and the contractor shall proceed with the work. The County will provide its opinion of the appropriate price and/or time extension in a "Response to Change Order Request." If the contractor agrees with the County's estimate, a change order will be issued by the County. If no agreement can be reached, the County shall have the right to issue the Change Order Directive setting forth its unilateral determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work. Such determination shall become final and binding if the Contractor fails to submit a Claim in writing to the County, within twenty-one (21) days of the Change Order Directive, disputing the terms of such Directive. No dispute, disagreement or failure of the parties to reach agreement regarding the amount, if any, of any adjustment to the contract sum or contract time shall relieve the Contractor from the obligation to proceed with performance of the work, including extra work, promptly and expeditiously."

19.1.6 The Contractor will give notice of a requested change on his letterhead within seven (7) calendar days of discovery and, if the County agrees, a proposed change order will be issued on the County's standard change order form.

19.1.7 If any change involves an increase or decrease in the cost of the Contractor's work, a change order shall state the amount to be added or deducted from the Contract amount, and the additional time, if any, needed for the performance of such work.

19.1.8 Any changes to the Contract amount shall be in a lump sum mutually agreed to by the Contractor and the County, except that when, in the opinion of the County, such basis is not feasible the change to the Contract amount shall be determined upon a cost-plus-percentage basis with a guaranteed maximum lump sum cost within the limitations provided by law.

19.1.9 Each lump sum quotation from the Contractor shall be accompanied by sufficiently detailed estimates to permit verification of totals in accordance with (a) through (d) in 19.1.11 below.

19.1.10 When the work is to be done on a cost-plus-percentage basis, the Contractor shall submit statements as required by the County showing all labor, material, and equipment costs incurred, and upon completion of the work, a summary of costs, including overhead and profit, and in accordance with Item (a) through (d) in 19.1.11 below.

19.1.11 Estimates for lump sum quotations and accounting for cost-plus-percentage work shall be limited to direct expenditures necessitated specifically by the subject extra work, and shall be segregated as follows:

a. Labor. The costs of labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the extra work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from Federal, State or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. The use of a labor classification which would increase the extra work cost will not be permitted unless the contractor establishes the necessity for such additional costs. Labor costs for equipment operators and helpers shall be reported only when such costs are not included in the invoice for equipment rental.

b. Materials. The cost of materials reported shall be at invoice or lowest current price at which such materials are locally available in the quantities involved, plus sales tax, freight and delivery.

c. Tool and Equipment Use. No payment will be made for the use of tools which have a replacement value of $100 or less. Regardless of ownership, the rates to be used in determining equipment use costs shall not exceed listed rates prevailing locally at equipment rental agencies, or distributors, at the time the work is performed.

d. Overhead, Profit and Other Charges. The mark-up for overhead and profit on work added to the Contract shall be according to the following Schedule.

(1) For work performed by the Contractor's forces the added cost for overhead and profit shall not exceed fifteen (15%) percent of the net cost of the work, equipment, labor and materials.

(2) For work performed by a subcontractor, the added cost for overhead and profit shall not exceed fifteen (15%) percent of the net cost of the work, equipment, labor and materials, to which the Contractor may add five (5) percent of the

subcontractor's price of the work.

(3) For work performed by a sub-subcontractor the added cost for overhead and profit shall not exceed fifteen (15 %) percent of the net cost for work, equipment, labor and materials to which sub-contractor and general contractor may each add an additional five (5 %) percent of the total price from the lower tier subcontractor.

(4) "Net Cost" is defined as consisting of costs of labor, materials and equipment use and/or rental only. The costs of applicable insurance and bond premium will be reimbursed to the Contractor and subcontractors at cost only, without mark-up.

(5) The cost of direct supervision, except when provided by working foreman whose time is included above, of change order work when done exclusively, and not in conjunction or at the same time as, other work performed on the job and when approved in advance by the County's authorized representative, including only payroll taxes, insurance, pension and direct costs for the labor of supervision may be charged to the change order. The cost of transportation, use of vehicle and other costs incurred by supervision will not be allowed.

19.1.12 For added or deducted work by subcontractors, the Contractor shall furnish to the County the subcontractor's signed detailed estimate of the cost of labor, material and equipment, including the markup by such subcontractor for overhead and profit. The same requirement shall apply to sub-subcontractors.

19.1.13 For added or deducted work furnished by a vendor or supplier, the Contractor shall furnish to the County a detailed estimate or quotation of the cost to the Contractor for such work, signed by such vendor or supplier.

19.1.14 Any change in the work involving both extras and credits shall show a new total cost, including subcontracts. Allowance for overhead and profit, as specified therein, shall be applied if the net total cost is an extra; overhead and profit allowances shall not be applied if the net total cost is a credit. The estimated cost of deductions shall be based on labor and material prices on the date the Contract was executed.

19.1.15 The Contractor shall identify any adjustment in time of the final completion of the Work as a whole which is directly attributable to the changed work within fifteen (15) calendar days of receipt of the proposed change order. The Contractor's request for a change in time will be supported by a detailed schedule analysis including a schedule indicating the activities which have been affected and the additional time being requested.

a. For a change in time for the Work, the Contractor shall be entitled only to such adjustments where completion of the entire Work (critical path) is delayed due to the performance of the changed work. Failure to request extra time when submitting such estimate shall constitute waiver of the right to subsequently claim adjustment in time for final completion based upon such changed work.

b. If the County and the Contractor fail to arrive at an agreement on the amount of extra cost, credit or time extension for a proposed change, a change order will be processed in the amount believed by the County to be reasonable, and the Contractor shall proceed with the work. If the Contractor believes that the amount or time stipulated in the change order is not reasonable for the work required, he may elect to issue a notification in accordance with the DISPUTES article for review by the County, stating therein the basis for his dispute with such change order.

19.1.16 Any change in the Work shall conform to the original Contract Documents insofar as they may apply without

conflict to the conditions involved in the change.

19.1.17 Payment for additional work or extras, if any, shall become due and payable in accordance with the provisions for payment in the Contract.

19.1.18 Contractor shall not reserve a right to assess impact cost, extended job site costs, extended overhead, and/or constructive acceleration at a later date as related to any and all changes. All costs or estimated costs must be supported with full schedule and cost documentation with each proposed change within the prescribed submission times. If a request for a change is denied and the Contractor disputes the denial, the Contractor must supply the aforementioned documentation to support his claim under the DISPUTES article of this Contract. No claims shall be allowed for impact, extended overhead costs, and/or construction acceleration due to the multiplicity of changes and/or clarifications. Any attempt by Contractor to change or modify the change order form (sample included herein) shall void the form, including any letters the Contractor may issue in conjunction therewith.

19.1.19 All alterations, extensions of time, extra and additional work and other changes authorized by these specifications or any part of the Contract may be made without securing consent of the surety or sureties on the contract bonds.

19.2 CHANGE ORDERS AND LABOR RATES GUIDELINES

19.2.1 The following are guidelines for preparing change orders:

a. Labor Rates:

(1) To establish the labor rate for each classification and trade, a breakdown shall be submitted to the County.

(2) Labor rates are based on current prevailing state and federal wages. Only those benefits mandated by law or a valid labor contract are paid by the County.

(3) Payroll taxes shall be paid as mandated by law. Labor related insurances shall be paid according to industry standard average.

(4) No other costs related to labor shall be paid by County.

b. Change Orders:

(1) Change orders shall be prepared in accordance with the project contract.

(2) No insurance costs are paid by County, except for labor insurances specified in this guideline under section 1 titled "LABOR RATES".

(3) Material cost shall be broken down on a separate sheet, and for those jobs designated as time and material shall be supported by valid invoices from suppliers.

(4) Hours for non-productive labor, such as non-working foremen or general foremen, shall be paid only when justified in the opinion of the County, and approved by the County. The total number of nonproductive labor hours shall be limited to a maximum of 15% of the total number of productive labor hours.

(5) Cost of use of special equipment shall be paid when justified in the opinion of the

County, and approved by the County. Equipment refers to special equipment that is needed to perform that specific job, and does not include the usual tools customarily required for that trade. Small tools costs are not paid by County.

(6) Material transportation costs are paid by County when justified in the opinion of the County, and approved by the County's authorized representative.

(7) Overhead, profit and fees on subcontracts, are paid according to the contract.

(8) No costs other than those designated above shall be paid by County. The percentages of overhead and fee allowed with change orders have been established to account for any other direct or indirect costs that might be incurred due to the change order.

19.3 AUDIT

19.3.1 The County shall have the right to examine and audit all books, estimates, records, contracts, documents, bid documents, subcontracts, and other data of the Contractor (including computations and projections) related to negotiating, pricing, or performing the modification in order to evaluate the accuracy and completeness of the cost or pricing data at no additional cost to the County.

19.3.2 The Contractor shall make available at its office at all reasonable times the materials described in paragraph 19.3.1 above, for examination, audit, or reproduction, until 4 years after final payment under this Contract.

19.3.3 The Contractor shall insert a clause containing all the provisions of this 19.3, including this paragraph, in all subcontracts over $10,000 under this contract.

ARTICLE 20 PAYMENT

20.1 PROGRESS PAYMENTS

20.1.1 The County shall pay the Contractor the price as provided in this Contract.

20.1.2 The County shall make progress payments monthly as the Work proceeds, on estimates approved by the County. The Contractor shall furnish a breakdown of the total contract price, in a format provided by the County, showing the amount included therein for each principal category of the work, in such detail as requested, to provide a basis for determining progress payments.

20.1.3 Contractor shall submit to the County vouchers, schedule activities, or other satisfactory proof of the value of any work for which he claims payment on such account, and receipts showing that progress payments have been duly made on such contracts, and for materials furnished.

20.1.4 In the preparation of estimates, the County may authorize 75% of the value of material delivered and satisfactorily stored on the site, and preparatory work done to be taken into consideration for major equipment if:

a. Consideration is specifically authorized by this Contract; and

b. The Contractor furnishes certified receipt that it has acquired title and paid invoices for such material and that the material will be used to perform this Contract.

20.1.5 On the 25th of each month the Contractor will submit his request for payment. Prior to that submittal the

County will review the requested percentage of completion for each activity. The payment request will be in the format as provided by the County and will refer to the schedule.

20.1.6 Upon receipt of a payment request, the County shall:

a. Review that request as soon as practicable after receipt for the purpose of determining that the payment request is a proper payment request; and

b. Any payment request determined not to be a proper request suitable for payment shall be returned to the Contractor as soon as practicable, but not later than seven (7) calendar days after receipt. The returned request for payment shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.

20.1.7 Any progress payment which is undisputed and properly submitted and remains unpaid for thirty (30) calendar days after receipt by County shall accrue interest to the Contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the California Code of Civil Procedure. The number of days available to the County to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which the County exceeds the seven-day return requirement set forth in 20.1.6 above.

20.1.8 In making these progress payments, there shall be retained ten percent (10%) from the amount of each progress payment until the work is 50% complete. After the 50% completion point, if satisfactory progress is being made and at the sole discretion of the County, the retention may be reduced to a minimum of 5% of the contract.

20.1.9 Except as otherwise prohibited by law, the Contractor may elect to receive all payments due under the contract pursuant to this section without any retention, by posting securities in accordance with Public Contract Code Section 22300.

20.1.10 Contractor and each subcontractor shall pay each of its employees engaged in work under this Contract in full (less deductions made mandatory by law) in accordance with California law.

20.1.11 The County may withhold (in excess of retentions) or, on account of subsequently discovered evidence, nullify the whole or a part of any certificate to such extent as may be necessary to protect the County from loss on account of:

a. Defective work not remedied.

b. Claims filed or reasonable evidence indicating probable filing of claims.

c. Failure of the Contractor to make payments properly to subcontractors or for material or labor.

d. Damage to another Contractor.

e. Delays in progress toward completion of the work, with the stipulated amount of liquidated damages being withheld for each day of delay for which no extension is granted.

f. Default of the Contractor in the performance of the terms of the Contract.

20.1.12 Should stop notices be filed with the County, County shall withhold the amount required plus 25% from certificates until such claims shall have been resolved pursuant to applicable law. California Civil Code Section 3179 et seq.

20.1.13 At the election of the County, Contractor shall provide, within ten (10) calendar days of receipt of each progress payment, unconditional waivers and release of lien rights, signed by Contractor and each of its subcontractors and materials suppliers, in the form established therefore by Section 3262 of the Civil Code.

20.1.14 All material and work covered by progress payments made shall, at the time of payment, become the sole property of the County, but this shall not be construed as:

a. An acceptance of any work not in accordance with the Contract Documents; or

b. Waiving the right of the County to require the fulfillment of all of the terms of the contract.

20.2 FINAL PAYMENT

20.2.1 GENERAL

a. The County shall pay the amount due the Contractor under this Contract after:

1.) The Acceptance of all work and Notice of Completion per the terms of this Contract;

2.) Presentation of a properly executed voucher;

3.) Release of all liens and Stop Notices; and

4.) Presentation of release of all claims against the County arising by virtue of this Contract, other than claims and disputes in stated amounts, that the Contractor has specifically excepted from the operation of the release.

b. The Contractor may, if any subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to the County, to indemnify him against any lien.

20.2.2 FINAL CERTIFICATE FOR PAYMENT

a. When the work is ready for acceptance by the County, the Department of Facilities Management will certify and submit to the Board of Supervisors a Notice of Completion. Upon approval of the Notice of Completion, a copy will be sent to the Contractor.

b. Notice of Completion will be recorded by the County upon completion and Acceptance of the Work. Providing no stop notices have been filed, thirty-five (35) calendar days after filing of such Notice of Completion, payment due under the contract will become due to the Contractor and the County shall so certify authorizing the final payment.

20.2.3 FINAL PAYMENT

a. After Acceptance of Work, the County will submit to Contractor a statement of the sum due Contractor under this contract, together with County payment in the amount thereof. Said statement shall take into account the contract price, as adjusted by any change orders; amounts already paid; sums to be withheld for incomplete work; liquidated damages; and for any other cause under the Contract.

b. The Contractor shall, from the effective date of Acceptance until the expiration of four years

after final settlement under this Contract, preserve and make available to the County, all its books, records, documents, and other evidence bearing on the costs and expenses of the Contractor under this Contract.

ARTICLE 21 SUSPENSION OF WORK/TERMINATION

21.1 NON-COMPLIANCE WITH CONTRACT REQUIREMENTS

21.1.1 In the event the Contractor, after receiving written notice from the County of non-compliance with any requirement of this Contract, fails to promptly initiate appropriate action to comply with the specified requirement, the County shall have the right to withhold payment for work completed under the Contract until the Contractor has complied with the notice or has initiated such action as may be appropriate to comply, within a reasonable period of time. The Contractor shall not be entitled to any extension of contract time or payment for any costs incurred for work under this article.

21.1.2 Should the Contractor abandon the Work called for under the Contract, or assign his Contract, or unnecessarily and unreasonably delay the work, or willfully violate or perform the work in bad faith, the County shall have the power to notify the Contractor to discontinue all work or any part thereof under this Contract, and thereupon the Contractor shall cease to continue said work or such part thereof as the County may designate, and the County shall have the power to employ such persons as it may consider desirable, and to obtain by contract, purchase, hire or otherwise, such implements, tools, material or materials as the County may deem advisable to work at and be used to complete the work herein described, or such part thereof as shall have not been completed, and to use such material as it may find upon the site of the work, and to charge the expense of such labor and material, implements and tools to the Contractor, and the expense so charged shall be deducted and paid by the County out of such monies as may either be due, or may at any time thereafter become due to the Contractor under the Contract.

21.2 TERMINATION

21.2.1 TERMINATION FOR BREACH

If the Contractor should be adjudged bankrupt or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he or any of his subcontractors should violate any of the provisions of the Contract, the County may serve written notice upon him and his surety of its intention to terminate Contractor's performance hereunder, said notice shall contain the reasons for such intention to terminate Contractor's performance, and, unless within ten (10) calendar days after serving of said notice, such violation shall cease and satisfactory arrangements for correction thereof be made, Contractor's performance shall, upon the expiration of said ten (10) calendar days, cease and terminate. In the event of any such termination, the County shall immediately serve written notice thereof upon the surety and the Contractor, and the County may take over the Contractor's work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor, and the Contractor and his surety shall be liable to the County for any excess cost occasioned the County thereby, and in such event the County may without liability for so doing take possession of and utilize in completing the work, such materials, appliances, plants, and other property belonging to the Contractor as may be on the site of the work and necessary therefore.

21.2.2 TERMINATION FOR CONVENIENCE

a. If the construction of the project herein is damaged, which damage is determined to have been proximately caused by an Act of God, in excess of 5% of the contract amount, provided that the work damaged is built in accordance with applicable building standards and the plans and specifications, then the County may, without prejudice to any other right

or remedy, terminate the Contract.

b. The County may terminate performance of work under this Contract in whole or in part, if the County determines that a termination is in the County's interest. The County shall terminate by delivering to the Contractor a Notice to Terminate specifying the extent of termination and the effective date.

c. After receipt of such Notice, and except as directed by the County, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

(1) Stop work as specified in the notice.

(2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete any continued portion of the Contract.

(3) To terminate all subcontracts to the extent they relate to the work terminated.

(4) With approval or ratification to the extent required by the County, settle all outstanding liabilities and termination settlement proposals arising from termination of subcontracts; the approval or ratification will be final for purposes of this clause.

(5) As directed by the County, transfer title and deliver to the County (1) the fabricated or unfabricated parts; work in progress, completed work, supplies, and other material produced or acquired for the work terminated; and (2) the completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the County.

(6) Complete performance of work not terminated.

(7) Take any action that may be necessary, or that the County may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the County has or may acquire an interest.

(8) Use its best efforts to sell, as directed or authorized by the County, any property of the types referred to in subparagraphs above; provided, however, that the Contractor (1) is not required to extend credit to any purchaser and (2) may acquire the property under the conditions prescribed by, and at prices approved by the County. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the County under this contract, credited to the price or cost of the work, or paid in any other manner directed by the County.

d. After termination, the Contractor shall submit a final termination settlement proposal to the County in the form and with the certification prescribed by the County. The Contractor shall submit the proposal promptly, but no later than thirty (30) days from the effective date of termination. If the Contractor fails to submit the proposal within the time allowed, the County may determine, on the basis of information available, the amount, if any, due the Contractor because of the termination and shall pay the amount determined.

e. Subject to subparagraph (2) above, the Contractor and the County may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, may not exceed the total contract price as reduced by:

(1) the amount of payments previously made and;

(2) the contract price of work not terminated. The contract shall be amended with a Change Order, and the Contractor paid the agreed amount.

f. If the Contractor and County fail to agree on the whole amount to be paid the Contractor because of the termination of work, the County shall pay the Contractor the amounts determined as follows:

(1) For contract work performed before the effective date of termination, the total (without duplication of any terms) of:

(i) The cost of this work;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subdivision (i) above; and

(iii) A sum, as profit on (i) above, determined by the County to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the County shall allow no profit under this subdivision (iii).

(2) The reasonable costs of settlement of the work terminated including:

(i) Accounting, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; and

(ii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

g. Except for normal spoilage, the County shall exclude from the amounts payable to the Contractor the fair value, as determined by the County, of defective work, and of property that is destroyed, lost, stolen, or damaged so as to become undeliverable.

h. The Contractor shall have the right to make a claim under the DISPUTES article, from any determination made by the County.

i. In arriving at the amount due the Contractor, there shall be deducted:

(1) All unliquidated advance or other payments to the Contractor under the terminated portion of this Contract;

(2) Any claim which the County has against the Contractor under this Contract; and

(3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not

recovered by or credited to the County.

j. If the termination is partial, the Contractor may file a proposal with the County for a Change Order of the price(s) of the continued portion of the Contract. The County shall process any Change Order agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within thirty (30) days from the effective date of termination unless extended in writing by the County.

k. The County may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the Contract, if the County believes the total of these payments will not exceed the amount to which the Contractor will be entitled. If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the County upon demand, together with interest.

l. Unless otherwise provided in this Contract or by statute, the Contractor will maintain all records and documents relating to the terminated portion of this Contract for 4 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this Contract. The Contractor shall make these records and documents available to the County, State and/or the U.S. Government or their representatives at all reasonable times, without any direct charge.

ARTICLE 22 DISPUTES/CLAIMS

22.1 CLAIMS RESOLUTION

In accordance with Public Contract Code Sections 20104 20104.6 and other applicable law, public works claims of $375,000 or less which arise between the Contractor and the Owner shall be resolved under the following the statutory procedure unless the Owner has elected to resolve the dispute pursuant to Public Contract Code Section 10240 et seq.

a. All claims shall be submitted in writing and accompanied by substantiating documentation. Claims must be filed on or before the date of final payment unless other notice requirements are provided in the contract. "Claim" means a separate demand by the claimant for (1) a time extension, (2) payment of money or damages arising from work done by or on behalf of the claimant and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled, or (3) an amount the payment of which is disputed by the Owner.

b. Claims Under $50,000. The Owner shall respond in writing to the claim within 45 days of receipt of the claim, or, the Owner may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the Owner may have. Of additional information is needed thereafter, it shall be provided upon mutual agreement of the Owner and the claimant. The Owner's written response shall be submitted 15 days after receiving the additional documentation, or within the same period of time taken by the claimant to produce the additional information, whichever is greater.

c. Claims over $50,000 but less than or equal to $375,000. The Owner shall respond in writing within 60 days of receipt, or, may request in writing within 30 days of receipt of the claim, any additional documents supporting the claim or relating to defenses or claims the Owner may have against the claimant. If additional information is needed thereafter, it shall be provided pursuant to mutual agreement between the Owner and the claimant. The Owner's response shall be submitted within 30 days after receipt of the further documents, or within

the same period of time taken by the claimant to produce the additional information or documents, whichever is greater. The Contractor shall make these records and documents available to the County, State and/or the U.S. Government or their representatives at all reasonable times, without any direct charge.

d. If the claimant disputes the Owner's response, or if the Owner fails to respond within the statutory time period(s), the claimant may so notify the Owner within 15 days of the receipt of the response or the failure to respond, and demand an informal conference to meet and confer for settlement. Upon such demand, the Owner shall schedule a meet and confer conference within 30 days.

e. If following the meet and confer conference, the claim or any portion thereof remains in dispute, the claimant may file a claim pursuant to Government Code 900 et seq. and Government Code 910 et seq. For purposes of those provisions, the time within which a claim must be filed shall be tolled from the time the claimant submits the written claim until the time the claim is denied, including any time utilized for the meet and confer conference.

f. If a civil action is filed to resolve any claim, the provisions of Public Contract Code 20104.4 shall be followed, providing for nonbinding mediation and judicial arbitration.

22.2 CLAIM FORMAT/REQUIREMENTS

22.2.1 The Contractor will submit the claim justification in the following format:

a. Summary of claim merit and price plus clause under which the claim is made.

b. List of documents relating to claim
   (a) Specifications
   (b) Drawings
   (c) Clarifications (RFIS)
   (d) Schedules
   (e) Other

c. Chronology of events and correspondence

d. Analysis of claim merit

e. Analysis of claim cost

f. Analysis of Time in CPM format

g. Cover letter and certification (form included herein)

22.2.2 If any claim submitted includes a request for overhead, the County may request a Profit & Loss statement and supporting documentation from Contractor. If requested, such documentation must be submitted for the County to consider the claim.

22.2.3 Submission of a claim, properly certified, with all required supporting documentation, and written rejection or denial of all or part of the claim by County, is a condition precedent to any action, proceeding, litigation, suit, general conditions claim, or demand for arbitration by Contractor.

22.3 NOTICE OF THIRD PARTY CLAIMS

The County shall provide notification to the Contractor within a reasonable time after receipt of any third-party claim relating to the Construction Contract.

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END OF DOCUMENT

SECTION 02225

DEMOLITION

PART 1 - GENERAL

1.01 SECTION INCLUDES

A. Selective demolition of built site elements.

B. Selective demolition of building elements for alterations purposes.

C. Abandonment and removal of existing utilities and utility structures.

1.02 RELATED REQUIREMENTS

A. Section 02230 – Site Clearing: Vegetation and existing debris removal.

B. Section 02310 – Grading: Topsoil removal.

C. Section 02310 – Grading: Fill material for filling holes, pits, and excavations generated as a Result of removal operations.

D. Section 02316 – Fill and Backfill: Filling holes, pits, and excavations generated as a result of removal operations.

1.03 REFERENCE STANDARDS

A. 29 CFR 1926 – U.S. Occupational Safety and Health Standards; current edition.

B. NFPA 241 – Standard for Safeguarding Construction, Alteration, and Demolition Operations; 2004..

1.04 SUBMITTALS

A. See General Conditions Article 5 – Shop Drawings and Submittals, for submittal procedures.

B. Project Record Documents: Accurately record actual locations of capped and active utilities and subsurface construction.

1.05 QUALITY ASSURANCE

A. Demolition Firm Qualifications: Company specializing in the type of work required.

PART 2 PRODUCTS – NOT USED

PART 3 EXECUTION

3.01 SCOPE

A. Remove concrete sidewalks and curbs as required to accomplish new work.

B. Remove concrete slabs on grade as indicated on drawings.

C. Remove other items indicated.

3.02 GENERAL PROCEDURES AND PROJECT CONDTIONS

~~A. Comply with other requirements specified in Section 01720.~~

B. Comply with applicable codes and regulations for demolition operations and safety of adjacent structures and the public.
   1. Obtain required permits.
   2. Comply with applicable requirements of NFPA 241.
   3. Use of explosives is not permitted.
   4. Take precautions to prevent catastrophic or uncontrolled collapse of structures to be removed; do not allow worker or public access within range of potential collapse of unstable structures.
   5. Provide, erect, and maintain temporary barriers and security devices.
   6. Use physical barriers to prevent access to areas that could be hazardous to workers or the public.
   7. Conduct operations to minimize effects on and interference with adjacent structures and occupants.
   8. Do not close or obstruct roadways or sidewalks without permit.
   9. Conduct operations to minimize obstruction of public and private entrances and exits from removal operations.

C. Do not begin removal until receipt of notification to proceed from Owner.

D. Protect existing structures and other elements that are not to be removed.

E. Minimize production of dust due to demolition operations; do not use water if that will result in ice, flooding, sedimentation of public waterways or storm sewers, or other pollution.

F. If hazardous materials are discovered during removal operations, stop work and notify Architect and Owner; hazardous materials include regulated asbestos containing materials, lead, PCB's, and mercury.

G. Hazardous Materials: Comply with 29 CFR 1926 and state and local regulations.

H. Partial Removal of Paving and Curbs: Neatly saw cut at right angle to surface.

3.03 EXISTING UTILITIES

A. Protect existing utilities to remain from damage.

B. Do not disrupt public utilities without permit from authority having jurisdiction.

C. Locate and mark utilities to remain; mark using highly visible tags or flags, with identification of utility type; protect from damage due to subsequent construction, using substantial barricades if necessary.

3.04 SELECTIVE DEMOLITION FOR ALTERATIONS

A. Drawings showing existing construction and utilities are based on casual field observation only.
   1. Verify that construction and utility arrangements are as shown.
   2. Report discrepancies to MRC ENGINEERING before disturbing existing installation.
   3. Beginning of demolition work constitutes acceptance of existing conditions.

B. Maintain weatherproof exterior building enclosure except for interruptions required for replacement or modifications; take care to prevent water and humidity damage.

C. Remove existing work as indicated and as required to accomplish new work.
   1. Remove items indicated on drawings.

D. Services: Remove existing systems and equipments as indicated.
   1. Maintain existing active systems that are to remain in operation; maintain access to equipment and operational components.
   2. Remove abandoned pipe, ducts, conduits, and equipment, including those above accessible ceilings; remove back to source of supply where possible, otherwise cap stub and tag with identifications.

E. Protect existing work to remain.
   1. Prevent movement of structure; provide shoring and bracing if necessary.
   2. Perform cutting to accomplish removals neatly and as specified for cutting new work.
   3. Repair adjacent construction and finishes damaged during removal work.
   4. Patch as specified for patching new work.

3.05 DEBRIS AND WASTE REMOVAL

A. Remove debris, junk, and trash from site.

B. Leave site in clean condition, ready for subsequent work.

C. Clean up spillage and wind-blown debris from public and private lands.

END OF SECTION

SECTION 02230

SITE CLEARING

PART 1 - GENERAL

1.01 SECTION INCLUDES

A. Clearing and protection of vegetation.

B. Removal of existing debris.

1.02 RELATED REQUIREMENTS

A. Section 02225 – Demolition: Removal of build elements and utilities.

B. Section 02316 – Fill and Backfill.

C. Section 02316 – Fill and Backfill: Filling holes, pits, and excavations generated as a result of removal operations.

PART 2 PRODUCTS – NOT USED

PART 3 EXECUTIION

3.01 SITE CLEARING

A. Minimize production of dust due to clearing operations; do not use water if that will result in ice, flooding, sedimentation of public waterways or storm sewers, or other pollution.

3.02 EXISTING UTILITIES AND BUILT ELEMENTS

A. Coordinate work with utility companies; notify before starting work and comply with their requirements; obtain required permits.

B. Protect existing utilities to remain from damage.

C. Do not disrupt public utilities without permit from authority have jurisdiction.

D. Protect existing structures and other elements that are not to be removed.

3.03 VEGETATION

A. Scope: Remove trees, shrubs, and brush in areas to be covered by new construction.

B. Do not begin clearing until vegetation to be relocated has been removed.

C. Do not remove or damage vegetation beyond the limits indicated on drawings.
1. Exception: Specific trees and vegetation indicated on drawings to be removed.

D. Restoration: If vegetation outside removal limits or within specified protective fences is damaged or destroyed due to subsequent construction operations, replace at not cost to Owner.

3.04 DEBRIS

A. Remove debris, junk, and trash from site.

B. Leave site in clean condition, ready for subsequent work.

C. Clean up spillage and wind-blown debris from public and private lands.

END OF SECTION

SECTION 02310

GRADING

PART 1 - GENERAL

1.01 SECTION INCLUDES

A. Removal and storage of topsoil.

B. Rough Grading for masonry work at patios and planting.

C. Finish grading for planting.

1.02 RELATED REQUIREMENTS

A. Section 02230 – Site Cleaning

B. Section 02316 – Fill and Backfill: Filling and compaction.

1.03 SUBMITTALS

A. Project Record Documents: Accurately record actual locations of utilities remaining by horizontal dimensions, elevations or inverts, and slope gradients.

PART 2 PRODUCTS

2.01 MATERIALS

A. Other Fill Materials: See Section 02316.

PART 3 EXECUTIION

3.01 EXAMINATION

A. Verify that survey bench mark and intended elevations for the Work are as indicated.

3.02 PREPARATION

A. Identify required lines, levels, contours, and datum

B. Stake and flag locations of known utilities.

C. Protect from damage above- and below-grade utilities to remain.

D. Protect site features to remain, including but not limited to existing structures, sidewalks, paving, and curbs, from damage by grading equipment and vehicular traffic.

E. Protect trees to remain by providing substantial fencing around entire tree at the outer tips of its branches; no grading is to be performed inside this line.

F. Protect plants to remain as a portion of final landscaping.

3.03 ROUGH GRADING

A. Remove topsoil from areas to be further excavated, re-landscaped, or re-graded, without mixing with foreign materials.

B. Do not remove topsoil when wet.

C. See Section 02316 for filling procedures.

3.04 FINISH GRADING

A. Before Finish Grading:
1. Verify building and trench backfilling have been inspected.
2. Verify subgrade has been contoured and compacted.

B. Remove debris, roots, branches, stones, in excess of ½ inch in size. Remove soil contaminated with petroleum products.

C. Where topsoil is to be placed, scarify surface to depth of 3 inches.

D. Place topsoil to the following compacted thicknesses:
1. Shrub Beds: 18 inches.

E. Place topsoil during dry weather.

F. Remove roots, weeds, rocks, and foreign material while spreading.

G. Near plants and buildings spread topsoil manually to prevent damage.

H. Fine grade topsoil to eliminate uneven areas and low spots. Maintain profiles and contour of subgrade.

I. Lightly compact or roll placed topsoil.

3.05 TOLERANCES

A. Top Surface of Subgrade: Plus or minus 1/10 foot from required elevation for drainage.

B. Top Surface of Finish Grade: Plus or minus ½ inch.

3.06 REPAIR AND RESTORATION

A. Existing Facilities, Utilities, and Site Features to Remain: If damaged due to this work, repair to original condition.

B. Trees to Remain: If damaged due to this work, trim broken branches and repair bark wounds; if root damage has occurred, obtain instructions from MRC ENGINEERING as to remedy.

C. Other Existing Vegetation to Remain: If damaged due to this work, replace with vegetation of equivalent species and size.

3.07 FIELD QUALITY CONTROL

A. See Section 02316 for compaction density testing.

3.08 CLEANING

A. Remove unused stockpiled soil.

B. Leave site clean and raked, ready to receive landscaping.

END OF SECTION

SECTION 02316

FILL AND BACKFILL

PART 1 - GENERAL

1.01 SECTION INCLUDES

A. Filling, backfilling, and compacting for footings and slabs-on-grade.

B. Filling holes, pits, and excavations generated as a result of removal (demolition) operations.

1.02 RELATED REQUIREMENTS

A. Section 02310 – Grading: Removal and handling of soil to be re-used.

B. Section 03300 – Cast-in-Place Concrete.

1.03 REFERENCE STANDARDS

A. ASTM C 136 – Standard Test Method for Sieve analysis of Fine and Coarse Aggregates; 2006.

B. ASTM D 4318 – Standard Test Methods for Liquid Limit, Plastic Limit, and Plasticity Index of Soils; 2005.

1.04 SUBMITTALS

A. See General Conditions Article 5 – Shop Drawings and Submittals, for submittal procedures.

B. Materials Sources: Submit name of imported materials source.

C. Fill Composition Test Reports: Results of laboratory tests on proposed and actual materials used.

D. Compaction Density Test Reports.

PART 2 PRODUCTS

2.01 FILL MATERIALS

A. General Fill: Conforming to County of Riverside standard.

B. Structural Fill: Conforming to County of Riverside standard.

2.02 ACCESSORIES

A. Geotextile Fabric: Non-biodegradable, woven.

2.03 SOURCE QUALITY CONTROL

A. See General Conditions Article 12 – Inspection and Testing, for general requirements for testing and analysis of soil material.

B. Where fill materials are specified by reference to a specific standard, test and analyze samples for compliance before delivery to site.

C. If tests indicate materials do not meet specified requirements, change material and retest.

PART 3 EXECUTION

3.01 EXAMINATION

A. Verify that drainage occurs at all patio Work.

B. See Section 02310 for additional requirements.

C. Verify subdrainage, dampproofing, or waterproofing installation has been inspected.

D. Verify structural ability of unsupported walls to support imposed loads by the fill.

3.02 PREPARTION

A. Scarify subgrade surface to a depth of six (6) inches to identify soft spots.

B. Cut out soft areas of subgrade not capable of compaction in place. Backfill as required.

C. Compact subgrade to density equal to or greater than requirements for subsequent fill material.

3.03 FILLING

A. Fill to contours and elevations indicated.

B. Fill up to finish grade elevations unless otherwise indicated.

C. Employ a placement method that does not disturb or damage other work.

D. Systematically fill to allow maximum time for natural settlement. Do not fill over porous, wet, frozen or spongy subgrade surfaces.

E. Maintain optimum moisture content of fill materials to attain required compaction density.

F. Granular Fill: Place and compact materials in equal continuous layers not exceeding eight (8) inches compacted depth.

G. Soil Fill: Place and compact material in equal continuous layers not exceeding eight (8) inches compacted depth.

H. Slope grade away from building minimum two (2) inches in 10 ft. Make gradual grade changes. Blend slope into level areas.

I. Correct areas that are over-excavated.
1. Load-bearing foundation surfaces: Use general fill, flush to required elevation, compacted to 95 percent of maximum dry density.
2. Other areas: Use general fill, flush to required elevation, compacted to minimum 97 percent of maximum dry density.

J. Compaction Density Unless Otherwise Specified or Indicated:
1. Under slabs-on-grade and similar construction: 97 percent of maximum dry density.

K. Reshape and re-compact fills subjected to vehicular traffic.

3.04 FILL AT SPECIFIC LOCATIONS

A. Use general fill unless otherwise specified or indicated.

B. Under Slabs-On-Grade
1. Use general fill.
2. Depth: 4 inches deep.
3. Compact to 95 percent of maximum dry density.

C. At Foundation Walls and Footings.
1. Use General Fill.
2. Fill up to finish grade elevation.
3. Compact each lift to 95 percent of maximum dry density.
4. Do not backfill against unsupported walls.

D. At Planting Areas:
1. Use general fill.
2. Fill up to finish grade elevations
3. Compact to 95 percent of maximum dry density.
4. See Section 02310 for topsoil placement.

3.05 TOLERANCES

A. Top Surface of General Filling: Plus or minus 1 inch from required elevations.

B. Top Surface of Filling under slab areas: Plus or minus 1 inch from required elevations.

3.06 FIELD QUALITY CONTROL

A. See General Conditions Article 12 – Inspection and Testing, for general requirements for field inspection and testing.

B. Perform compaction density testing on compacted fill in accordance with County of Riverside standards.

C. If tests indicate work does not meet specified requirements, remove work, replace and retest.

3.07 CLEANING

A. Leave unused materials in a neat, compact stockpile.

B. Remove unused stockpiled materials, leave area in a clean and neat condition. Grade Stockpile area to prevent standing surface water.

C. Leave borrow areas in a clean and neat condition. Grade to prevent standing surface water.

END OF SECTION

SECTION 03300

CAST-IN-PLACE CONCRETE

PART 1 - GENERAL

1.01 SECTION INCLUDES

A. *Concrete formwork.*

B. Floors and slabs on grade.

C. Concrete foundations.

D. Concrete reinforcement.

E. Joint devices associated with concrete work.

F. Miscellaneous concrete elements.

G. Concrete curing.

1.02 RELATED REQUIREMENTS

A. Section 04810: Reinforced unit masonry assemblies.

1.03 REFERENCE STANDARDS

A. ACI 117 – Standard Specifications for Tolerances for Concrete Construction and Materials; American Concrete Institute International; 2006

B. ACI 211.1 – Standard Practice for Selecting Proportions for Normal, Heavyweight, and Mass Concrete; American Concrete Institute International; 1991 (Reapproved 2002).

C. ACI 301 – Specifications for Structural Concrete for Buildings; American Concrete Institute International; 2005

D. ACI 302.1R – Guide for Concrete Floor and Slab Construction; American Concrete Institute International; 2004 (Errata 2007).

E. ACI 304R – Guide for Measuring, Mixing, Transporting, and Placing Concrete; American

F. Concrete Institute International; 2000.

G. ACI 305R – Hot Weather Concreting; American Concrete Institute International; 1999.

H. ACI 306R – Cold Weather Concreting; American Concrete Institute International; 1988 (Reapproved 2002).

I. ACI 308R – Guide to Curing Concrete; American Concrete Institute International; 2001.

J. ACI 318 – Building Code Requirements for Structural Concrete and Commentary; American Concrete Institute International; 2008.

K. ACI 347 – Guide to Formwork for Concrete; American Concrete Institute International; 2004.

L. ASTIM A 185/A 195M – Standard Specification for Steel Welded Wire Reinforcement, Plain, for Concrete; 2007.

M. ASTM A 497/A 497M – Standard Specification for Steel Welded Wire Reinforcement, Deformed, for Concrete; 2007.

N. ASTM A 615/A 615M – Standard Specification for Deformed and Plain Billet-Steel Bars for Concrete Reinforcement ; 2007.

O. ASTM A 757/A 767M – Standard Specification for Zinc-Coated (Galvanized) Steel Bars for Concrete Reinforcement; 2005.

P. ASTM C 33 – Standard Specification for Concrete Aggregates; 2007.

Q. ASTM C 39/C 39M – Standard Test Method for Compressive Strength of Cylindrical Concrete Specimens; 2005.

R. ASTM C 94/C 94M – Standard Specification for Ready-Mixed Concrete; 2007.

S. ASTM C 143/C 143M – Standard Test Method for Slump of Hydraulic-Cement Concrete; 2005a.

T. ASTM C 150 – Standard Specification for Portland Cement; 2007.

U. ASTM C 685/C 685M – Standard Specification for Concrete Made by Volumetric Batching and Continuous Mixing; 2007.

1.04 QUALITY ASSURANCE

A. Perform work of this section in accordance with ACI 301 and ACI 318.

B. Follow recommendations of ACI 305R when concreting during hot weather.

C. Follow recommendations of ACI 306R when concreting during cold weather.

PART 2 PRODUCTS

2.01 FOAM WORK

A. Formwork Design and Construction: Comply with guidelines of ACI 347 to provide formwork that will produce concrete complying with tolerances of ACI 117.

B. Form Materials: Contractor's choice of standard products with sufficient strength to withstand hydrostatic head without distortion in excess of permitted tolerances.
1. Form Facing for Exposed Finish Concrete: Contractor's choice of materials that will provide smooth, stain-free final appearance.

2. Earth Cuts: Do not use earth cuts as forms for vertical surfaces. Natural rock formations that maintain a stable vertical edge may be used as side forms.
3. Form Coating: Release agent that will not adversely affect concrete.

2.02 REINFORCEMENT

A. Reinforcing Steel: ASTM A 615/A 615M Grade 40 (280).
1. Type: Deformed billet-steel bars.
2. Finish: Unfinished, unless otherwise indicated.

B. Steel Welded Wire Reinforcement: ASTM A 185/A 185M, plain type.
1. Form: Flat Sheets.
2. Mesh Size: 6 x 6.
3, Wire Gage: W 4 x W 4.

C. Reinforcement Accessories:
1. Tie Wire: Annealed, minimum 16 gage.
2. Chairs, Bolsters, Bar Supports, Spacers: Sized and shaped for adequate support of reinforcement during concrete placement.
3. Provide stainless steel, galvanized, plastic, plastic coated steel, or other approved components for placement within 1-1/2 inches of weathering surfaces.

2.03 CONCRETE MATERIALS

A. Cement: ASTM C 150, Type 1 – Normal Portland type.
1. Acquire all cement for entire project from same source.

B. Fine and Coarse Aggregates: ASTM C 33.
1, Acquire all aggregates for entire project from same source.

2.04 CONCRETE MIX DESIGN

A. Proportioning Normal Weight Concrete: Comply with ACI 211.1 recommendations.

B. Concrete Strength: Establish required average strength for concrete on the basis of field experience, as specified in ACI 301.

C. Admixtures: Add acceptable admixtures as recommended in ACI 211.1 and at rates recommended by manufacturer.

D. Normal Weight concrete:
1. Compressive Strength, when tested in accordance with ASTM C 39/C 39M at 28 days: 2500 psi.

2.05 MIXING

A. On Project Site: Mix in drum type batch mixer, complying with ASTM C 685.. Mix each batch not less than 1-1/2 minutes and not more than 5 minutes.

B. Transit Mixers: Comply with ASTM C 94/C 94M.

PART 3 EXECUTION

3.01 EXAMINATION

A. Verify lines, levels, and dimensions before proceeding with work of this section.

3.02 PREPARATION

A. Formwork: Comply with requirements of ACI 301. Design and fabricate forms to support all applied loads until concrete is cured, and for easy removal without damage to concrete.

B. Verify that forms are clean before applying release agent.

C. Coordinate placement of embedded items with erection of concrete formwork and placement of form accessories.

D. Where new concrete is to be bonded to previously placed concrete, prepare existing surface by cleaning with steel brush and applying bonding agent in accordance with manufacturer's instructions.

3.03 INSTALLING REINFORCEMENT

A. Comply with requirements of ACI 301. Clean reinforcement of loose rust and mill scale, and accurately position, support, and secure in place to achieve not less than minimum concrete coverage required for protection.

B. Install welded wire reinforcement in maximum possible lengths, and offset end laps in both directions. Splice laps with tie wire.

C. Verify that anchors, seats, plates, reinforcement and other items to be cast into concrete are accurately placed, positioned securely, and will not interfere with concrete placement.

3.04 PLACING CONCRETE

A. Place concrete in accordance with ACI 304R.

B. Place concrete for floor slabs in accordance with ACI 302.1R.

C. Notify Architect not less than 24 hours prior to commencement of placement operations.

D. Ensure reinforcement and embedded parts will not be disturbed during concrete replacement.

E. Install joint devices in accordance with manufacturer's instructions.

F. Place concrete continuously between predetermined expansion, control, and construction joints.

G. Do not interrupt successive placement; do not permit cold joints to occur.

H. Screed slabs on grade level, maintaining surface flatness of maximum ¼ inch in 10 ft.

3.05 CONCRETE FINISHING

A. Concrete Slabs: Finish to requirements of ACI 302.1R
   1. *Other Surfaces to Be Left Exposed:* "Steel Trowel" as described in ACI 302.1R, minimizing burnish marks and other appearance defects.

3.06 CURING AND PROTECTION

A. Comply with requirements of ACI 308. Immediately after placement, protect concrete from premature drying, excessively hot or cold temperatures, and mechanical injury.

B. Maintain concrete with minimal moisture loss at relatively constant temperature for period necessary for hydration of cement and hardening of concrete.
   1. Normal concrete: Not less than 7 days.
   2. High early strength concrete: Not less than 4 days.

C. Formed Surfaces: Cure by moist curing with forms in place for full curing period.

D. Surfaces Not in Contact with Forms:
   1. Slabs and Floors To Receive Adhesive-Applied Flooring: Curing compounds and other surface coatings are usually considered unacceptable by flooring and adhesive manufacturers. If such materials must be used, either obtain the approval of the flooring and adhesive manufacturers prior to use or remove the surface coating after curing to flooring manufacturer's satisfaction.
   2. Initial Curing: Start as soon as free water has disappeared and before surface is dry. Keep continuously moist for not less than three days.
   3. Final Curing: Begin after initial curing but before surface is dry.

3.07 DEFECTIVE CONCRETE

A. Defective Concrete: Concrete not conforming to required lines, details, dimensions, tolerances or specified requirements.

B. Repair or replacement of defective concrete will be determined by MRC ENGINEERING. The cost of replacement shall be borne by Contractor when defective concrete is identified.

C. Do not patch, fill, touch-up, repair, or replace concrete except upon express direction from MRC ENGINEERING for each individual area.

3.08 SCHEDULE – CONCRETE TYPES AND FINISHES

A. Underside of Supported Floors and Structure Exposed to View: 4,000 psi 28 day concrete, form finish with honeycomb filled surface.

B. Exposed Slabs on Grade: 2,500 psi 28 day concrete, air entrained finish to match existing.

END OF SECTION

SECTION 04810

UNIT MASONRY ASSEMBLIES

PART 1 - GENERAL

1.01 SECTION INCLUDES

A. Concrete Block

B. Mortar and Grout.

C. Reinforcement and Anchorage.

D. Accessories.

1.02 RELATED REQUIREMENTS

A. Section 03300 – Cast-In-Place Concrete.

B. ~~Section 05500 – Metal Fabrications: Loose steel lintels and fabricated steel items.~~

C. ~~Section 06100 – Rough Carpentry: Nailing strips built into masonry.~~

1.03 REFERENCE STANDARDS

A. ACI 530/ASCE 5/TMS 402 – Building Code Requirements for Masonry Structures; American Concrete Institute International; 2005.

B. ACI 530.0/ASCE 6/TMS 602 – Specification for Masonry Structures; American Concrete Institute International; 2005.

C. ASTM A 82/A 82M – Standard Specification for Steel Wire, Plain, for Concrete Reinforcement; 2007.

D ASTM A 153/A 153M – Standard Specification for Zinc Coating (Hot-Dip) on Iron and Steel Hardware; 2005

E. ASTM A 580/A 580M – Standard Specification for Stainless Steel Wire; 2006.

F. ASTM A 615/A 615M – Standard Specification for Deformed and Plain Billet-Steel Bars for Concrete Reinforcement; 2007.

G. ASTM A 641/A 641M – Standard Specification for Zinc-Coated (Galvanized) Carbon Steel Wire; 2003.

H. ASTM A 653/A 653M – Standard Specification for Steel Sheet, Zinc-Coated Galvanized) or Zinc-Iron Alloy-Coated (Galvannealed) by the Hot-Dip Process; 2007.

I. ASTM A 666 – Standard Specification for Annealed or Cold-Worked Austenitic Stainless Steel Sheet, Strip, Plate, and Flat Bar; 2003.

J. ASTM B 370 – Standard Specification for copper Sheet and Strip for Building Construction; 2003.

K. ASTM C 27 – Standard Classification of Fireclay and High-Alumina Refractory Brick; 1998 (Reapproved 2003).

L. ASTM c 34 – Standard Specification for Structural Clay Load Bearing-Wall Tile; 2003.

M. ASTM C 55 – Standard Specification for Concrete Brick; 2006.

N. ASTM C 56 – Standard Specification for Structural Clay Nonloadbearing Tile; 2005.

O. ASTM C 62 – Standard Specification for Building Brick (Solid Masonry Units Made from Clay or Shale); 2005.

P. ASTM C 67 – Standard Test Methods for Sampling and Testing Brick and Structural Clay Tile; 2007a.

Q. ASTM C 73 - Standard Specification for Calcium Silicate Brick (Sand-Lime Brick);2005.

R. ASTM C 90 – Standard Specification for Loadbearing Concrete Masonry Units; 2006b.

S. ASTM C 91 – Standard Specification for Masonry Cement; 2005.

T. ASTM C 126 – Standard Specification for Ceramic Glazed Structural Clay Facing Tile, Facing Brick, and Solid Masonry Units; 1999 (Reapproved 2005).

U. ASTM C 129 – Standard Specification for Nonloadbearing Concrete Masonry Units; 2006.

V. ASTM C 140 – Standard Test Methods of Sampling and Testing Concrete Masonry Units and Related Units; 2007a.

W. ASTM C 144 – Standard Specification for Aggregate for Masonry Mortar; 2004.

X. ASTM C 150 – Standard Specification for Portland Cement; 2007.

Y. ASTM C 207 – Standard Specification for Hydrated Lime for Masonry Purposes;2006.

Z. ASTM C 212 – Standard Specification for Structural Clay Facing Tile; 2000 (Reapproved 2006).

AA. ASTM C 216 – Standard Specification for Facing Brick (Solid Masonry Units Made From Clay or shale); 2007a.

AB. ASTM C 270 – Standard Specification for Mortar for Unit Masonry; 2007a.

AC. ASTM C 315 – Standard Specification for Clay Flue Liners and Chimney Pots; 2007.

AD. ASTM C 404 – Standard Specification for Grout for Masonry; 2007.

AE. ASTM C 476 – Standard Specification for Grout for Masonry; 2007.

AF. ASTM C 530 – Standard Specification for Structural Clay Nonloadbearing Screen Tile; 1999 (Reapproved 2005).

AG. ASTM C 652 – Standard Specification for Hollow Brick (*Hollow Masonry Units Made* From Clay or Shale); 2007.

AH. ASTM C 744 – Standard Specification for Prefaced Concrete and Calcium Silicate Masonry Units; 2005.

AI. ASTM C 780 – Standard Test Method for Preconstruction and Construction Evaluation of Mortars for Plain and Reinforced Unit Masonry; 2007a.

AJ. ASTM C 979 – Standard Specification for Pigments for Integrally Colored Concrete; 2005.

AK. ASTM C 1634 – Standard Specification for Concrete Facing Brick; 2006.

AL. ASTM D 226 – Standard Specification for Asphalt-Saturated Organic Felt Used in Roofing and Waterproofing;2006.

AM. ASTM D 4637 – Standard Specification for EPDM Sheet Used in Single-Ply Roof Membrane; 2004.

AN. IMIAWC (CW) – Recommended Practices & Guide Specifications for Cold Weather Masonry Construction; International Masonry Industry All-Weather Council; 1993.

AO. IMIAWC (HW) – Recommended Practices & Guide Specifications for Hot Weather Masonry Construction; International Masonry Industry All-Weather Council; 1993.

AP. UL (FRD) – Fire Resistance Directory; *Underwriters Laboratories Inc; current edition.*

1.04 SUBMITTALS

A. See General Conditions Article 5 – Shop Drawings and Submittals, for submittal procedures.

B. Product Data: Provide data for masonry units.

C. Samples: Submit 3 samples of decorative block-2" x 2" to illustrate color, texture, from manufacturer's standard colors.

1.05 QUALITY ASSURANCE

A. Comply with provisions of ACI 530/ASCE 5/TMS 402 and ACI 530. 1/ASCE 6/TMS 602, except where exceeded by requirements of the contract documents.

1.06 DELIVERY, STORAGE, AND HANDLING

A. Deliver, handle, and store masonry units by means that will prevent mechanical damage and contamination by other materials.

PART 2 PRODUCTS

2.01 CONCRETE MASONRY UNITS

A. Concrete Block: Comply with referenced standards and as follows:
1. *Size: Standard units with nominal face dimensions* of 16 x 8 inches and nominal depth of 8 and 12 inch.
2. Load-Bearing Units: ASTM C 90, normal weight.
   a. Hollow block, as indicated.
   b. Exposed faces: As selected from manufacturer's standard color and texture.
   c. Pattern: Vertical single score.
   d. Texture: Split-faced.

2.02 MORTAR AND GROUT MATERIALS

A. Mortar and grout.

B. Masonry Cement: ASTM C 91, Type N.
1. Colored mortar; Premixed cement as required to match Architect's color sample.
2. Substitutions: See Section 01600 – Product Requirements.

C. Portland Cement: ASTM C 150, Type 1; color as required to produce approved color sample.

D. Hydrated Lime: ASTM C 207, Type S.

E. Mortar Aggregate: ASTM C 144

F. Grout Aggregate: ASTM C 404

G. Pigments for Colored Mortar: Pure, concentrated mineral pigments specifically intended for mixing into mortar and complying with ASTM C 979.
1. Color(s): As selected by Architect from manufacturer's full range.
2. Manufacturers:
   a. Davis Colors: www.daviscolors.com.
   b. Lambert Corporation: www.lambertusa.com.
   c. Solomon Colors: www.solomoncolors.com.
   d. Substitutions: See Section 01600 – Product Requirements.

H. Water: Clean and potable.

2.03 REINFORCEMENT AND ANCHORAGE

A. Reinforcing Steel: ASTM A 615/A 615M Grade 40 (280) deformed billed bars_____.

2.04 MORTAR AND GROUT MIXES

A. Mortar for Unit Masonry: ASTM C 270, using the Proportion Specification.
1. Interior, non-loadbearing masonry: Type O.

B. *Grout:* ASTM C 476. *Consistency* required to fill completely volumes indicated for grouting; fine grout for spaces with smallest horizontal dimension of 2 inches of less; coarse grout for spaces with smallest horizontal dimension greater than 2 inches.

PART 3 EXECUTION

3.01 EXAMINATION

A. Verify that field conditions are acceptable and are ready to receive masonry.

B. Verify that related items provided under other sections are properly sized and located.

C. Verify that built-in items are in proper location, and ready for roughing into masonry work.

3.02 PREPARATION

A. Direct and coordinate placement of metal anchors supplied for installation under other sections.

B. Provide temporary bracing during installation of masonry work. Maintain in place until *building structure provides permanent bracing.*

3.03 COLD WEATHER REQUIREMENTS

A. Comply with requirements of ACI 530.1/ASCE 6/TMS 602 or applicable building code, whichever is more stringent.

B. Maintain materials and surrounding air temperature to minimum 40 degrees prior to, during, and 48 hours after completion of masonry work.

3.04 COURSING

A. Establish lines, levels, and coursing indicated. Protect from displacement.

B. Maintain masonry courses to uniform dimension.
1. Form vertical and horizontal joints of uniform thickness.

C. Concrete Masonry Units:
1. Bond: Running.
2. Coursing: One unit and one mortar joint to equal 8 inches.
3. Mortar Joints: Raked to match score line.

3.05 PLACING AND BONDING

A. Lay hollow masonry units with face shell bedding on head and bed joints.

B. Buttering corners of joints or excessive furrowing of mortar joints is not permitted.

C. Remove excess mortar and mortar smears as work progresses.

D. Interlock intersections and external corners.

E. Do not shift or tap masonry units after mortar has achieved initial set. Where adjustment must be made, remove mortar and replace.

F. Perform job site cutting of masonry units with proper tools to provide straight, clean, unchipped edges. Prevent broken masonry unit corners or edges.

3.06 WEEPS/CAVITY VENTS

A. *Install weeps in retaining walls at 48 inches on center horizontally*
2. High early strength concrete: Not less than 4 days.

3.07 REINFORCEMENT AND ANCHORAGE - GENERAL

A. Place masonry joint reinforcement in first horizontal joints above and below openings. Extend minimum 16 inches each side of opening.

B. Place continuous joint reinforcement in first and second joint below top of walls.

C. Lap joint reinforcement ends minimum 6 inches.

D. Fasten anchors to structural framing and embed in masonry joints as masonry is laid.

3.08 GROUTED COMPONENTS

A. Reinforce bond beams as indicated on Drawings.

B. Lap splices minimum 24 bar diameters.

C. Support and secure reinforcing bars from displacement. Maintain position within 1/2 inch of dimensioned position.

D. Place and consolidate grout fill without displacing reinforcing.

E. At bearing locations, fill masonry cores with grout for a minimum 12 inches either side of opening.

3.09 BUILT – IN WORK

A. As work progresses, install built-in anchor bolts and plates and other items to be built into the work and furnished under other sections.

B. Install built-in items plumb, level, and true to line.

C. Do not build into masonry construction organic materials that are subject to deterioration.

3.10 TOLERANCES

A. Maximum Variation From Unit to Adjacent Unit: 1/16 inch.

B. Maximum Variation from Plane of Wall: ¼ inch in 10 ft and ½ inch in 20 ft or more.

C. Maximum Variation from Level Coursing: 1/8 inch in 3 ft. and ¼ inch in 10 ft; ½ inch in 30 ft.

D. Maximum Variation of Joint Thickness: 1/8 inch in 3 ft.

E. Maximum Variation from Cross Sectional Thickness of Walls: ¼ inch.

3.11 CUTTING AND FITTING

A. Cut and fit for pipes, conduit, and sleeves. Coordinate with other sections of work to provide correct size, shape and location.

B. Obtain approval prior to cutting or fitting masonry work not indicated or where appearance or strength of masonry work may be impaired.

3.12 CLEANING

A. Remove excess mortar and mortar droppings.

B. Replace defective mortar. Match adjacent work.

C. Clean soiled surfaces with cleaning solution.

D. Use non-metallic tools in cleaning operations.

3.13 PROTECTION

A. Without damaging completed work, provide protective boards at exposed external corners that are subject to damage by construction activities.

END OF SECTION

SECTION 16010

ELECTRICAL GENERAL PROVISIONS

PART 1 - GENERAL

1.01 SCOPE

A. Work Included. All labor, materials, appliances, tools, equipment, facilities, transportation and services necessary to performing all operations in connection with furnishing, delivery and installation of the work as shown on the drawings and/or specified herein. Work includes, but is not necessarily limited to, the following:

1. Review and coordinate all work with other sections of this specification and associated drawings. Electrical work related to those sections and drawings are required to be included as work under this section.

2. General provisions and requirements for electrical work.

1.02 SUBMITTALS

A. General

1. Refer to Division 1 for additional requirements.

2. Review of contractor submittals is intended for the general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for quantities; dimensions which shall be confirmed and correlated at the job site; fabrication process and techniques of construction; coordination of work with that of all other trades and satisfactory performance of their work.

3. The Contractor shall review each submittal in detail for compliance with the requirements of the contract documents prior to submittal to the County Project Manager. The Contractor shall imprint their company stamp and sign each item of the submittal. By signing the contractor acknowledges the following; Certification that each submittal has been reviewed by the contractor and complies with all the requirements of the contract documents.

4. Where the construction documents indicate specific manufacturer(s) for any given product, it shall be considered a substitution if the contractor proposes to use any manufacturer other than those specifically named. The Contractor shall clearly and specifically identify each individual proposed substitution or proposed deviation from the requirements of the contract documents with a statement 'THIS ITEM IS A SUBSTITUTION." Refer also to Division 1 for further substitution requirements.

5. Refer to the electrical construction documents "General Notes" for additional requirements concerning shop drawing submittals and additional electrical requirements.

B. Material Lists and Shop Drawings:

1. Submit material list and equipment manufacturers for approval within 30 days of award of contract. Give name of manufacturer and where applicable, brand name, type and/or catalog number of each item. Listing of more than one manufacturer for any one item of equipment, or listing items "as specified," without make and model or type designation, is not acceptable. Shop drawings shall not be submitted before approval of manufacturers list. The right is reserved to require submission of samples of any material whether or not particularly mentioned herein.

2. Within three weeks after approval of the material and equipment manufacturers list, submit shop drawings for approval. Shop drawings shall be submitted in bound groups of materials. Shop drawing shall be prepared by factory authorized representatives. Departure from the above procedure will result in re-submittal and delay.

3. Submit product data sheets for all outlet boxes, wiring devices, device plates, relays, contactors, time switches, mounting accessories for outlet boxes and safety switches.

4. Submit product data sheets for all wire and cables, conduit, fittings and splicing materials.

5. Submit detailed shop drawings including dimensioned plans, elevations, details, schematic and point-to-point wiring diagrams and descriptive literature for all component parts for relays, time clocks, and photocells.

6. Submittals which are intended to be reviewed as a substitutions or departure from the contract documents must be specifically noted.

7. It shall be the responsibility of the Contractor to insure that all material and equipment is ordered and released for shipment to insure installation in time to provide an orderly progression of the work and allow full occupancy. The full operation of the facility shall meet the scheduled completion date. The Contractor shall notify the County Project Manager of any changes in delivery that would affect the project completion date.

C. The Contractor shall be responsible for incidental, direct and indirect costs resulting from the substitution of specified contract materials or work.

D. Maintenance and Operating Manuals:

1. The Contractor shall furnish three (3) copies of maintenance and operating manuals for all electrical and fire alarm equipment to the Owner and instruct Owner's personnel in correct operation of all equipment at completion of project.

2. Maintenance and operating manuals shall be bound in three-ring, hardcover, plastic binders. Deliver to the Owner under a letter of transmittal and copy the Electrical Engineer.

E. Equipment parts: The Contractor shall retain and be responsible for the safe keeping of all parts and portable equipment such as keys, locks, adapters, locking clips, lamps nuts, bolts, inserts, etc. until required for installation. Upon final completion of contract work remaining parts shall be delivered to the Owner or his authorized representative.

F. Electrical Equipment: The Contractor shall be responsible for all the safe keeping of all electrical equipment (panels, breakers, conduit, wire and cables, etc.) not permanently installed and coordinate the coordinate the security conditions with the County Project Manager.

G. Record Drawings:

1. Provide and maintain in good order at the job site a complete set of electrical construction documents and labeled "As Built Documents". Changes to the contract to be clearly recorded on this set of documents. No pay request by the Contractor will be granted without verification that the job site documents are up-to-date and current with the project construction. At the end of the project, the Contractor shall transfer all changes to one clean set of construction documents and delivered unfolded to the County Project Manager.

2. The actual location and elevation of all buried lines, boxes, monuments, vaults, stub-outs and other provisions for future connections shall be referenced to the building lines or other clearly established base lines and to approved bench marks.

3. The Contractor shall keep the "record" prints up to date and current with all work performed.

1.03 GENERAL SUMMARY OF ELECTRICAL WORK

A. The specification and drawings are intended to cover a complete and operable installation of the electrical systems. The omission of expressed reference to any item of labor or material for the proper execution of the work in accordance with present practice of the trade shall not relieve the contractor from providing such additional labor and materials.

B. Refer to the drawings and shop drawings of other trades for additional details which affect the proper installation of this work. Diagrams and symbols showing electrical connections are diagrammatic only. Wiring diagrams do not necessarily show the exact physical arrangement of the equipment.

C. Before submitting a bid, the Contractor shall familiarize there self with all features of the building and site drawings which may affect the execution of the work. No extra payment will be allowed for failure to obtain this information.

D. If there are omissions or conflicts between the drawings and specifications, clarify these points with the Engineer before submitting bid.

1.04 LOCATIONS OF EQUIPMENT

A. The drawings indicate diagrammatically the desired locations or arrangements of conduit runs, outlets, equipment, etc., and are to be followed as closely as possible.

Proper judgment must be exercised in executing the work so as to secure the best possible installation in the available space and to overcome local difficulties due to space limitations or interference of structure conditions encountered. At no time shall the placement of equipment or devices create a condition that is not allowed by the California Electrical Code or local jurisdiction.

B. Where outlets are placed on a wall, locate symmetrically with respect to each other and other features or finishes on the wall.

C. In the event change of locations for equipment or devices are necessary due to developed conditions in the building construction or rearrangement of furnishings or equipment the change shall be made without cost. This assumes that the change is ordered before conduit runs or cables have been installed and work directly connected to same is installed and no extra materials are required.

D. The contractor shall coordinate the location of all utility vaults, pull boxes, transformer pad or slab box with the service utility agencies (power, telephone, cable television companies) prior to construction.

E. Coordinate and cooperate in every way with other trades in order to avoid interference and assure a satisfactory job.

F. Prior to starting any underground work the contractor shall notify DIGALERT at 811 and request an underground infrastructure search and identify report.

1.05 AIR CONDITIONING, HEATING, PLUMBING EQUIPMENT WIRING – NOT USED

1.06 QUALITY ASSURANCE

A. Work and materials to be in full accordance with the latest rules and regulations of the California Code of Regulations Title 24, Part 3 "California Electrical Codes", Title 8 "Division of Industrial Safety", the National Electrical Code, the National Life Safety Code, and other applicable Federal and State laws and regulations.

B. All material and equipment shall be new and be delivered to the site in unbroken packages. All material and equipment shall be listed and labeled by Underwriters Laboratories or other recognized testing laboratories, where such listings are available. Comply with all installation requirements and restrictions pertaining to such listings.

C. Work and material shown on the drawings and in the specifications are new and included in the contract unless specifically indicated as existing or N.I.C. (not-in-contract).

D. Keep a copy of all applicable codes available at the job site at all times while performing work under this section. Nothing in plans or specifications shall be construed to permit work not conforming to the most stringent of codes.

1.07 CLEANING EQUIPMENT, MATERIALS, PREMISES

All parts of the equipment shall be thoroughly cleaned of dirt, rust, cement, plaster, etc., and all cracks and corners scraped out clean. Surfaces to be painted shall be carefully

cleaned of grease and oil spots and left smooth, clean and in proper condition to receive paint finish.

1.08 JOB CONDITIONS - PROTECTION

Protect all work, materials and equipment from damage from any cause whatever and provide adequate and proper storage facilities during the progress of the work. All electrical equipment shall be stored in a weather-tight structure. Provide for the safety and good condition of all the work until final acceptance of the work by the Owner and replace all damaged or defective work, materials and equipment before requesting final acceptance.

1.09 CUTTING AND PATCHING

Perform cutting and patching of the construction work which may be required for the proper installation of the electrical work. Patching shall be of the same material, thickness, and workmanship and finish as existing. Match the surrounding work to the satisfaction of the Architect. Cutting of structural members shall not be done without notifying the County Project Manager, Architect and Engineer.

1.10 IDENTIFICATION

A. Panelboards, terminal cabinets, circuit breakers, disconnect switches, starters, relays, time switches, contractors, pushbutton control stations, and other apparatus used for the operation or control of feeders, circuits, appliances, or equipment shall be properly identified by means of descriptive nameplates or tags permanently attached to the apparatus and wiring.

B. Nameplates shall be engraved laminated phenolic. Shop drawings with dimensions and format shall be submitted to the Architect before installation. Attachment to equipment shall be with escutcheon pins, rivets, self-tapping screws or machine screws. Self-adhering or adhesive backed nameplates shall not be used.

C. Provide black-on-white laminated plastic nameplates engraved in minimum 1/4" high letters to correspond with the designations on the drawings. Provide other or additional information on nameplates where indicated.

D. Tags shall be attached to feeder wiring in conduits at every point where runs are broken or terminated and shall include pull wires in empty conduits. Circuit, phase, and function shall be indicated. Branch circuits shall be tagged in panelboards and motor control centers. Tags may be made of pressure sensitive plastic or embossed, self-attached, stainless steel or brass ribbon.

E. Cardholders and cards shall be provided for circuit identification in electrical and distribution panels. Cardholders shall consist of a metal frame retaining a clear plastic cover permanently attached to the inside of panel door. List of circuits shall be typewritten on card. Circuit description shall include circuit name, area, and type of connected load.

F. Junction and pull boxes shall have covers marked with circuit numbers according to panel schedule. Data shall be lettered in a conspicuous manner with a color contrasting to finish.

1.11 TESTING

A. The Contractor shall provide all instrumentation and tests on the electrical system and equipment as hereinafter described and further directed by the Architect. The test shall be performed after the completion of all electrical systems. All tests shall be recorded and documented and submitted to the Architect for review.

1. Isolating Grounds: In the event that low resistance grounds are found in the system, they shall be isolated and located by testing each circuit individually as outlined above. Make proper corrections to restore the resistance values to an acceptable value.

B. Method of obtaining ground resistance shall be in accordance with the latest edition of the James G. Biddle (Plymouth Meeting, Pennsylvania) manual published on this subject.

1. Perform "fall-of-potential" tests on each grounding electrode of system per IEEE Standard No. 81, Section 8.2.1.5. When suitable locations for test rods are not available, a low resistance dead earth or reference ground will be utilized.

2. Perform the two-point method test per IEEE Standard No. 81, section 8.2.1.1, to determine the ground resistance between the main grounding system and all major electrical equipment frames, system neutral, and/or derived neutral points.

C. All instrumentation and personnel required for testing shall be furnished by the Contractor.

1.12 TEMPORARY POWER SERVICE

Provide temporary power services to type, size and extent as required for construction including lighting fixtures and power outlets. Verify requirements prior to submitting bid.

1.13 ASBESTOS, POLYCHLORINATED BIPHENYL (PCB) OR HAZARDOUS WASTE

It is understood and agreed that this contract does not contemplate the handling of asbestos, PCB or any hazardous waste material. If asbestos, PCB or any hazardous waste material is encountered, notify the Owner immediately. Do not disturb, handle or attempt to remove.

1.14 ELECTRICAL WORK CLOSEOUT

A. Prepare the following items and submit to the County Project Manager before final acceptance.

1. Two copies of all test results as required under this section.

2. Two copies of local and/or state code enforcing authorities' final inspection certificates.

3. Copies of as-built record drawings as required under the General conditions, pertinent Division One Sections and Electrical General Provisions.

4. Two copies of all receipts transferring portable or detachable parts to the Owner when requested.

5. Notify the Engineer in writing when installation is complete and that a final inspection of this work can be performed. In the event any defect or deficiencies are found during this final inspection they shall be corrected to the satisfaction of the Architect, Engineer and the County Project manager before final acceptance can be issued.

B. The Contractor shall complete the following work before any electrical equipment is energized:

1. All equipment shall be permanently anchored.

2. All bus connections shall be tightened per manufacturer's instructions.

3. All ground connections shall be completed and identified. Perform and successfully complete all required megger and ground resistance tests.

4. All feeders shall be connected and identified.

5. The interiors of all electrical enclosures including busbars and wiring terminals shall be cleaned of all loose material and debris, paint, plaster, cleaners or other abrasive's overspray removed and equipment vacuumed clean.

6. All dry wall work and painting shall be completed within the electrical rooms.

7. All doors to electrical equipment rooms shall be provided with locks in order to restrict access to energized equipment.

8. Electrical rooms shall not be used as a storage room after power is energized.

9. The coordination study shall be complete, circuit breakers ground relays set, tested and calibrated accordingly.

END OF SECTION

SECTION 16050

BASIC ELECTRICAL MATERIALS AND METHODS

PART I - GENERAL

1.01 SCOPE

A. Work Included: All labor, materials, appliances, tools, equipment, facilities, transportation and services necessary for and incidental to performing all operations in connection with furnishing, delivery and installation of the work of this Section, complete as shown on the drawings and/or specified herein. Work includes, but is not necessarily limited to the following.

1. Examine all other sections for work related to those other sections and required to be included as work under this section.

2. General provisions and requirements for electrical work.

PART 2 - PRODUCTS

2.01 OUTLET AND JUNCTION BOXES

A. Flush or concealed outlet and junction boxes: Pressed steel, hot-dip galvanized, knockout type with conduit entrances sized to match conduits. Provide boxes of proper code size for the number of wires or conduits passing through or terminating therein, but in no case shall box be less than 4 inches square by 2 1/8" deep, unless specified elsewhere or noted otherwise on the drawings. Provide extension rings on flush outlets to finish flush with finished surfaces. Boxes installed in concrete shall be U.L. approved for installation in concrete, and shall allow the placing of conduit without displacing reinforcing bars.

1. Outlet boxes shall be installed within the allowable depth from the finished wall or ceiling surface. Should the box opening be further recessed than allowed, the contractor shall provide Underwriters Laboratory listed extensions.

B. Surface mounted outlet boxes: Cast iron type FS or FD, with threaded hubs as required. Provide plugs in all unused openings. Provide weatherproof gaskets for all exterior boxes.

2.02 SHEET STEEL PULL BOXES AND WIREWAYS

A. Sizes as indicated on the drawings and in no case of less size or material thickness than required by the governing code.

1. General purpose sheet steel pull boxes and wireways: Install only in dry protected locations with removable screw covers. Manufacturer's standard baked enamel finish.

2. Weatherproof sheet steel pull boxes and wireways: Fabricate of code gauge, hot-dip galvanized steel with gasket watertight cover of same material. Manufacturer's standard baked exterior enamel finish.

3. Concrete pull boxes: After cables have been pulled and inspected, seal box between cover and frame with a mastic compound similar to Parmagum or Dukseal.

2.03 CONCRETE PULLBOXES 2'-0" X 3'-0" AND LARGER

A. Each concrete pre-cast section shall be identified by having the manufacturer's name and address cast into an interior face or permanently attached thereto. Pull boxes intended for public utility systems shall meet the individual utility requirements. Oldcastle Precast Products, Associated Concrete Products-Quikset, Brooks Products or equal.

B. Pullboxes shall have deep recess conduit knockout concrete extensions at two opposite end walls. Additional shallow recess knockouts shall be provided on the other two walls for conduit entrances.

C. Pullboxes shall be provided one pre-cast concrete 6" extension grade ring "tongue and groove" mating surfaces to insure rigid assembly.

D. Pullbox sizes shall be as indicated on drawings but in no case less than required by applicable codes. Minimum depth of the pullbox shall not be less than 30".

A. The pullbox floor sump shall extend through the concrete floor into the gravel bedding, below the pullbox.

B. Cover and frame assemblies:

1. Traffic rated cover shall be hot dip galvanized steel flush fitting with threaded flush, slotted head, stainless steel studs.

2. Top ring frame shall be hot dip galvanized steel angle frame where the pullbox is installed in paving or concrete work. Assembly shall be rated for H-20 Bridge loading.

3. Top ring frame shall be armor bank type where the pull box is installed in exposed earth or landscaping. Assembly shall be rated for H-10 loading.

4. Covers for 2'-0" x 3'-0"pullboxes shall be a single plate assembly Quikset #TE-1000 series or equal.

5. Covers for 3'-0" x 5'-0" pullboxes shall be double leaf, torsion spring-assisted hinged assembly. Quikset #TL-400 Series or equal.

6. Covers shall be permanently marked indicating boxes use (i.e.: Electric, Fire Alarm, Signal, Telephone, Lighting etc.)

C. Furnish complete with galvanized pull irons, cable racks, hooks and porcelain insulator cable cradles.

D. Provide a drainage sump, 6" diameter minimum, with a cast iron grate over the sump.

2.04 CONCRETE PULL BOXES SMALLER THAN 2'-0" X 3'-0"

Boxes shall be reinforced concrete with base and drainage sump. Provide steel bolt down traffic cover permanently marked indicating the system installed.

2.05 SWITCHES – NOT USED

2.06 RECEPTACLES

A. All receptacles in flush type outlet boxes shall be installed with a bonding jumper to connect the box to the receptacle ground terminal. Grounding through the receptacle mounting straps is not acceptable. The bonding jumper shall be sized in accordance with the branch circuit protective device as tabulated herein under "Grounding". Bonding jumper shall be attached at each outlet to the back of the box using drilled and tapped holes and washer head screws 6-32 or larger (except isolated ground receptacles). For receptacles in surface mounted outlet boxes direct metal-to-metal contact between receptacle mounting strap (if it is connected to the grounding contacts) and outlet box may be used. Color as selected by Architect. Catalog numbers shown below are intended to establish the quality of the device only and are not necessarily the color required by the Architect. Receptacles connected to emergency power circuits shall be red.

B. Receptacles shall be as manufactured by Pass & Seymour, Hubbell, and Leviton or approved equal

C. Duplex convenience receptacles shall be grounding type, 120 volt, 15 ampere, and shall have two current carrying contacts and one grounding contact which are internally connected to the frame. Outlet shall accommodate standard parallel blade cap and shall be side wired.

D. Duplex 20 ampere convenience outlets same as 15 ampere except ampacity shall be used where duplex receptacles are supplied by separate 20-ampere circuit.

E. Ground fault convenience receptacles: Provide separate ground fault receptacle at each location indicated on drawings.

F. Special outlets and enclosures shall as indicated on the drawings.

2.08 PLATES

A. Provide specification grade plates color to match the existing. Plates and devices shall be of the same manufacture.

B. Provide plates for every switch, receptacle, telephone, television, computer, wall speaker outlet, etc. In food service areas, cart storage, work shops and electrical rooms plates shall be 0.040" stainless steel. Manufactured by Pass & Seymour, Hubbell, Leviton or equal. In all other areas, plates shall be smooth plastic, color as selected by Architect by Pass & Seymour, Hubbell, Leviton or equal.

2.09 STRUCTURAL AND MISCELLANEOUS STEEL

Structural and miscellaneous steel used in connection with electrical work exposed to wet or damp locations, to be hot-dip galvanized unless otherwise specified. Included are underground pull box covers and similar electrical items. Galvanizing average 2.0 ounce per square foot and conform to ASTM A123.

2.10 FLASHING ASSEMBLIES

Provide Semco Fig. #1100-4 Series or equal by Oaty lead flashing assemblies at all roof penetrations. Seal the joint between flashing and pipe with waterproofing compound.

2.11 RELAYS AND CONTACTORS – NOT USED

2.14 SAFETY SWITCHES

Switches shall be rated 600 volt A.C., NEMA Type HD, quick-make, quick-break, h.p. rated, non-fusible to fusible, Class "R", in NEMA Type I enclosure, lockable in the "open" and "closed" positions with number of poles and amperage as indicated on the drawings. Where enclosure is located exterior, in kitchens, at HVAC and plumbing equipment, where water is present or indicated W.P. (weatherproof) switches shall be rain tight NEMA Type 3R enclosure, lockable. Maximum voltage, current and horsepower rating clearly marked on the switch enclosure and switches having dual element fuses shall have rating indicated on the metal plate.

2.15 CONCRETE WORK

A. Portland Cement Concrete:

1. ASTM C150, Type II, Low Alkali Cement. Composed of Portland cement, course aggregate, fine aggregate, and water. See Division 3 of these specifications for further concrete requirements.

    a. Concrete for use as electrical equipment footings, lighting pole bases and equipment slabs on grade, concrete shall attain minimum 28 day compressive strength of 3000 psi, using not less than 5 sacks of cement per cu. yd. of wet concrete.

    b. Concrete for duct/conduit encasement, the minimum 28 day compressive strength shall be 2000 psi.

    c. Mix shall obtain a 6" slump, measured with standard slump cone per ASTM C143.

2. Coarse Aggregate: Uniformly graded between maximum size not over 1-1/2" and not less than 3/4" and minimum size #4, crushed rock or washed gravel. For concrete encased ducts only, max. aggregate size shall be 1/2".

3. Fine Aggregate: Clean, natural washed sand of hard and durable particles varying from fine to particles passing 3/8" screen, of which at least 12% shall pass 50 mesh screen.

B. Water: Clean and free from deleterious quantities of acids, alkalis, salts, or organic materials.

C. Reinforcement:

1. All reinforcing steel shall be placed in conformance with Title 24, Part 2, Chapter 26, Section 2607 and Building Code requirement for reinforced concrete (ACI 318).

2. Reinforcing bars shall conform to Title 24, Part 2, Chapter 26, Section 2603(f) and requirements of A.S.T.M.A-615 grade 60, or ASTMA A-706 grade 60 for bars requiring welds except #3 and #4 bars may be grade 40.

3. All reinforcing bar bends shall be made cold.

4. Welded wire fabric shall conform at A.S.T.M. A-185.

D. Form Material: For exposed work, use PS 1 "B-B Concrete Form" plywood forms, or equal. Elsewhere, forms may be plywood, metal, or 1" x 6" boards. Forms for round lighting pole bases shall be sono-tube.

PART 3 - EXECUTION

3.01 OUTLET AND JUNCTION BOXES

A. Accurately place boxes and securely fasten to structural members. Where outlets are shown at same location but at different mounting heights, install outlets in one vertical line. Where outlets are shown at same location and mounting height, mount outlets as close together as possible. Where switches and receptacles are shown at the same location and mounting height, mount in common outlet box with barriers between devices. Where switches are shown on wall adjacent to hinge side of doors, box shall be installed to clear door when door is fully opened.

B. Flush mounted boxes shall be attached to two studs or structure members by means of metal supports so that all boxes are rigid with no deflection under 100 lb horizontal force. On wood construction, provide 2" x 4" blocking between studs in lieu of metal supports.

C. Boxes above accessible ceilings shall be attached to structural members. Where boxes are suspended, they shall be supported independently of conduit system by means of preformed steel channels. Boxes shall be supported independently of all piping, ductwork, and equipment, ceiling hanger wires and suspended ceiling grid system.

D. Where surface exposed conduit is connected to an outlet box, the outlet box shall be surface mounted.

E. Surface mounted outlets shall be attached to concrete or masonry walls by means of expansion shields.

F. Outlet boxes installed flush in walls shall be horizontally separated by not less than 24 inches from device outlet boxes and rings in common wall surfaces located on the opposite (back) side of the same wall. Where the separation cannot be maintained, provide a solid backing behind the outlet box. The backing shall extend the width of the wall cavity (i.e., between "studs" or masonry cells) behind the box and 12 inches above and below the outlet box center line. The backing shall consist of 5/8 inch thickness gypsum board anchored in place for "stud" wall construction and solid "mortar" to completely fill the outlet box "cell" in masonry construction.

3.02 CONCRETE PULLBOXES

A. Excavate for installation of pre-cast structures and remove excess excavated material from the site. Saw cut existing paving and concrete as required for excavation.

B. Provide a minimum of 6" deep bedding base of crushed rock 3/8" - 1/2" size in the bottom of the excavation. Bedding shall be level and well compacted by a minimum of four passes with a plate type mechanical vibrator.

C. Back fill and compact earth around pre-cast structure after installation of the structure to 90% minimum compaction in 12" lifts. Replace paving concrete, landscaping above structure to match existing.

D. Install pre-cast structures per manufacturer's recommendations to provide a dry watertight installation. Set covers flush with existing grade or finish surface. Where pre-

cast structure is installed in pedestrian walkway or vehicular traffic way with a sloping finish grade, slope cover to match existing.

E. Install structures to avoid surface water drainage flow lines, and existing utilities.

F. Entrances of conduits/ducts shall terminate with end-bells inside the pre-cast structure.

G. Where pullboxes are shown to intercept existing conduit, remove portion of existing conduit approximately 4 ft. back from wall, re-grade and excavate conduit entrance and extend existing conduit into pullbox.

H. Provide 10' long x 3/4" diameter copper clad, steel, driven ground rods through the floor of the pre-cast structure. Ground rod shall extend 6" above the floor line. Where rock bottom is encountered, bury ground rod in horizontal trench with projection into precast structure. Seal off openings around ground rod.

I. Ground permanently and effectively together all metal equipment cases, cable racks, etc., with #4 bare copper bonding conductor. Provide Underwriters Laboratory listed compression bonding fittings at each ground connection.

3.03 SWITCHES AND RECEPTACLES

Install all receptacles and switches securely to the back box or wall surface, using the device strap mounting screws. Provide adequate wall surface or extension rings, where required to properly support the mounting strap. Use of the cover plate screws to support the device is not acceptable.

3.04 GROUNDING (ADDITIONAL REQUIREMENTS)

A. Grounding shall be executed in accordance with all applicable codes and regulations, both of the State of California and local authorities having jurisdiction.

B. Each pull box or any other enclosure in which several ground wires are terminated shall be equipped with a ground bus secured to the interior of the enclosure. The bus shall have a separate lug for each ground conductor. No more than one conductor shall be installed per lug.

C. The maximum resistance to ground shall not exceed 5 ohms.

3.05 CONCRETE WORK

A. Concrete work shall be executed in accordance with all applicable codes and regulations of the California Code of Regulations, Title 24, Part 2, and Chapter 26. See also Division 3 of these specifications.

B. Form

1. Space forms properly with spreaders and securely ties together. Do not use twisted wire form ties. Keep forms wet to prevent joints from opening up before concrete is placed. Replace improper construction as directed. Do not use wood inside forms.

2. Build in and set all anchors, dowels, bolts, sleeves, iron frames, expansion joints and other materials required for the electrical work. Place all items carefully, true, straight, plumb, and even.

3. Carefully remove all exposed forms. Cuts nails and tie wires below face of concrete and fill all holes. Rubbish will not be allowed to remain in, under, or around concrete.

C. Mixing: Use batch machine mixer of approved type. After ingredients are in mixer, mix for at least 1-1/2 minutes.

D. Transit Mixing: In lieu of mixing at site, transit mixing may be used if rate of delivery, haul time, mixing time, and hopper capacity is such that concrete delivered will be placed in forms within 90 minutes from time of introduction of cement and water to mixer.

E. Placing of Concrete:

1. Before placing concrete, remove wood, rubbish, vegetable matter and loose material from inside forms. Thoroughly wet down wood forms to close joints.

2. Clean reinforcement; remove paint, loose rust, scale and foreign material. Bars with bends not called for will be rejected. Hold securely in place to prevent displacement. Lap bar splices 30 diameters, min; lap fabric one mesh min. Tie intersections, corners, splices with 16 ga. annealed wire, or as otherwise called for.

3. Place concrete immediately after mixing. Do not use concrete that has begun to set; no tempering will be allowed. If chuting is used, avoid segregation. In placing new concrete against existing concrete, use bonding agent per manufacturer's directions.

4. Give careful and thorough attention to curing of concrete. Keep concrete and forms wet for a minimum of 10 days, after placing concrete.

F. Concrete Finish:

1. Finish of Exposed Concrete: Horizontal surfaces, steel troweled monolithic finish; vertical surfaces, smooth and free of fins, holes, projection, etc.

2. Exposed lighting pole bases shall be filled and sack finished to a smooth finish.

END OF SECTION

SECTION 16111

CONDUIT AND WIRE

PART 1 - GENERAL

1.01 SCOPE

A. Work Included: All labor, materials, appliances, tools, equipment, facilities, transportation and services necessary for and incidental to performing all operations in connection with furnishing, delivery and installation of the work in this Section, complete as shown on the drawings and/or specified herein. Work includes, but is not necessarily limited to the following:

1. Examine all other sections for work related to those other sections and required to be included as work under this section.

2. General provisions and requirements for electrical work.

PART 2 - PRODUCTS

2.01 Conduit

A. Rigid galvanized steel conduit: Hot-dip galvanized, zinc coated. Threads shall be galvanized after fabrication. Couplings, connectors and fittings shall be threaded.

B. Electrical metallic tubing: Galvanized. Couplings and connectors, seamless steel construction and of the setscrew or watertight compression type with factory-applied permanently attached insulated throat. Thomas & Betts Co. #5123 or #5031 Series or approved equal connectors and #5120 or #5030 series or equal couplings.

C. Flexible conduit. Galvanized steel. Connector shall be screw-in type with factory-applied permanently attached insulated throat. Bridgeport #520-DCI/521-DCI series or equal by Efcor.

D. Liquid-tight flexible conduit. Sealtite Type U.A. with Appleton Series "ST" connectors.

E. Nonmetallic conduit: Polyvinyl chloride, Schedule 40.

2.02 WIRE AND CABLE

A. All wire and cable shall be copper, 600 volt, #12 AWG minimum unless indicated otherwise. Conductors #10 AWG and smaller shall be solid. Conductors #8 AWG and larger shall be stranded. Type of insulation as noted on drawings and as follows:

1. Type THHN/THWN insulation used for #4 AWG and smaller.

2. Type THHN/THWN insulation used for #2 AWG and larger.

3. Type THHN/THWN used for all panel feeders and service conductors.

4. Type THHN/THWN insulation used for circuit conductors installed in fluorescent lighting fixture raceways, for conductors connected to the secondary of fluorescent or mercury vapor fixture ballast or other hot locations.

5. Type THHN/THWN insulation shall be used where conductors are installed in conduit exposed to the weather.

6. The following color code for branch circuits:

   Neutral....White (Tape feeder neutrals with white tape near connections) where separate neutral conductors are indicated for branch circuits, color code the white neutral conductor with a colored stripe corresponding to the phase of the respective line conductors.

   a. Normal Power
   120/240 Voltage;
   Ground – Green, Phase A – Black, Phase B – Red

7. Feeders identified as to phase or leg in each panelboard with printed identifying tape.

B. Aluminum Conductors (600 Volt or Less Only): Aluminum conductors are not approved for use on the project.

PART 3 - EXECUTION

3.01 TRENCHING, FOOTINGS, SLEEVES

A. Provide trenching, concrete encasement of conduits, backfilling, and compaction for the underground electrical work, in accordance with applicable sections of this specification.

B. Provide footings for all post and/or pole-mounted lighting fixtures. Concrete shall conform to the applicable sections of this specification.

C. Sleeves

1. Provide sleeves for raceways and conduit passing through the following construction elements:

   a. Concrete foundations, floors, walls and slabs.

   b. Lath and plaster walls and ceilings.

   c. Building structures (I.e., foundations, walls, floors, ceilings, roofs) with a fire rating exceeding 20 minutes.

2. Sleeves shall be flush with walls and foundations. Sleeves shall be installed at exact penetration locations and angles to accommodate raceway and conduit routings.

3. Joists, girders, beams, columns or reinforcing steel shall not be cut or weakened. Where construction necessitates the routing of conduit or raceways through structural members, framing or under footings, written permission to make such

installation shall first be obtained from the Architect. Such permission will not be granted, however, if any other method of installation is possible.

4. The layout and design of raceways and conduits located in or routed through masonry or reinforced beams or walls shall be reviewed by the Architect before any work is performed. All sleeves shall be accomplished according to the instructions of the Architect and shall be accepted before any concrete is poured.

5. Sleeves, raceways and conduit shall be located to clear steel reinforcing bars in beams. Reinforcing bars in walls shall be offset to clear piping and sleeves.

6. Provide 1/2" continuous clearance between inside of sleeve and exterior or conduits and raceways passing through the sleeve, unless otherwise specified. Where sleeves pass through outside walls below grade, provide full 1" clearance between exterior of conduits and raceways passing through the sleeve. For seismic joints, clearance shall be 3".

7. Sleeves set in fire rated walls, or floors shall be sealed.

8. Sleeve Material:

   a. In concrete or masonry roofs, wall and footings: Schedule 40 black steel pipe. When installed in outside walls, seal outer surface watertight.

   b. In fire rated construction or lath and plaster: 24 gauge galvanized iron or steel.

   c. In floor construction: Schedule 40 black steel pipe, with upper surface to be sealed watertight.

   d. Sleeves through waterproof membranes: Cast iron or Schedule 40 steel with flashing clamp device and corrosion resistant clamping bolts. Caulk space between pipe and sleeve with outer surface sealed watertight.

3.02 GROUNDING

A. Grounding shall be executed in accordance with all applicable codes and regulations, both of the State of California and local authorities having jurisdiction.

B. Where nonmetallic conduit is used in the underground distribution system, the Contractor shall install the proper sized copper ground wire in the conduit with the feeder for use as an equipment ground. The electrical metallic raceway system shall be grounded to this ground wire.

C. The maximum resistance to ground shall not exceed 5 ohms.

D. Where equipment bonding ground wire is installed or where nonmetallic or flexible conduit is used for feeder, sub-feeder or branch circuit wiring, a green insulated, copper ground wire, sized in accordance with the following table, shall be installed. Install ground wire in each conduit with phase conductors.

1.	Feeder, Sub-feeders & Branch Circuit Protection	Minimum Ground Wire Size

15 Amp	#12
20 Amp	#12
30 to 60 Amp	#10
70 to 100 Amp	#8
101 to 200 Amp	#6
201 to 400 Amp	#2

E. Ground conductors for branch circuit wiring shall be attached at each outlet to the back of the box using drilled and tapped holes and washer head screws, 6-32 or larger.

F. Each panelboard, switchboard, pull box or any other enclosure in which several ground wires are terminated shall be equipped with a ground bus secured to the interior of the enclosure. The bus shall have a separate lug for each ground conductor. No more than one conductor shall be installed per lug.

G. The interior metal water piping system shall be bonded to the electrical equipment.

3.03 CONDUIT

A. The sizes of the conduits for the various circuits shall be as indicated on the drawings and as required by code for the size and number of conductors to be pulled therein. Conduits to be concealed except as noted otherwise.

B. Rigid galvanized steel conduit shall not be installed in direct contact with earth or sand.

C. Rigid steel conduit shall be used in the following locations:

1. Exposed on interior of buildings below nine feet.

2. Exposed on exterior of building.

3. Damp or wet locations.

4. Exposed on roofs.

5. Embedded in concrete or masonry walls.

D. PVC Schedule 40 nonmetallic conduit shall be used for all underground runs unless specifically noted or specified otherwise. Nonmetallic conduit shall not be run in slabs or walls, above ceilings or exposed. End bells shall be provided at conduit terminations.

E. Risers on underground conduit runs shall be PVC Schedule 40 below grade and rigid galvanized steel where the run turns up above finished floor.

F. Electrical metallic tubing up to and including 4 inch may be installed as permitted by codes except as otherwise referenced within these specifications.

G. Flexible steel conduit may be installed where concealed above ceilings or in non-masonry/concrete walls.

H. Liquid-tight flexible conduit shall be used for final connection to motors, control devices mounted on vibrating or rotating equipment, mechanical, plumbing and kitchen

equipment indicated on drawings to have flexible conduit connections, and in all areas where exposed flexible connections are required.

I. Conduit Installation:

1. Securely and rigidly support all conduits from building structure. Provide supports maximum of ten feet on centers and within three feet of all bends, outlets, junction boxes, cabinets, panels and fittings. Conduits shall be supported independent of all piping, ductwork, equipment ceiling hanger wires, and suspended ceiling grid systems. Secure by means of approved pipe clamps or straps. The use of "plumbers tape" is prohibited.

2. Individual suspended conduits shall be supported by means of hanger rods and pipe clamps. Multiple suspended conduits shall be supported by means of trapeze type hangers and pipe clamps. Conduits and conduit support systems shall be guyed to prevent swaying in any direction.

3. Individual conduits placed against brick, masonry or concrete walls or slabs shall be secured with pipe clamps and expansion shields. Individual conduits placed against dry wall or plaster construction shall be secured by means of pipe clamps and screws attached to studs or other structural members. The use of toggle bolts is prohibited. Provide performed channel supports for all multiple conduits placed against walls or slabs.

4. Rigid steel conduit or electrical metallic tubing shall not be strapped or fastened to equipment subject to vibration or mounted on shock absorbing bases.

5. Conduit run exposed shall be run at right angles or parallel to the walls or structures. All changes in directions, either horizontally or vertically, shall be made with conduit outlet bodies as manufactured by Crouse Hinds or equal.

6. Provide two locknuts and an insulated bushing at threaded metallic conduit terminating at outlet boxes, junction boxes, terminal cabinets, switchboards and panelboards.

7. Provide insulated bushing at each metallic conduit stub location. Bushings shall have ground lugs when installed on a metallic extension of PVC conduit run.

8. From each panel and signal system cabinet which is flush mounted in a wall; stub up from top of the panel a minimum of four 3/4" conduits to the nearest ceiling spaces or other accessible location and cap for future use.

9. Underground conduits entering concrete pullboxes shall enter the sidewall of the pullbox unless indicated otherwise. Provide end bell fitting on the end of each conduit 2" or larger entering the pullbox. Provide waterproof sealant after conductors have been installed.

10. Where underground conduits penetrate a waterproof membrane, the membrane shall be bonded around each conduit individually to maintain the watertight integrity of the membrane.

11. Provide metallic or plastic caps on all conduits during construction until installation of conductors.

12. Unless otherwise restricted by structural drawings and specifications, the maximum size conduit permitted in concrete walls shall not be greater than 1/4 of the concrete thickness.

13. Provide all trenching, excavation, shoring and backfilling required for the proper installation of underground conduits. Make trenches a minimum of 6 inches wider than the duct bank.

14. Install underground conduit, except under buildings, not less than 24" below finished grade in non-traffic areas and 30" below finished grade in traffic areas, including roads and parking areas. Install long radius bends in all underground conduits in excess of 100 feet long.

15. Provide a yellow magnetic detector tape over the entire length of all underground conduits. Place tape in backfill at a depth not to exceed 12 inches below finish grade or as required by the manufacturer.

16. Conduits which are installed at this time and left empty for future use shall have polyvinyl rope left in place for future use. Provide a 3/8" minimum rope for Utility Company conduits per their requirements.

3.04 WIRE AND CABLE

A. Branch circuit and fixture joints for #10 AWG and smaller wire shall be made with UL-approved connectors listed for 600 volts, approved for use with copper and/or aluminum wire. Connector to consist of a cone-shaped, expandable coil spring insert, insulated with a nylon shell and 2 wings placed opposite each other to serve as a built-in wrench or shall be molded one-piece as manufactured by "Scotchlok."

B. Branch circuit joints of #8 AWG and larger shall be made with screw pressure connectors made of high strength structural aluminum alloy and UL-approved for use with both copper and/or aluminum wire as manufactured by Thomas & Betts. Joints shall be insulated with plastic splicing tape, half-lapped and at least the thickness equivalent to the conductor insulation. Tapes shall be fresh and of quality equal to Scotch.

C. Use U.L. listed pulling compound for installation of conductors in conduits.

D. All splices in exterior pull boxes and light poles shall be cast resin encapsulated. Power conductor splices - 3M Scotchcast Series 82/85/90; Plymouth or equal. No underground splices shall be made in control or signal circuits.

1. Power conductor splices - 3M Scotchcast Series 82/85/90; Plymouth or equal.

E. Neatly group and lace all wiring in panelboards, motor control centers and terminal cabinets with plastic ties at 3" on centers. Tag all spare conductors.

END OF SECTION

SECTION 16160

PANELBOARDS AND TERMINAL CABINETS

PART 1 - GENERAL

1.01 SCOPE

A. Work Included: All labor, materials, appliances, tools, equipment necessary for and incidental to performing all operations in connection with furnishing, delivery and installation of the work of this Section, complete, as shown on the drawings and/or specified herein. Work includes, but is not necessarily limited to the following:

1. Examine all other specification sections and drawings for related work required to be included as work under Division Sixteen.

2. General provisions and requirements for electrical work.

PART 2 - PRODUCTS

1.02 PANELBOARDS

A. Panelboards shall be flush or surface mounting as indicated with circuit breakers as shown on panel schedule, hinged lockable doors, index cardholders and proper bussing.

B. All panelboards and panel cabinets shall be keyed alike with flush locks.

C. All panelboards shall be finished with one coat of zinc chromate and a coat of primer sealer after a thorough cleaning. Prime coated panelboard shall be painted to match surroundings after installation. Panelboards shall be fabricated of sheet steel of the following minimum gauges: Door and trim #12; enclosure - code gauge steel.

D. Fasten the trim to panelboards by means of concealed, bolted or screwed fasteners accessible only when the door is open.

E. Panelboards 240/120 volt, single phase, 3 wire, S/N.

Panelboard types as manufactured by Cutler Hammer Pow-R-Line Series, Siemens, and General Electric, Square D or equal.

F. Panelboard with bussing sizes thru 400 amps shall be 20" wide. Recess mounted type shall have a 20" wide (maximum) recess metal enclosure with trim plate cover extending 1" on all sides of enclosure. Depth shall be 5-3/4" nominal. Height of panel as required for devices.

G. Provide 6" additional gutter space in all panels where double lugs are required, or where cable size exceeds bus size. Minimum bottom gutter space shall be 6" high.

H. Panelboards shown with relays, time clocks or other control devices shall have a separate metal barriered compartment mounted above panel with separate hinged

locking door to match panelboard. Provide mounting sub-base in cabinet for control devices and wiring terminal strips.

I. Panelboard shall have a circuit index cardholder removable type, with clear plastic cover. Index card shall have numbers imprinted to match circuit breaker numbers.

J. Panelboard enclosures shall be furnished without pre-punched conduit knockouts. Conduit knockouts shall be punched in field.

K. Panelboards shall be manufactured by the same manufacturer as the main switchboard.

2.02 CIRCUIT BREAKERS

A. Breakers shall have a minimum short circuit interrupting rating of 10,000A symmetrical for panelboard voltages thru 240 volt and 14,000A for panelboards thru 600 volts or as specified on the drawings. In no case shall the interrupting rating be less than the bus's withstand rating unless noted otherwise on the drawings.

B. Panelboards and circuit breakers shall be products of the same manufacturer.

C. Circuit breakers shall be arranged in the panels so that the breakers of the proper trip settings and numbers correspond to the numbering in the panel schedules on the drawings. Circuit numbers of breakers shall be black-on-white micarta tabs or other previously approved method. Circuit number tabs which can readily be changed from front of panel will not be accepted. Circuit number tabs shall not be attached to or be a part of the breaker.

D. Where two or three pole breakers occur in the panels, they shall be common trip units. Single pole breakers with tie-bar between handles will not be accepted.

E. Where branch circuit breakers supply the power to motors, the fire alarm control panel, and head end equipment for signal systems, the breakers shall be furnished with lockout clips, mounted in the "on" position. The breakers shall be able to trip automatically with lockout clips in place.

F. Panelboard circuit breakers shall be bolt on type.

G. Provide engraved nameplate on each panelboard indicating its designation and system voltage.

2.03 SWITCH AND FUSE FEEDER PROTECTIVE DEVICES

A. Fusible switches: Quick-make, quick-break type with rejection clips for use with Class "R" fuses. Switches with ratings up to and including 100 ampere shall be twin mounted. Switches shall be removable from front of the panelboard without disturbing adjacent units or bus structure.

B. Fuses shall be time delay current limiting type, U.L. Class RK-1 unless otherwise indicated on the drawings.

2.04 MOLDED CASE SWITCHES

Molded case switches shall be rated 35,000 amp withstand and shall contain an automatic magnetic trip calibrated and set at the factory to protect only the switch itself. Molded case switches shall be listed per U.L. 1087 and be CSA certified.

2.05 BUSSING

A. Bussing shall be rectangular cross section copper, or sliver or tin-plated aluminum. Bussing shall be the full length of the enclosure.

B. Bussing shall be braced to withstand symmetrical short circuit ratings as follows or as noted on drawings. In no case shall bus short circuit bracing be less than specified circuit breakers:

1. Panelboards: 10,000 amp

2. Distribution panelboards: 22,000 amp

C. Each panelboard shall be equipped with a ground bus secured to the interior of the enclosure. The bus shall have a separate lug for each ground conductor. No more than one conductor shall be installed per lug.

D. Provide space and all hardware and mounting attachments for future devices as indicated on the drawings.

2.06 TERMINAL CABINETS

A. Terminal cabinets shall be fabricated of code gauge sheet steel, size as indicated on the drawing, complete with hinged doors and the number of 2-way screw terminals required for termination of all conductors. The door to terminal cabinets shall be continuously hinged on one side and be the same size as the cabinet so as to allow maximum termination space within the cabinet. Terminal cabinets shall have 3/4" plywood backing finished in black insulating varnish.

B. All terminal cabinets shall be finished with one coat of zinc chromate and a cost or primer sealer after a thorough cleaning. Prime coated terminal cabinets shall be painted to match surroundings after installation.

C. Terminal cabinets shall have flush locks and keys.

D. Terminals for signal cabinets to be Cannon Type "SS" or equal unless indicated otherwise.

E. Provide engraved nameplate on each cabinet indicating its designation and system.

PART 3 - EXECUTION

3.01 MOUNTING

A. Flush mounted panelboards and terminal cabinets shall be securely fastened to at least two studs or structural members. Trim shall be flush with finished surface.

B. Surface mounted panelboards and terminal cabinets shall be secured to walls by means of preformed steel channels securely fastened to at least two studs or structural members.

C. Panelboards shall be installed to insure the top circuit protective device (including top compartment control devices) are not more than 6'-6" above finish floor in front of the panel and the bottom device is a minimum of 12" above the floor. Manufacturer shall specifically indicate on shop drawing submittals each panel where these conditions cannot be met.

3.02 SPARE CONDUITS (ADDITIONAL REQUIREMENTS)

Provide three 1" conduit only stubs from each panelboard and terminal cabinet into accessible ceiling space. Where floor below panel or terminal cabinet is accessible, provide three 1" conduit only stubs into accessible floor space.

END OF SECTION

APPENDIX 'A'
(for reference only)

SECTION 16620

GENERATOR EQUIPMENT SPECIFICATIONS

1. INTRODUCTION

1.1. DESCRIPTION OF SERVICES

1.1.1. Equipment supplier shall provide and deliver to the project site the following: (1) Generac SG100kw, 120/240 volt, 1-phase, 60 HZ, liquid petroleum gas fueled generator with a H-100 Control Panel and a 400 amp, 2-pole main circuit breaker. (1) Generac HTS040W, 400 amp, 2-pole, 240 volt, 1-phase, 60 HZ, automatic transfer switch. Equipment supplier shall also provide all required components necessary to comply with all requirements specified hereinafter. Refer to section 6.10 of the following specifications for substitution requirements.

1.2. SITE VERIFICATION

1.2.1. Equipment supplier shall field verify the site and the access conditions to the site prior to bid.

1.2.2. Equipment supplier shall include in bid all equipment required to deliver and unload generator to the site.

2. GENERAL

2.1. DESCRIPTION OF SYSTEM

2.1.1. Provide a standby power system to supply electrical power in event of failure of normal supply, consisting of a liquid cooled engine, an AC alternator and system controls with all necessary accessories for a complete operating system, including but not limited to the items as specified hereinafter.

2.2. REQUIREMENTS OF REGULATORY AGENCIES

2.2.1. An electric generating system, consisting of a prime mover, generator, governor, coupling and all controls, must have been tested, as a complete unit, on a representative engineering prototype model of the equipment to be sold.

2.2.2. The generator set(s) must conform to applicable NFPA standards.

2.2.3. The generator set(s) must be available with the Underwriters Laboratories listing (UL2200) for a stationary engine generator assembly.

2.2.4. The transfer switch(es) must be UL listed for use in emergency systems.

2.2.5. The generator set(s) must meet EPA federal emission guidelines for stationary standby power generation.

2.3. MANUFACTURER QUALIFICATIONS

2.3.1. *This system shall be supplied by Generac Power Systems® or an approved* equal who has been regularly engaged in the production of engine-alternator sets, automatic transfer switches, and associated controls for a minimum of twenty years, thereby identifying one source of supply and responsibility.

2.3.2. To be classified as a manufacturer, the builder of the generator set must manufacture, at minimum, engines or alternators.

2.3.3. The manufacturer shall have printed literature and brochures describing the standard series specified, not a one of a kind fabrication.

3. ENGINE-GENERATOR SET

3.1. Engine

3.1.1. The prime mover shall be a liquid cooled, liquid petroleum gas fueled, naturally aspirated engine of 4-cycle design. It will have 10 cylinders with a minimum displacement of 6.8 liters (417 cubic inches), with a minimum rating of 147 BHP. The unit requires a minimum rated output of 100 kw at an operating speed of 2300 RPM.

3.1.2. The engine is to be cooled with a unit mounted radiator, fan, water pump, and closed coolant recovery system providing visual diagnostic means to determine if the system is operating with a normal engine coolant level. The radiator shall be designed for operation in 122 degrees f, 50 degrees c ambient temperature.

3.1.3. The intake air filter(s) with replaceable element must be mounted on the unit. Full pressure lubrication shall be supplied by a positive displacement lube oil pump. The engine shall have a replaceable oil filter(s) with internal bypass and replaceable element(s). Engine coolant and oil drain extensions, equipped with pipe plugs, must be provided to outside of the mounting base for cleaner and more convenient engine servicing. A fan guard must be installed for personnel safety.

3.1.4. The engine shall have a battery charging DC alternator with a transistorized voltage regulator. Remote 2-wire starting shall be by a solenoid shift, electric starter.

3.1.5. The engine fuel system shall be designed for primary operation on liquid petroleum gas having a BTU content of 2500 BTU per cubic foot delivered to the unit in a vapor state. A carburetor, secondary regulator, fuel lock-off solenoid and all piping must be installed at the point of manufacturing, terminating at a single pipe opening external to the mounting base.

3.1.6. The engine shall have a unit mounted, thermostatically controlled water jacket heater to aid in quick starting. The wattage shall be as recommended by the manufacturer.

3.1.7. Sensing elements to be located on the engine for low oil pressure shutdown, high coolant temperature shutdown, low coolant level shutdown, overspeed shutdown and overcrank shutdown. These sensors are to be connected to the control panel using a wiring harness with the following features: wire number labeling on each end of the wire run for easy identification, each sensor connection shall be sealed to prevent corrosion and all wiring to be run in flexible conduit for protection from the environment and any moving objects.

3.1.8. Provide the following items installed at the factory:

3.1.8.1. The manufacturer shall supply a catalytic muffler and air/fuel ratio controller as required by South Coast Air Quality Management District. The catalytic muffler must be part of the engine exhaust system and completely installed and tested at the factory. Engine emissions shall meet SCAQMD requirements and unit shall be Pre-Certified by SCAQMD.

3.1.8.2. The manufacturer shall supply its recommended stainless steel, flexible connector to couple the engine exhaust manifold to the exhaust system.

3.1.9. Engine speed shall be controlled by isochronous governor with no change in alternator frequency from no load to full load. Steady state regulation is to be 0.25%.

3.1.10. One step load acceptance shall be 100% of engine-generator set nameplate rating and meet the requirements of NFPA 110 paragraph 7.13.7

3.1.11. The generator system shall support generator start-up and load transfer within 10 seconds.

3.2. ALTERNATOR

3.2.1. The alternator shall be a 4 pole revolving field type, 4 lead, wired for 120/240 vac 1 phase, 60 hz, rated at 100 kw at 1600 ft and 117 degree ambient temperature, and shall be provided with a permanent magnet exciter. Photosensitive components will not be permitted in the rotating exciter. The stator shall be gear drive connected to the engine to ensure permanent alignment. The generator shall meet temperature rise standards for Class "H" insulation, operate within Class "F" standards for extended life. All leads must be extended into an AC connection panel. The alternator shall be protected by internal thermal overload protection and an automatic reset field circuit breaker.

3.2.2. One step load acceptance shall be 100% of engine-generator set nameplate rating and meet the requirements of NFPA 110 paragraph 5-13.2.6. The generator set and regulator must sustain at least 300% short circuit current for 10 seconds during 3 phase fault.

3.2.3. A NEMA 1 panel that is an integral part of the generator set must be provided to allow the installer a convenient location in which to make electrical output connections. A fully rated, isolated neutral must be included by the generator set manufacturer to insure proper sizing.

3.2.4. The electric plant (engine and alternator) shall be mounted with internal vibration isolation onto a welded steel base. External vibration isolation shall not be required for normal pad mounted applications.

3.2.5. Provide the following items installed at the factory:

3.2.5.1. A main line circuit breaker carrying the UL mark shall be factory installed. The breaker shall be rated rated at 400 amps and per the manufacturer's recommendations unless specified below and mounted in the genset connection box. A 12 Volt DC shunt trip and aux contacts shall be provided with the circuit breaker. The line side connections are to be made at the factory. Output lugs shall be provided for load side connections.

3.3. CONTROLS

3.3.1. The generator control system shall be a fully integrated microprocessor based control system for standby emergency engine generators meeting all requirements of NFPA 110 level 1.

3.3.2. The generator control system shall be a fully integrated control system enabling remote diagnostics and easy building management integration of all generator functions. The generator controller shall provide integrated and digital control over all generator functions including: engine protection, alternator protection, speed governing, voltage regulation and all related generator operations. The generator controller must also provide seamless digital integration with the engine's electronic management system.

3.3.3. Communications shall be supported with building automation via the Modbus protocol without network cards or protocol exchangers. Optional internet and intranet connectivity shall be available.

3.3.4. The control system shall provide an environmentally sealed design including encapsulated circuit boards and sealed automotive style plugs for all sensors and circuit board connections. The use of non-encapsulated boards, edge cards, and pc ribbon cable connections are considered unacceptable.

3.3.5. Circuit boards shall utilize surface mount technology to provide vibration durability. Circuit boards that utilize large capacitors or heat sinks must utilize encapsulation methods to securely support these components.

3.3.6. A predictive maintenance algorithm that alarms when maintenance is required. The controller shall have the capability to call out to the local servicing dealer when maintenance is required.

3.3.7. Diagnostic capabilities should include time-stamped event and alarm logs, ability to capture operational parameters during events, simultaneous monitoring of all input or output parameters, callout capabilities, support for multi-channel digital strip chart functionality and .1msec data logging capabilities.

3.3.8. The control system shall provide pre-wired customer use I/O: 4 contact inputs, 2 analog inputs, 4 relay outputs, and communications support via RS232, RS485, and an optional modem. Customer I/O shall be software configurable providing full access to all alarm, event, data logging, and shutdown functionality. In addition, custom ladder logic functionality shall be supported to provide application support flexibility. The ladder logic function shall have access to all the controller inputs and customer assignable outputs.

3.3.9. The control panel will display all user pertinent unit parameters including:

Engine and alternator operating conditions
Oil pressure and optional oil temperature
Coolant temperature and level alarm
Fuel level (where applicable)
Engine speed
DC battery voltage
Run time hours
Generator voltages, amps, frequency, kilowatts, and power factor
Alarm Status
Current alarm(s) condition per NFPA 110 level 1
Alarm Log of last twenty alarm events (date and time stamped)

3.3.10. For system reliability and security concerns, access to and manipulation of the internal operating parameters and alarm limits shall be conducted via password protected PC based software by trained personnel System configuration support shall be provided locally or remotely by the manufacturers servicing representatives.

3.3.11. The following equipment is to be installed at the engine-generator set manufacturer's facility:

3.3.11.1. A DPDT relay shall be socket mounted in the generator control panel and operate on engine start and run for customer connection.

3.3.12. The following equipment is to be provided by the engine-generator set manufacturer and shipped loose with the unit:

3.3.12.1. A surface mount Remote Relay Panel must be provided. The panel will monitor 8 selectable channels via an RS485 data link with the generator control panel. A status change in a form A contact will occur when a monitored channel changes state.

3.3.12.2. The control panel must be equipped with a manufacturer installed modem capable of communicating with the remote software.

3.3.13. Provide communication software which uses industry standard Modbus protocol to communicate with generator controller and the ATS both locally and via modem to remote station.

4. AUTOMATIC TRANSFER SWITCH

4.1. GENERAL

4.1.1. The automatic transfer switch shall be furnished by the manufacturer of the engine-generator set so as to maintain system compatibility and local service responsibility for the complete emergency power system. It shall be listed by Underwriter's Laboratory, Standard 1008 with fuse or circuit breaker protection. Representative production samples of the transfer switch supplied shall have demonstrated through tests the ability to withstand at least 10,000 mechanical operation cycles. One operation cycle is the electrically operated transfer from normal to emergency and back to normal. Wiring must comply with NEC table 312.6. The manufacturer shall furnish schematic and wiring diagrams for the particular automatic transfer switch and a typical wiring diagram for the entire system.

4.2. RATINGS & PERFORMANCE

4.2.1. The automatic transfer switch shall be a 2 pole design rated for 400 amps continuous operation in ambient temperatures of -20 degrees Fahrenheit (-30 degrees Celsius) to +140 degrees Fahrenheit (+60 degrees Celsius). Main power switch contacts shall be rated for 600 V AC minimum. Where the line side overcurrent protection is provided by circuit breakers, the short circuit withstand and closing ratings shall be 35,000 amperes RMS. These RMS symmetrical fault current ratings shall be the rating listed in the UL listing or component recognition procedures for the transfer switch. All withstand tests shall be performed with the overcurrent protective devices located external to the transfer switch.

4.3. CONSTRUCTION

4.3.1. The transfer switch shall be double throw construction, positively electrically and mechanically interlocked to prevent simultaneous closing and mechanically held in both normal and emergency positions. Independent break before make action shall be used to positively prevent dangerous source to source connections. The transfer switch shall be approved for manual operation. The electrical operating means shall be by electric solenoid. Every portion of the contactor is to be positively mechanically connected. No clutch or friction drive mechanism is allowed, and parts are to be kept to a minimum. This transfer switch shall not

contain integral overcurrent devices in the main power circuit, including molded case circuit breakers or fuses.

4.3.2. The transfer switch electrical actuator shall have an independent disconnect means to disable the electrical operation during manual switching. Maximum electrical transfer time in either direction shall be 160 milliseconds, exclusive of time delays. Main switch contacts shall be high pressure silver alloy with arc chutes to resist burning and pitting for long life operation.

4.4. CONTROLS

4.4.1. All control equipment shall be mounted on the inside of the cabinet. Control boards shall have installed cover plates to avoid shock hazard while making control adjustments. The solid state voltage sensors and time delay modules shall be plug-in circuit boards with silver or gold contacts for ease of service.

4.4.2. A solid state undervoltage sensor shall monitor all phases of the normal source and provide adjustable ranges for

field adjustments for specific application needs. Pick-up and drop-out settings shall be adjustable from a minimum of nominal -25 volts to a maximum of nominal -5 volts.

4.4.3. Signal the engine-generator set to start in the event of a power interruption. A solid state time delay start, adjustable, 0 to 60 seconds, shall delay this signal to avoid nuisance start-ups on momentary voltage dips or power outages.

4.4.4. Transfer the load to the engine-generator set after it reached proper voltage, adjustable from 85-95% of system voltage, and frequency, adjustable from 85-95% of system frequency. A solid state time delay, adjustable from 0 seconds to 1200 seconds, shall delay this transfer to allow the engine-generator to warm-up before application of load.

4.4.5. Retransfer the load to the line after normal power restoration. A return to utility timer, adjustable from 1-30 minutes, shall delay this transfer to avoid short term normal power restoration.

4.4.6. The operating power for transfer and retransfer shall be obtained from the source to which the load is being transferred. Controls shall provide an automatic retransfer of the load from emergency to normal if the emergency source fails with the normal source available.

4.4.7. Signal the engine-generator to stop after the load retransfers to normal. A solid state engine cooldown timer, adjustable from 0-1200 seconds, shall permit the engine to run unloaded to cooldown before shutdown. Should the utility power fail during this time, the switch will immediately transfer back to the generator.

4.4.8. Provide an engine minimum run timer, adjustable from 5-30 minutes, to ensure an adequate engine run period.

4.4.9. Provide a solid state plant exerciser. It must allow selection of any combination of days of the week and the time of day for the generator set exercise period. Clock shall have a one week cycle and be powered by the load side of the transfer switch. A battery must be supplied to maintain the circuit board clock operation when the load side of the transfer switch is de-energized. Control shall allow option to transfer load to the engine-generator set during the exercise period.

4.4.10. The transfer switch shall have a time delay neutral feature to provide a time delay, adjustable from 0-10 seconds, during the transfer in either direction, during which time the load is isolated from both power sources. This allows residual voltage components of motors or other inductive loads (such as transformers) to decay before completing the switching cycle. Control shall allow bypass of all transition features when immediate transfer is required.

4.4.11. The transfer switch shall have an inphase monitor which allows the switch to transfer between live sources if their voltage waveforms become synchronous within 20 electrical degrees within 10 seconds of transfer initiation signal. A switch must be provided to bypass this feature if not required.

4.4.12. If the inphase monitor will not allow such a transfer, the control must default to time delay neutral operation. Switches with inphase monitors which do not default to time delay neutral operation are not acceptable.

4.4.13. Front mounted controls shall include a selector switch to provide for a NORMAL TEST mode with full use of time delays, FAST TEST mode which bypasses all time delays to allow for testing the entire system in less than one minute, or AUTOMATIC mode to set the system for normal operation.

4.4.14. Provide LEDs to indicate the transfer switch position in either UTILITY (green) or GENERATOR (green). Provide LEDs to indicate the source available in either UTILITY AVAILABLE(green) or STANDBY OPERATING (amber). These lights must be energized from utility or the engine-generator set.

4.4.15. Provide manual operating handle to allow for manual transfer. This handle must be mounted inside the lockable enclosure so accessible only by authorized personnel.

4.4.16. Provide a maintenance disconnect switch to prevent load transfer and automatic engine start while performing maintenance. This switch will also be used for manual transfer switch operation.

4.4.17. Provide Standard 2 wire start as well as RS485 communication link to the generator controller.

4.4.18. Provide Utility Monitoring which can be accessed through the Generator controller via the RS485 communication link.

4.4.19. Provide communication software which uses industry standard Modbus protocol to communicate with ATS and the generator controller both locally and via modem to remote station.

4.5. MISCELLANEOUS TRANSFER SWITCH EQUIPMENT

4.5.1. The transfer switch mechanism and controls are to be mounted in a NEMA 1 enclosure.

5. ADDITIONAL UNIT REQUIREMENTS

5.1. Unit Accessories

5.1.1. The following equipment is to be installed at the engine-generator set manufacturer's facility:

5.1.1.1. A heavy duty, lead acid 12vdc battery set rated at 925 CCA, BCI group 31 shall be installed by the generator set manufacturer. Provide all intercell and connecting battery cables as required.

5.1.1.2. Provide an automatic dual rate battery charger. The automatic equalizer system shall monitor and limit the charge current to 10 amps. The output voltage is to be determined by the charge current rate. The charger must be protected against a reverse polarity connection. The battery charger is to be factory installed on the generator set. *Due to line voltage drop concerns, a battery charger mounted in the transfer switch will be unacceptable.*

5.1.2. The following equipment is to be provided by the engine-generator set manufacturer and shipped loose with the unit:

5.1.2.1. Pad type vibration isolators to mount between the mounting base and pad to reduce noise and transmitted vibrations shall be supplied by the manufacturer.

6. ADDITIONAL PROJECT REQUIREMENTS

6.1. APPLIED STANDARDS

6.1.1. The generator set(s) must be manufactured to the applicable specifications on file with Underwriters Laboratories and the UL 2200 mark must be affixed.

6.1.2. The transfer switch(es) must be UL listed and carry the UL mark for use in emergency systems.

6.2. FACTORY TESTING

6.2.1. Before shipment of the equipment, the engine-generator set shall be tested under rated load for performance and proper functioning of control and interfacing circuits. Tests shall include:

6.2.1.1. Verifying all safety shutdowns are functioning properly.

6.2.1.2. Verify single step load pick-up per NFPA 110-2005.

6.2.1.3. Verify transient and voltage dip responses and steady state voltage and speed (frequency) checks.

6.2.2. Before shipment of the transfer switch shall be tested under operating conditions for performance and proper functioning of control and interfacing circuits. Tests shall include:

6.2.2.1. Verify all timing sequences operate properly and are set to factory settings.

6.2.2.2. Verify the transfer mechanism operates properly.

6.2.2.3. Verify all manual operations and indicators are functioning properly.

6.3. OWNER'S MANUALS

6.3.1. Three (3) sets of owner's manuals specific to the product supplied must accompany delivery of the equipment. General operating instruction, preventive maintenance, wiring diagrams, schematics and parts exploded views specific to this model must be included.

6.4. INSTALLATION

6.4.1. Installation will be performed under a separate contract.

6.5. SERVICE

6.5.1. Supplier of the electric plant and associated items shall have permanent service facilities in this trade area. These facilities shall comprise a permanent force of factory trained service personnel on 24 hour call, experienced in servicing this type of equipment, providing warranty and routine maintenance service to afford the owner maximum protection. Delegation of this service responsibility for any of the equipment listed herein will not be considered fulfillment of these specifications. Service contracts shall also be available.

6.6. WARRANTY

6.6.1. The standby electric generating system components, complete engine-generator and instrumentation panel shall be warranted by the manufacturer against defective materials and factory workmanship for a period of 24 months. Such defective parts shall be repaired or replaced at the manufacturer's option, free of charge. Travel and labor shall be included for the first 12 months. The warranty period shall commence when the standby power system is first placed into service. Multiple warranties for individual components (engine, alternator, controls, etc.) will not be acceptable. Satisfactory warranty documents must be provided. Also, in the judgment of the specifying authority, the manufacturer supplying the warranty for the complete system must have the necessary financial strength and technical expertise with all components supplied to provide adequate warranty support.

6.6.2. As an **ADD ALTERNATE #1:** Provide an extended warranty for an additional 60 months to the 24 month warranty listed in section 6.6.1.

6.7. STARTUP AND CHECKOUT

6.7.1. The supplier of the electric generating plant and associated items covered herein shall provide factory trained technicians to checkout the completed installation and to perform an initial startup inspection to include:

6.7.1.1. Ensuring the engine starts (both hot and cold) within the specified time.

6.7.1.2. Verification of engine parameters within specification.

6.7.1.3. Verify no load frequency and voltage, adjusting if required.

6.7.1.4. Test all automatic shutdowns of the engine-generator.

6.7.1.5. Perform a load test of the electric plant, ensuring full load frequency and voltage are within specification by using building load including but not limited to low oil pressure shutdown, high coolant temperature shutdown, low coolant level shutdown, overspeed shutdown and overcrank shutdown.

6.7.1.6. All test shall be performed in the presence of a representative from the County of Riverside.

6.7.1.7. Provide written test results to the County of Riverside when completed.

6.7.1.8. The supplier shall be made available for any contact, questions, clarifications or assistance from the County of Riverside's contractor.

6.8. SUBMITTALS

6.8.1. Provide three complete sets of Engineering Submittal for approval, prior to production release, showing all components, in addition to the engine and generator. Submittals shall include compliance with these specifications.

6.9. DELIVERY

6.9.1. Provide an estimated lead time for delivery of generator to the site.

6.9.2. Supplier shall coordinate and work with the County of Riverside and the County of Riverside's contractor(s) on the delivery of the generator to the site to ensure there will be no construction scheduling issue.

6.10. SUBSTITUTIONS

6.10.1. The emergency power system has been designed to the specified manufacturer's electrical and physical characteristics. The equipment sizing, spacing, amounts, electrical wiring, ventilation equipment, fuel and exhaust

components have all been sized and designed around Generac Power System's equipment. Should any substitutions be made, the contractor shall bear responsibility for the installation, coordination and operation of the system as well as any engineering and redesign costs which may result from such substitutions. Alternate equipment suppliers shall furnish equipment submittals 14 days prior to bid date for approval to bid. As part of the submittals, the substitute manufacturer shall supply as a minimum engine, alternator and control panel wiring diagrams and schematics. A separate list of all printed circuit boards with part numbers and current pricing must also be included.

END OF SECTION

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR DATE 10/22/09

Departmental Concurrence

Reviewed by CEO/EAM
Christopher Hans

☐ Consent ☒ Policy

☐ Consent ☒ Policy

Dep't Recomm.:

Per Exec. Ofc.:

1727

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency and Sheriff's Department

SUBMITTAL DATE: October 1, 2009

SUBJECT: Detention Door Renovation for Various County Jails – Notice of Completion

RECOMMENDED MOTION: That the Board of Supervisors:

1. Accept the Detention Door Renovation for Various County Jails constructed by Norment Security Group, Inc. as completed and authorize the Clerk of the Board to file the Notice of Completion; and

2. Authorize the release of $128,800 in retained funds to the contractor in accordance with the contract terms.

BACKGROUND: (Commences on Page 2)

Stanley Sniff, Jr., Sheriff-Coroner-PA
By Steve Thetford, Chief Deputy

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 128,800	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 128,800	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	09/10

SOURCE OF FUNDS: General Fund Designation

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

Prev. Agn. Ref.: 3.17, 6/17/08; 3.18, 1/29/08; 3.18, 10/2/07

District: 2,3,4

Agenda Number: 3.34

BACKGROUND:

On June 17, 2008 the Board of Supervisors approved the construction agreement between Norment Security Group, Inc. and the County of Riverside. The project has been inspected and found to comply with all contract requirements. This board action will release the balance of the contract retention funds of $128,800 to Norment Security Group, Inc. County Counsel has approved the Notice of Completion as to legal form.

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

KECIA HARPER-IHEM, CLERK OF THE BOARD
RIVERSIDE CO. CLERK OF THE BOARD
4080 LEMON STREET, 1ST FLOOR CAC
P O BOX 1147 – RIVERSIDE, CA 92502

MAIL STOP # 1010

AND WHEN RECORDED MAIL TO:
RETURN TO: STOP #1010
RIVERSIDE COUNTY CLERK OF THE BOARD
P. O. BOX 1147 – RIVERSIDE, CA 92502

THIS SPACE FOR RECORDERS USE ONLY

NOTICE OF COMPLETION

To be recorded with County Recorder
within 10 days after completion.
No recording fee.

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work of improvement has been completed, as follows:

Project title or description of work: Detention Door Renovations for Various Jails - FM08250003828

Date of Completion: Date Hereof

Nature of owner: County of Riverside, public entity

Interest or estate of owner: In Fee

Address of owner: Clerk of Board of Supervisors, County Administrative Center
4080 Lemon Street, Riverside, CA 92501

Name of contractor: Norment Security Group 3224 Mobile Highway Montgomery, AL 36108

Street or legal description of site: Indio Jail, Southwest Detention Center, Riverside Presley Detention Center

Dated: _____

Owner: County of Riverside
(Name of Public Entity)

By: _____
Jeff Stone, Chairman, Board of Supervisors

STATE OF CALIFORNIA)
ss
COUNTY OF RIVERSIDE)

I am the Chairman of the governing board of the County of Riverside, the public entity which executed the foregoing notice and on whose behalf I make this verification; I have read this notice, know its contents, and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

Executed at Riverside, California on _____ (Date)

_____, Jeff Stone, Chairman of the Board of Supervisors

ATTEST: KECIA HARPER-IHEM, Clerk of the Board

By: _____ Deputy

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR 10/22/09 DATE

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR DATE 10/22/09

Departmental Concurrence

723

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Economic Development Agency and Transportation Department

SUBMITTAL DATE: October 22, 2009

SUBJECT: Approval of Reimbursement Agreement between the Riverside County Redevelopment Agency and the County of Riverside for the Mecca Downtown Street Revitalization Project.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Make the following findings in accordance with Section 33445 of the Health and Safety Code:

   a) The Mecca Downtown Street Revitalization Project is of benefit to the Desert Communities Project Area (Sub-Area Mecca) because it will both rehabilitate deteriorated infrastructure and add necessary improvements within the community; and

Recommend Motions Continued on Page 2

Juan C. Perez
Director of Transportation

Robert Field
Assistant County Executive Officer/EDA/FM

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 2,735,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

SOURCE OF FUNDS: Redevelopment Agency – Desert Communities Project Area (100%)

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

☐ Consent ☒ Policy — Dep't Recomm.:

☐ Consent ☒ Policy — Per Exec. Ofc.:

Prev. Agn. Ref.: 11.4.08 #3.17 & 4.2, 1.8.08 #9.9, 4.16.06 #4.2, 12.21.04 #4.1

District: 4th

Agenda Number: 3.35

Riv Shared/rdacom/dis4/mecca/bos mecca trans and eda

RECOMMENDED MOTION (continued):

b) No other reasonable means of financing the project are available to the community as the County General Fund does not have the funds needed for the proposed improvements; and

c) The proposed improvements will eliminate physical blight and provide essential public facilities within the community; and

d) The proposed improvements are consistent with the Redevelopment Implementation Plan for the Desert Communities Project Area which identifies road infrastructure as a necessary improvement for the Mecca Community; and

2. Consent to the payment as identified in the Reimbursement Agreement by and between the Redevelopment Agency and the County of Riverside for the Mecca Downtown Street Revitalization Project; and

3. Approve and authorize the Chairman to execute the Reimbursement Agreement by and between the Redevelopment Agency and the County of Riverside.

BACKGROUND:

The community of Mecca and the County of Riverside have identified certain improvements that are needed in the Mecca Downtown Area, including sidewalk improvements that are a priority for this pedestrian intensive community.

The Mecca Downtown Street Revitalization project will include the construction of approximately seven miles of street, sidewalk, curb and gutter, and street light improvements for streets. The proposed improvements will increase pedestrian safety by providing sidewalks and upgraded street lighting, and will improve driving and drainage conditions through the reconstruction of street pavement and the installation of curb and gutter.

The streets and their limits include:

66th Avenue from Hammond Road to Frank J. Valdovino Road
2nd Street from Hammond Road to Home Avenue
3rd Street from Hammond Road to Frank J. Valdovino Road
4th Street from Hammond Road to Frank J. Valdovino Road
5th Street from Lincoln Street to Frank J. Valdovino Road
6th Street from Lincoln Street to Dale Kiler Road
7th Street from Date Palm Street to Dale Kiler Road
Hammond Road from 5th Street to south of 66th Avenue
Lincoln Street from 5th Street to 7th Street
Coahuilla Street from 66th Avenue to 65th Avenue

Date Palm Street from 66th Avenue to 65th Avenue
Brown Street from 66th Avenue to 6th Street
Dale Kiler Road from 66th Avenue to 7th Street
Home Avenue from 66th Avenue to 5th Street
Frank J. Valdovino Road from south of 3rd Street to 5th Street

The project was found exempt from CEQA on November 4, 2008 BOD Item 4.2.

Section 33445 of the Health and Safety Code provides that a Redevelopment Agency may assist in the design or development of improvements that are of benefit to the project area or in the immediate neighborhood in which the project is located. The attached reimbursement agreement between the Riverside County Redevelopment Agency and the County of Riverside will provide funds for the Transportation Department to perform certain project management and design services for the above listed streets.

It is intended that the project will be constructed in four phases. The first phase of construction will include the following two streets:

2nd Street from Hammond Road to Home Avenue
Hammond Road from 2nd Street to 3rd Street

The attached reimbursement agreement between the Riverside County Redevelopment Agency and the County of Riverside will also provide funds for the Transportation Department to perform construction and construction management services for the first phase of construction of the Mecca Streets Revitalization Project. Today's Board agenda includes a separate request from the Transportation Department for the Board to award the construction contract for the first phase.

The funding for future phases of construction will be handled through separate reimbursement agreements between the Riverside County Redevelopment Agency and the County of Riverside. A project to construct a roundabout at the intersection of Hammond Road and 4th Street in the community of Mecca is a separate project funded through CMAQ and Redevelopment Agency funds, and is not part of this reimbursement agreement.

Agency staff recommends that the Board of Supervisors make the required findings and approve the reimbursement agreement between the Riverside County Redevelopment Agency and the County of Riverside for the Mecca Downtown Street Revitalization Project.

County Counsel has reviewed and approved the Agreement as to form.

Attachment: Reimbursement Agreement

Project No. X1002

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
By: Russell Dominiski 10/22/09

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

19

FROM: Fire Department

SUBMITTAL DATE:
October 7, 2009

SUBJECT: Cost Recovery Equipment Rates

RECOMMENDED MOTION:

That the Board of Supervisors approve and adopt the proposed equipment rates for Fire Department as specified in Attachment "A" for FY 09/10.

BACKGROUND: In accordance with Board of Supervisor's policy number B-4, County Departments may evaluate existing rates for services on an annual basis, and make recommendations for changes. The Fire Department Cost Recovery unit has previously applied California Department of Forestry (CDF) and Federal Emergency Management Agency (FEMA) rates to County claims. The Internal Auditor's Report 2007-003-Riverside County Fire Department recommended that our Department establishes rates.

(Continued)

John R. Hawkins, County Fire Chief

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel DATE 10-21-09
SYNTHIA M. GUNZEL
Departmental Concurrence

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ 0	**In Current Year Budget:**	No
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	FY 09/10

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature BY: Robert Tremaine

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: | **District:** All | **Agenda Number:** 3.36

BACKGROUND: (Continued)

The Riverside County Fire Department will utilize the established fees for FEMA Reimbursements, Civil cases, Criminal cases and other Cost Recovery Incidents. Comparable fees will show our proposed rates will be similar to those currently charged by CDF and FEMA. The equipment rates (in Attachment A) will be used for all Riverside County Fire Department Cost Recovery beginning on the Board adoption date.

FINANCIAL DATA

The Auditor Controller's Office has reviewed the proposed rates.

ATTACHMENT A

COST RECOVERY EQUIPMENT RATES:

	Current	Proposed	Unit
Squad	New	43.70	Hour
Hazmat Unit (HZ)	New	1,023.00	Hour
Tiller	New	74.95	Hour
Trailer	New	7.10	Hour
Sport Utility Vehicle (SUV)	New	9.80	Hour
Sedan	New	6.75	Hour
Gator	New	8.00	Hour
Chipper	New	10.60	Hour
Communication Unit 1	New	2,400.00	Day
Communication Unit 2	New	1,500.00	Day
Water Tender	New	38.00	Hour
Breathing Support	New	43.25	Hour
Small Pick Up	New	7.40	Hour
Large Pick Up	New	11.20	Hour
Engine - Type 1	New	75.00	Hour
Engine - Type 2	New	43.00	Hour
Engine - Type 3	New	39.80	Hour
Van – Passenger	New	11.00	Hour
Utility -Stakeside	New	25.00	Hour
Dozer	New	70.00	Hour
Dozer Transport	New	82.50	Hour

552

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Fire Department ~ OES

SUBMITTAL DATE:
October 20, 2009

SUBJECT: FY09 US Department of Homeland Security Grant Program Acceptance of Award and Approved Projects

RECOMMENDED MOTION: that the Board of Supervisors:

1. Adopt resolution 2009-297 accepting the FY09 Homeland Security Grant Program (HSGP) award and projects;
2. Accept the FY09 HSGP award in the amount of $4,555,177 on behalf of the Riverside County Operational Area (OA) and;
3. Authorize the Auditor-Controller to make budget adjustments as outlined in the Schedule A

BACKGROUND: On June 9, 2009 the County Board of Supervisors passed Agenda 3.21 allowing application and designating Authorized Agents for the FY09 HSGP. The California Emergency Management Agency has awarded the Riverside County OA federal pass-through funding in the amount of $4,555,177 to enhance local agencies and jurisdictions abilities to prevent, deter, respond to and recover from threats and incidents of terrorism and catastrophic events. The HSGP grant award includes both State Homeland Security Funding (SHSGP) and Metropolitan Medical Response Systems (MMRS) funding. The MMRS funds are available only to the county's Department of Public Health. The lead agency for the HSGP grant, on behalf of the OA, is Riverside County Fire – OES.

By Peter Lent, Deputy Director ~ OES
For John R. Hawkins, County Fire Chief

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 1,669,974	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	Yes
	Annual Net County Cost:	$ N/A	For Fiscal Year:	09/10

SOURCE OF FUNDS: 100% Federal Funding

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION: APPROVE

BY: Robert Tremaine

County Executive Office Signature

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY SAMUEL WONG DATE 10/7/09

FORM APPROVED COUNTY COUNSEL
BY: SYNTHIA M. GUNZEL DATE 10-7-09

Dep't Recomm.: ☐ Consent ☐ Policy
Per Exec. Ofc.: ☐ Consent ☑ Policy

Prev. Agn. Ref.: 3.21(6/9/09) | **District:** All | **Agenda Number:** 3.37

BACKGROUND (continued)

The County Board of Supervisors appointed the Anti Terrorism Approval Authority (ATAA) on December 18, 2002 (3.26) to review all funding requests in order to determine the utilization of the HSGP funding. In the FY09 application process 3 County Agencies, 3 Special Districts, 2 Tribes and 16 cities submitted applications to ATAA as individual agencies or as part of an agency. The final application recommended by ATAA and submitted to the State included 15 projects among 29 Cities/Agencies. The funding distribution is as follows:

Community Health Agency	$1,166,887
Riverside County Sheriff	$421,980
Riverside County Fire	$431,315
Riverside County OES	$1,238,659
Beaumont	$47,352
Blythe	$5,240
Cathedral City	$144,391
Corona	$123,241
Desert Hot Springs	$212,100
Hemet	$13,937
Idyllwild Fire	$13,937
Indio	$248,611
La Quinta	$5,669
Lk Elsinore	$6,573
Menifee	$8,974
Morongo Fire	$13,937
Murrieta	$27,157
Moreno Valley	$24,264
Norco	$13,937
Palm Desert	$6,718
Palm Springs	$156,431
Pechanga	$13,937
Perris	$7,074
Rancho Mirage	$2,251
RCC	$54,000
Riverside	$125,461
San Jacinto	$4,700
Temecula	$13,336
Wildomar	$3,108

FINANCIAL INFORMATION:

100% Federal Funding

TO:	Board of Supervisors	**DATE:**	October 20, 2009
SUBJECT:	FY09 Homeland Security Grant Program	**PAGE:**	3

Schedule A

Fire Department

Increase Appropriations		
10000-2700200000-527780	Special Program Expenses	$1,669,974
	Total	$1,669,974

Increase Estimated Revenue:		
10000-2700200000-767220	Fed-Other Operating Grants	$1,669,974

Board of Supervisors **County of Riverside**

RESOLUTION NO. 2009-297

RESOLUTION REGARDING ACCEPTANCE OF AWARD AND PROJECTS UNDER THE FY09 HOMELAND SECURITY GRANT PROGRAM

BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State of California, in regular session on October 20, 2009, accept the FY09 Homeland Security Grant Program (HSGP) application award and projects submitted by Riverside County that were reviewed and approved by the Anti Terrorism Approval Authority, appointed by the Board of Supervisors on December 18, 2002 (3.26). The FY09 HSGP award in the amount of $4,555,177 includes the following projects:

Project A:	Interoperable Communications Equipment
Project B:	Catastrophic Planning and Needs Assessment
Project C:	CERT training and Equipment
Project D:	Mass Care and Shelter Equipment
Project E:	CHOG Equipment, Training, and Exercises
Project F:	Regional Training Project (RTP)
Project G:	Mobile Command Vehicle Equipment
Project H:	Pharmaceuticals – Anti Virals
Project I:	Vehicle Locator
Project J:	Urban Search & Rescue Equipment
Project K:	Web EOC/Hazus
Project L:	Bomb Squad Equipment & Training
Project M:	Scenario Village Course Development
Project N:	Management and Administration (M&A)
Project O:	Metropolitan Medical Response Systems (MMRS)

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 10-7-09
SYNTHIA M. GUNZEL DATE

103A

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Human Resources Department

SUBMITTAL DATE:
October 6, 2009

SUBJECT: Exclusive Care - New EPO Medical Contractor Agreement with Guillermo J. Gomez, M.D., Inc.

RECOMMENDED MOTION: 1) Approve the attached Medical Contractor Agreement from November 1, 2009 until October 31, 2014, with Guillermo J. Gomez, M.D., Inc., a family medicine and obstetrician/gynecologist located in Riverside; 2) authorize the Chairperson to sign four (4) copies of the attached Agreement and; 3) retain one (1) copy of the signed Agreement and return three (3) copies to Human Resources for distribution.

BACKGROUND: In 1999, the Board of Supervisors established the County's self-funded Exclusive Provider Option (EPO) health plan, Exclusive Care, to provide a value health plan option to the employees of Riverside County and their families. To provide services to its enrolled members, Exclusive Care has contracted with a variety of healthcare providers.

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ 0	**In Current Year Budget:**	NO
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	NO
	Annual Net County Cost:	$ to be determined by claims	**For Fiscal Year:**	2009/10

SOURCE OF FUNDS: Premiums paid by members

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Karen L. Johnson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: TAWNY V. LIEU DATE 10/15/09

Department Concurrence

☒ Policy ☐ Consent — Dep't Recomm.:

☒ Policy ☐ Consent — Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** | **Agenda Number:** 3.38

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ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND continued:

The Medical Board of California has been checked and no adverse actions were found. This Provider has completed the Exclusive Care credentialing process. This agreement adds participation in the Exclusive Care Provider Network under terms similar to other comparable providers under contract.

RIVERSIDE COUNTY - EXCLUSIVE CARE
EXCLUSIVE PROVIDER ORGANIZATION
MEDICAL CONTRACTOR AGREEMENT

This Agreement is made by and between the County of Riverside, State of California (hereafter "County"), a political subdivision of the State of California, and **Guillermo J. Gomez, M.D., Inc.** hereafter "Contractor"), with reference to the following facts:

WHEREAS, County has developed an Exclusive Provider Organization ("EPO") to provide health care services to the employees of Riverside County; and,

WHEREAS, Contractor is a health care services provider capable of providing services for the EPO; and,

WHEREAS, the parties wish to make a full statement of their respective rights and responsibilities in connection with the provision of Health Care Services as utilized by County during the term of this Agreement; now, therefore,

IN CONSIDERATION of their mutual promises and covenants, the parties agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meaning described below:

1.1 Agreement means this Contractor Agreement for the provision of services for the EPO of County, and all attachments, addenda and amendments hereto.

1.2 Co-payment or Deductible means any nominal fee, approved by EPO that may be charged to Members at the time of service for designated Health Care Services.

1.3 Director means the Director of Human Resources for Riverside County, or his or her designee.

1.4 Clean Claim(s) means those claims submitted to EPO which are complete including but not limited to complete coding, itemization, dates of service and billed amounts.

1.5 Emergency Medical Conditions means a medical condition which is manifested by acute symptoms of sufficient severity (including severe pain) such that a prudent lay person, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in one or more of the following conditions: placing the health or the individual or unborn child in serious jeopardy; serious impairment to bodily function; or serious dysfunction of any bodily organ or part.

1.6 Emergency Services means those health services needed to evaluate or stabilize an Emergency Medical Condition.

1.7 Exclusive Provider Organization (EPO) means the health care plan developed, and implemented by the County for the provision of health care services to County employees their dependents and other public entity employees and their dependents - to be known as Exclusive Care.

1.8 Formulary means the list of medications reimbursable by the pharmacy benefit of the EPO.

1.9 Health Care Services means all Medically Necessary services to which Members are entitled under the EPO, including physician, medical, hospital, preventive, ancillary, emergency, and health education services.

1.10 IPA means Independent Physician Association.

1.11 Physician Service means those services rendered by a physician to an EPO member either as inpatient or an out patient.

1.12 Medically Necessary means all services which are reasonable and necessary to protect life, to prevent significant illness or significant disability or to alleviate severe pain and the diagnosis or treatment of disease, illness or injury.

1.13 Member means any eligible beneficiary who has enrolled in the County EPO for whom the County, by and through the EPO, provides Health Care Services.

1.14 Member Non-Physician Medical Practitioner means nurse practitioner, physician assistants, mental health licensed professionals or certified nurse midwifes licensed to practice in the State of California and who are employees, subcontractors or who have written agreements with IPA or are directly contracted by the EPO to provide medical services to Members.

1.15 Member Physicians means physicians, surgeons, osteopaths and Doctors of Podiatric Medicine (DPM) licensed to practice medicine in the State of California and who have an ownership interest in, are employed by, or have written agreements with IPA or are directly contracted with the EPO to provide medical services to Members.

1.16 Non-contracted Providers mean licensed physicians, surgeons, osteopaths, and other licensed health care professionals which provide Health Care Services to Members eligible to receive benefits under the EPO. Non-Contracted Providers do not have written agreements with IPA or directly contracted with the EPO.

1.17 PCP means a physician who is the Primary Care Physician responsible for supervising, coordinating and providing initial, primary and preventive care to Members, for initiating referrals, maintaining continuity of Member care, and providing health counseling and education. This may include physicians who are in Family Practice, Pediatrics, Internal Medicine, Obstetrics, or General Practice.

1.18 Provider means licensed physicians, surgeons, osteopaths and other licensed health care professionals who provide Health Care Services to EPO members.

1.19 Quality Assessment and Improvement Program (QAIP) means a program established by the EPO to oversee quality assessment and quality improvement reviews of services provided to Members.

1.20 Referrals means recommended directions of non primary care services of Members to physicians, including Outside Providers, or providers of ancillary services such as but not limited to lab, x-ray and physical therapy, EKG, EEG, health education, medical social service, home health care, mental health , for the purposes of obtaining Health Care Services.

1.21 State means the State of California.

1.22 Surcharge means an additional fee which is charged to a Member for covered services of a health plan or the County or appropriate government agency and disclosed in the evidence of coverage or the disclosure form used as the evidence of coverage. Surcharges are not allowable charges.

2.0 DUTIES OF CONTRACTOR

2.1 CONTRACTOR RESPONSIBILITIES - Contractor shall provide to Members those Health Care Services, which are Medically Necessary when such services are authorized by EPO, and in accordance with this Agreement. Contractor is responsible for coordinating the provision of Health Care Services, with the Members PCP or EPO.

The services covered by this Agreement are services that have been authorized and provided in accordance with policies and procedures established by County for the EPO. When appropriate, Contractor shall be responsible for determining whether Members are eligible for services. All EPO and County operating procedures shall apply, including eligibility verification, pre-certification, submission of clean claims, compliance with the current formulary and prior authorization, if required.

2.2 ACCESSIBILITY OF SERVICES - Contractor shall provide timely access to Health Care Services, and provide for reasonable hours of operations in compliance with EPO established standards for access and availability, and in accordance with community standards.

2.3 PRIOR AUTHORIZATION - Contractor shall obtain advance authorization from EPO as applicable, prior to the rendering of any non-emergent service for a Member. In the case of an emergency or an elective admit, Contractor agrees to notify EPO, either orally or in writing during normal business hours on the day of admission of the Member, or on the first working day following the admission of Member on weekends, holidays, or after hours.

2.4 HOSPITAL TRANSFERS - In any circumstance where Contractor is providing Hospital Service under this Agreement, Contractor agrees to notify EPO immediately and to assist in facilitating the transfer of Members requiring Health Care Services that are not offered or available at Hospital. Contractor agrees to cooperate and comply with EPO standards with respect to required referral systems for services to ensure continuity of care between EPO and other entities to which the Member is referred.

2.5 PROTECTION OF MEMBERS - Contractor may not impose any limitations on the acceptance of Members for care or treatment that it does not impose on other patients of other plans. Contractor shall not request, demand, require or seek directly or indirectly the transfer, discharge or removal of any Member for reasons of the Member's need for Health Care Services or the Member's utilization of Health Care Services. Contractor may refuse to provide professional health care services to any member only if a reasonable cause is presented and accepted by the EPO.

2.6 STANDARDS - Contractor agrees to perform its duties under this Agreement in a manner consistent with the reasonable administrative guidelines developed by EPO and all applicable state and federal laws and regulations relating to the delivery of Health Care Services and in accordance with community standards. Health Care Services shall

be rendered by qualified medical providers. All Health Care Services shall be provided in accordance with generally accepted industry standards in compliance with the standards developed by EPO. Contractor agrees to maintain and demonstrate to EPO, upon request, throughout the term of this Agreement, compliance with any and all of the applicable licensure, credentialing, and/or regulatory requirements for the provision of Health Care Services by Contractor under this Agreement.

2.7 ASSURANCE OF MEMBER CARE – Health Care Services shall be rendered by qualified medical providers, unhindered by fiscal and administrative management. Contractors' fiscal and administrative concerns or any dispute with EPO and Contractor concerning their respective obligations under this Agreement or otherwise shall not influence nor cause any delay in services provided by Contractor to Members.

2.8 INSPECTION OF FACILITIES - In every instance where Contractor utilizes a facility to provide Health Care Services under this Agreement, such facilities shall comply with applicable state and/or federal law, and regulations. Contractor agrees that it shall cooperate with inspections of such facilities, which are required to assure compliance with required facility standards.

2.9 CITATIONS - Contractor shall notify EPO in writing of each and every report of any regulatory or licensing agency, which contains any citation of Contractor for failure to meet any required standard; any legal or government action against any of its licenses, accreditations, or certifications; or any other situation that will materially impair the ability of Contractor to carry out the duties and obligations under this Agreement. The parties shall meet within thirty (30) days and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes the adverse effect. Notwithstanding the provisions herein, if the parties fail to reach a negotiated modification concerning the adverse action, then the affected party may terminate this Agreement by giving at least ninety (90) days notice or may terminate sooner if agreed to by both parties.

2.10 STAFF PRIVILEGES - Where applicable, Contractor shall use its best efforts to enable physicians seeking to participate in EPO to apply for, obtain and maintain membership on the Medical Staff of any Hospital contracting with EPO. Such clinical privileges shall be appropriate for the area of practice at Hospital, provided such physicians meet Hospital standards.

2.11 UTILIZATION REVIEW (UR) - Contractor agrees to participate in the UR program developed by EPO, and to abide by decisions resulting from that review, subject to any rights of reconsideration that may be available under EPOs UR program. Contractor agrees to provide access to EPO utilization review and case management personnel for the purpose of conducting concurrent review and case management on Members who are receiving Health Care Services.

2.12 QUALITY ASSURANCE (QA) PROGRAM - Contractor agrees to cooperate in the EPOs QA program, with regular EPO monitoring and evaluation of compliance with the QA standards and EPO policies and procedures, including participation in Member grievance resolutions and quality of care studies. Contractor shall also implement its own ongoing quality assurance program which shall develop procedures for ensuring that the quality of care provided by Contractor conforms with generally accepted community practices. Contractor shall develop written procedures for remedial action whenever, as

determined by the quality assurance program, inappropriate or substandard services have been furnished or services that should have been furnished have not been furnished.

2.13 MEMBER GRIEVANCE RESOLUTION - Contractor shall notify EPO immediately, upon its knowledge of a complaint by a Member. The EPO grievance system shall make its best efforts to resolve the dispute to the satisfaction of the Member within thirty (30) days of receipt of dispute resolution, or upon the time frame required by applicable law, whichever is less. Contractor agrees to cooperate with EPO in resolving Member grievances related to the provision of services and agrees to participate in the grievance review procedures of EPO. At no time shall a Member's medical condition be permitted to deteriorate because of delay in provision of care that Contractor disputes. Fiscal and/or administrative concerns shall not influence the independence of the medical decision making process to resolve any medical disputes between Member and the provider of service.

2.14 SUBCONTRACTS - Contractor shall ensure that subcontracting providers used to provide Health Care Services to Members meet the standards set by EPO, and consistent with community standards.

Contractor shall ensure that all subcontractors are bound by the provisions of this Agreement, and shall ensure that all subcontractors have not been excluded from participation in any state or federal program.

2.15 OTHER CONTRACTUAL COMMITMENTS - Contractor represents and assures EPO and County that contractual commitments to other HMOs, competitive medical plans and/or other related entities do not restrict or impair Contractor from performing its duties under this Agreement and do not constitute a conflict of interest with the provision of Home Health and Hospice Services to Members.

2.16 NONDISCRIMINATION - Contractor represents and assures that Health Care Services are provided to Members in the same manner and quality as such services are provided to Contractors' other patients. Members shall not be subject to any discrimination whatsoever by Contractor in regard to access to Health Care Services. Contractor agrees to comply with the provisions of Title 2, CCR, Section 8107 et. seq., as may be amended from time to time, as incorporated by reference herein. Contractor agrees to include this Nondiscrimination Clause in any and all subcontracts to perform services under this Agreement. The provisions of subsection (b) of Title 2, CCR, Section 8107 shall be applicable for this Agreement.

2.17 CONFORMANCE TO OTHER LAW - Contractor certifies compliance with the Americans with Disabilities Act of 1990 (42 USC, Section 12100 et. seq.), AB2222 (the Prudence Kay Poppink Act) of 2000, the Drug Free Workplace Act of 1990 (Government Code Section 8355 et. seq.), and Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996.

Contractor certifies awareness of the Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor, the derivative Cal/OSHA standard and laws and regulations relating thereto and shall comply therewith as to all relative elements under this Agreement.

2.18 IDENTIFICATION OF OFFICERS, OWNERS, STOCKHOLDERS, CREDITORS - On an annual basis, Contractor shall identify the names of the following persons by listing them on Attachment 1 of this Agreement, attached hereto and incorporated herein by this reference.

A. Contractor officers;
B. Contractor owners, including parent corporation(s);
C. Stockholders owning greater than 10% of any stock issued by Contractor;
D. Major creditors holding more than 10% of any debts owed by Contractor.

In addition, Contractor shall notify EPO within thirty (30) days of any changes in the information in Attachment 1.

2.19 AVAILABILITY OF SERVICES - Contractor agrees to provide EPO with current information regarding Contractor's services, programs and benefits on an annual basis, which shall include, but not be limited to, the identification of deletions and additions to Contractors services.

2.20 PROVISION OF INFORMATION- Contractor shall provide EPO and/or governmental agencies with such data and other information regarding the rendition of services as may be reasonably requested or as may be otherwise required for compliance with applicable regulatory and disclosure requirements. Contractor shall execute such additional verifications or documents as may be required by law or regulation.

2.21 OTHER REPORTING - Contractor agrees to submit all information or reports, in a timely manner, as may be required to enable EPO to fulfill its reporting and other obligations under the Agreement.

2.22 ADMINISTRATIVE GUIDELINES - Contractor agrees to perform its duties under this Agreement in a manner consistent with the reasonable administrative guidelines provided by the EPO.

2.23 CREDENTIALING OF CONTRACTOR – Contractor agrees to provide all necessary information, and/or documents to EPO so that the EPO may credential Contractor, and verify that Contractor has obtained, and has maintained appropriate licensing, accreditation, or certification, and insurance coverage. Such information shall be provided within thirty (30) days and on an annual basis, or upon request by EPO. Failure of Contractor to become credentialed by EPO, and/or to remain credentialed by EPO shall be cause for immediate termination of this Agreement by EPO.

3.0 DUTIES OF COUNTY AND EPO

3.1 USE OF CONTRACTOR - Except upon the sole determination of County that the safety, health and/or welfare of the public or the medical needs of Member require otherwise, EPO agrees to use Contractor for the provision of Health Care Services as set forth herein.

3.2 ADMINISTRATION - County agrees to perform all necessary administrative, accounting and reporting requirements and other functions to state and federal regulators consistent with the administration of EPO and this Agreement.

3.3 MEMBER SERVICES - EPO agrees to provide Member Services, including, but not limited to, processing Member complaints and grievances, informing Members of EPO policies and procedures, providing Members with information about EPO and its network of hospitals, IPAs and PCPs.

3.4 BENEFIT INFORMATION - EPO agrees to apprise all Members concerning the type, scope and duration of benefits and services to which such Members are entitled under the EPO. This includes, but it not limited to, written notification to Members of Health Care Services available, and changes in the availability or location of Health Care Services, being provided by Contractor, and issuance of an identification card to each Member upon enrollment.

3.5 CONTRACTOR ASSISTANCE - County agrees to assist and cooperate with Contractor in the development and implementation of procedures necessary to carry out the intent of this Agreement. EPO shall provide necessary training regarding EPO policies and procedures.

3.6 UTILIZATION REVIEW (UR) PROGRAM - EPO shall establish a UR program which shall seek to avoid unnecessary or unduly costly hospital and medical services while ensuring the delivery of Health Care Services, to Members are Medically Necessary. The UR program will include, but will not be limited to: admission certification, concurrent and continuing stay review, retrospective review, discharge planning and case management. EPO shall provide prior authorization to Contractor for treatment and hospitalization of Members. Prior authorizations shall provide the number of days anticipated for any hospitalization, and any extension of Hospital Days shall require authorization by EPO prior or during the hospital stay, in accordance with EPO UR standards. EPO shall not retrospectively deny any Health Care Services, approved as Medically Necessary provided that the information given by Contractor to EPO is reasonably true and accurate regarding the medical condition of the Member.

3.7 ADMINISTRATION OF PAYMENTS - County agrees to pay Contractor in accordance with the terms and procedures set forth in this Agreement.

4.0 BILLING AND COMPENSATION

4.1 CLAIMS - In order to receive payment for services rendered, Contractor shall bill EPO on the HCFA 1500 form, or their successor form, whichever is applicable, within one (1) year from the date of service for outpatient claims and sixty (60) days from the date of discharge for inpatient claims. Contractor agrees to provide EPO with all information necessary to verify and substantiate the provisions of and charges for Health Care Services including providing the authorization number on the UB92, or HCFA 1500 form, or their successor forms. Claims will be adjudicated using all accepted coding and payment conventions of the United States, including but not limited to usual and customary criteria, RBRVS rules, professional review and routine claim edits normally performed in the course of preparing a claim for payment. All appeals must be received within one (1) year from the date of denial. All claims must be submitted within one (1) year from the date of service in order to be considered for compensation.

4.2 COLLECTION OF CHARGES FROM MEMBERS - Contractor agrees that the only charges for which a Member may be liable and be charged by Contractor shall be for Co-payments or Deductibles, as established by EPO, or for services not covered under the

EPO. Contractor shall advise Member, in writing, of their payment responsibility, if any, prior to rendering non-covered Health Care Services, and/or services that require Co-payments or Deductibles. Contractor shall notify the Member, in writing, that he or she will be responsible of the payment of any non-covered services that are provided to Member. Contractor's rights to collect charges from Members for non-covered services, except as provided herein, shall not be affected by this Agreement or its termination.

4.3 SERVICE WAIVER - In the event Health Care Services are denied by EPO, as not being Medically Necessary, or as not a covered benefit under the EPO, Contractor shall not charge a Member unless Contractor has obtained a written waiver from Member. The waiver must be obtained in advance of rendering services and shall specify those services EPO has denied as not being Medically Necessary, or as not a covered benefit under the EPO, and shall clearly state that the Member is responsible for payment of those services denied by EPO.

4.4 SURCHARGES - Notwithstanding the provisions herein, Contractor shall in no event, including, without limitation, nonpayment by EPO, insolvency of EPO, or breach of the Agreement, bill, charge, collect and deposit, or attempt to bill, charge, collect or receive any form of payment from any Member for Health Care Services, provided pursuant to this Agreement. Contractor also agrees it shall not maintain any action at law or equity against a Member to collect sums owed by County to Contractor.

Upon notice of any such surcharge or action, County may terminate this Agreement consistent with the provisions contained herein and take all other appropriate action consistent with the terms of this Agreement to eliminate such activity. Contractor's obligations regarding the collection of surcharges from Members shall survive the termination of this Agreement.

Failure of Contractor to act in accordance with any of the provisions of this section shall constitute a material breach of the Agreement and the Agreement may be subject to termination by County pursuant to the provisions herein. In addition, County may take any other appropriate administrative or legal action to enjoin and otherwise restrain Contractor's violation of the provisions of this section, including offsetting the amount of said collections against any future payment, and/or reimbursement to Members or their representatives of any charges or surcharges collected by Contractor from Members.

4.5 COLLECTION OF CHARGES FROM THIRD PARTIES - Contractor agrees to coordinate benefits with other programs or entitlements, excluding tort liability of a third party, and estates from deceased Members. EPO shall coordinate the benefits covering tort liability of a third party, and estates from deceased Members and EPO shall be entitled to any recovery under such coordination of benefits. Contractor shall cooperate with EPO coordination of benefits. In the case in which County is other than primary, County shall pay the lesser of the amounts which when added to the amounts received by Contractor from other sources equals one hundred percent (100%) of the amount required under this Agreement as specified in Attachment 2. Unless Member has other health insurance coverage, Contractor accepts payment from County for Health Care Services as provided herein as full payment for such Health Care Services and shall at no time seek compensation from Members.

4.6 POTENTIAL TORT LIABILITY - Contractor shall make no claim for recovery of the value of Health Care Services rendered to a Member, when such recovery would result from an action involving the tort liability of a third party or recovery from estates of deceased Members or casualty liability including Worker's Compensation awards and uninsured motorist coverage.

4.7 COMPENSATION - County shall pay Contractor, in accordance with the rates as outlined in Attachment 2, within sixty (60) working days of receipt from Contractor of an uncontested claim which is accurate, complete and otherwise in accordance with the provisions herein.

4.8 ADEQUACY OF COMPENSATION - Contractor shall accept the payments specified in this Agreement as payment in full for all Health Care Services provided to Members and for all administrative costs incurred for providing such services. In the event County fails to make any payments to Contractor as provided herein, whether from EPO's insolvency or otherwise, Members shall not be liable to Contractor, under any circumstances, for Health Care Services. Contractor's prohibition regarding the collection of payments from Members for services covered by EPO shall survive the termination of this Agreement.

5.0 RECORDS MAINTENANCE, AVAILABILITY, INSPECTION AND AUDIT

5.1 CONTRACTOR RESPONSIBILITY - Contractor shall maintain and provide adequate financial records and information as reasonably necessary to County so that County may properly administer the EPO and consistent with state and federal law. Such records shall be retained by Contractor for at least five (5) years from the close of County's fiscal year in which this Agreement is in effect. Medical Records must be maintained in accordance with industry standards including all HIPAA regulations. These obligations are not terminated upon a termination of the Agreement, whether by rescission or otherwise. County reserves the right to audit both financial and medical records from time to time as deemed necessary. Any expense involved in such as audit shall be the Contractor's responsibility.

5.2 PROPRIETARY NATURE OF INFORMATION - County and Contractor agree to treat all Member patient information provided by Contractor or County as confidential in accordance with applicable law, including HIPAA regulations. County and Contractor shall maintain the confidentiality of all such information and shall make disclosures to third parties only upon the advance written consent of the Member, or when allowed by applicable law. Contractor shall safeguard the confidentiality of Member health records and treatment in accordance with all applicable state and federal laws, and regulations.

5.3 RECORDS OPEN FOR INSPECTION - All books, records and papers of Contractor or subcontractor of Contractor relating to the performance of this Agreement must be open to inspection and copying during normal business hours by the EPO, or state and/or federal regulators. Records shall include, without limitation, Member patient records (subject to applicable state and federal law governing the confidentiality of medical records), and/or financial records pertaining to the cost of operations and income received for Health Care Services, rendered to Members. Such records shall be made available at all reasonable times the Contractor upon reasonable request by County. Contractor shall

maintain its books and records in accordance with general standards for books and record keeping.

5.4 PUBLIC RECORDS - Contractor acknowledges and agrees that information, communications, and documents given by or to County, and/or EPO and meetings involving County and/or EPO management may be subject to the public records and meetings laws and regulations of the State of California.

5.5 QUALITY ASSURANCE AND UTILIZATION REVIEW RECORDS Contractor shall cooperate with EPO's QA and UR programs and, upon reasonable request, shall provide EPO with summaries of, or access to records maintained by Contractor and required in connection with such programs, subject to applicable state and federal laws concerning the confidentiality of medical records.

6.0 INDEMNIFICATION, ACTS AND OMISSIONS, LIABILITY AND INSURANCE

6.1 Hold Harmless/Indemnification - CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

COUNTY shall indemnify and hold harmless CONTRACTOR, its employees, agents and representatives from any liability whatsoever, based or asserted upon any services of COUNTY, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of COUNTY, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. COUNTY shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to Indemnitees as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the Indemnitees to the fullest extent allowed by law.

6.2 COUNTY ACTS OR OMISSIONS - County agrees to defend, indemnify, and hold harmless Contractor and its officers, directors, agents, and employees from and against any and all fines, claims, demands, suits, actions, and costs (including, without limitation, reasonable attorney's fees) of any kind and nature arising by reasons of the acts or omissions of County, EPO, or of its officers, directors, agents, and employees in connection with the obligations imposed by this Agreement.

6.3 LIABILITY FOR OBLIGATIONS - Nothing contained in this Agreement shall cause either party to be liable or responsible for any debt, liability, or obligation of the other party, or any third party, unless such liability or responsibility is expressly assumed by the party sought to be charged therewith. Each party shall be solely responsible for and shall indemnify and hold the other party harmless against any obligation for the payment of wages, salaries or other compensation (including all state, federal and local taxes and mandatory employee benefits), insurance and voluntary employment related or other contractual or fringe benefits as may be due or payable by the party to or on behalf of such party's employees, agents and representatives.

6.4 INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.

A. Workers' Compensation:

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, cross liability coverage and employment practices liability, covering claims which may arise from or out of CONTRACTOR'S

performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

D. Professional Liability Insurance:

Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

E. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR'S insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed $500,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County Risk Manager

before the commencement of operations under this Agreement. Upon notification of deductibles or self insured retention's unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such deductibles or self-insured retention's as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*

4) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) The COUNTY'S Reserved Rights--Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add to additional exposures (such as the use of aircraft, watercraft, cranes, etc.) the COUNTY reserves

the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

6) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

7.0 DISPUTE RESOLUTION

7.1 DISPUTES - EPO and Contractor agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement, prior to the filing of a claim under the Government Claims Act (Government Code Section 900 et. seq.), and prior to the initiation of any litigation by either party.

7.2 CURE PERIOD PROVISIONS - In the event that either party defaults in the performance of any duties or obligations under this Agreement, the non-breaching party shall serve written notice of breach of contract on the breaching party. The breaching party shall have thirty (30) days from receipt of the notice of breach to cure said breach. If the breach is not cured within this time frame, the non-breaching party has sole discretion to extend such cure period. If the breach is not cured within this time frame, as may be extended at non-breaching party's sole discretion, this Agreement may thereafter be terminated as provided herein.

These cure period provisions shall not be applicable when the breach is of a nature where Contractor has failed to provide services, or the safety, health and/or welfare of Members is at risk, at the sole determination of the Director.

7.3 ADVERSE GOVERNMENT ACTION - In the event any action of any department, branch or bureau of the federal, state, or local government has a material adverse effect on either party in the performance of their obligations hereunder, then that party shall notify the other of the nature of this action, including in the notice a copy of the adverse action. The parties shall meet within thirty (30) days and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes the adverse effect. Notwithstanding the provisions herein, if the parties fail to reach a negotiated modification concerning the adverse action, then the affected party may terminate this Agreement by giving at least ninety (90) days notice or may terminate sooner if agreed to by both parties.

8.0 TERM

8.1 TERM - The term of this Agreement shall become effective as of November 1, 2009, and shall continue in effect for five (5) years, until, October 31, 2014.

9.0 TERMINATION

9.1 TERMINATION FOR MATERIAL CAUSE - Either party, as appropriate, may terminate this Agreement immediately for cause as set forth herein upon written notice of termination stating the actions of the other party constituting cause for termination.

9.2 CAUSE FOR IMMEDIATE TERMINATION OF AGREEMENT BY CONTRACTOR - The following shall constitute cause for immediate termination of this Agreement by Contractor:

A. Breach of Material Term and Failure to Cure – County's breach of any material term, covenant, or condition and subsequent failure to cure such breach within thirty (30) days following written notice of such breach.

B. Insolvency of EPO - including the filing of bankruptcy by EPO.

C. Dissolution of EPO - dissolution of EPO by an act of the Board of Supervisors for Riverside County.

9.3 CAUSE FOR IMMEDIATE TERMINATION OF AGREEMENT BY COUNTY - The following shall constitute cause for immediate termination of this Agreement by County:

A. Breach of Material Term and Failure to Cure – Contractor's breach of any material term, covenant, or condition and subsequent failure to cure such breach within thirty (30) days following written notice of such breach.

B. Failure to Provide Services - Failure of Contractor to provide Health Care Services to Members as authorized herein.

C. Preservation of the Safety, Health and/or Welfare of Members - Determination by County that the safety, health and/or welfare of Members are placed in danger by Contractor.

D. Credentialing – Failure of Contractor to become credentialed by EPO, and/or remain credentialed by the EPO.

E. Loss of Licensing - Failure by Contractor to secure and maintain the necessary governmental licenses, accreditation or certification required for the performance of duties hereunder.

F. Loss of Insurance Coverage - Failure by Contractor to maintain adequate general and professional liability insurance coverage, as provided herein.

G. Insolvency of Contractor - including the filing of bankruptcy of Contractor.

H. Dissolution of EPO - dissolution of EPO by an act of the Board of Supervisors for Riverside County.

I. Discontinuance of EPO Services by County - discontinuance of the offering of EPO as a health care benefits plan option for Riverside County employees.

9.4 TERMINATION WITHOUT CAUSE - After the end of the first year of this Agreement, either party may terminate this Agreement without cause. In the event either party desires to terminate this Agreement without cause, the terminating party shall give the other party at least ninety (90) days written notice of termination.

10.0 CONTINUING CARE RESPONSIBILITIES

10.1 CARE OF MEMBERS – In the event of termination of this agreement, contractor shall continue to provide services to hospitalized patients until their discharge from the hospital and will be compensated for the health care services under the terms of this agreement. The contractor has also agreed to see all the members, those who were hospitalized at the time of termination of the agreement as well as those receiving treatment on an outpatient basis, for an additional 30 days for family

medicine and obstetrics and gynecology emergencies under the same terms, including rates of this agreement.

10.2 MEMBERS RECORDS - Upon termination of this Agreement, Contractor agrees to assist EPO in the transfer of Member medical care by making available copies of medical records, patient files and other pertinent information necessary for efficient case management of Members.

10.3 PHASE-OUT PAYMENT - During the phase-out period, Contractor may file a claim with EPO for services provided. Compensation during the phase-out period shall be at the agreed contract rate and applicable terms that are in effect for the last term of this Agreement.

10.4 NON-PAYMENT POLICY - Notwithstanding the above, or any other provisions to the contrary, Contractor agrees that in the event EPO ceases operations for any reason, including insolvency, Contractor shall continue to provide Health Care Services including Hospital Services for those Members who are hospitalized on an inpatient basis. Contractor shall not bill, charge, collect or receive any form of payment from any such Member or have any recourse against Member for Hospital Services, or Health Care Services provided after EPO ceases operation. This continuation of Health Care Services and Hospital Services obligation shall continue until Member is discharged from Hospital, or complete the course of outpatient treatment. Contractor's prohibition regarding the collection of payments from Members for services covered by EPO shall survive the termination of this Agreement.

11.0 CONFIDENTIAL AND PROPRIETARY INFORMATION

11.1 INFORMATION CONFIDENTIAL AND PROPRIETARY TO COUNTY - Contractor acknowledges that all Members participating in the EPO receiving Health Care Services or Contractor Services shall be Members of EPO. Member information shall include, without limitation, the names, addresses and telephone numbers of all Members, administrative service manuals and all forms related thereto, and records, files (other than patient medical files) and lists contained in Contractor and EPO files. Contractor acknowledges that County believes that all such information is confidential under HIPAA and proprietary to County and that such Member information contains valuable trade secrets of County.

11.2 CONTRACTOR USE OF INFORMATION - Contractor shall maintain all Member information as confidential. Contractor shall not disclose or use any confidential and proprietary information for its own benefit or gain either during the term of this Agreement or after the date of termination of this Agreement, provided, however that Contractor may use the name, address and telephone number or other medical information of a Member if medically necessary for the proper treatment of such Member or upon express prior written permission of EPO or the Member. Nothing contained herein abrogates the right of the Member to disenroll from EPO.

11.3 TERMINATION AGREEMENT - Upon the effective date of termination of this Agreement, Contractor shall provide and return to County all confidential and proprietary information and trade secrets in its possession in a reasonable manner to specified by County.

11.4 NON-SOLICITATION OF MEMBERS - Contractor shall not directly or indirectly engage in the solicitation of Members without County's prior written consent. Solicitation shall mean conduct by an officer, agent, employee or subcontractor of Contractor or its assignee or successor during the term of this Agreement and continuing for a period of one (1) year after the effective date of termination of this Agreement, which may be reasonably interpreted as designed to persuade Members to discontinue their enrollments with EPO or to encourage Members to participate in another health services plan.

11.5 DISSEMINATION OF INFORMATION - Contractor agrees that County may use Contractor's name, address, and telephone number in any informational material routinely distributed to Members and for other purposes related to the administration and marketing of EPO as an indication of Contractor's willingness to provide Health Care Services and/or Contractor Services to Members.

11.6 CONTRACTOR ADVERTISING - Prior to listing or otherwise referencing EPO or County in any promotional or advertising brochures, media announcements or other advertising or marketing material, Contractor shall first obtain the prior written consent of the Director, except that Contractor does not need approval to list EPO or County in any informational material distributed, displayed or advertised, listing EPO and/or County as a participating health plan.

11.7 USE OF NAMES AND TRADEMARKS - County, EPO and Contractor each reserve the right to control the use of its name, symbols, trademarks, or other marks currently existing or later established. However, either party may use the other party's symbol, trademarks, or other marks with the prior written approval of the other party. County shall be allowed to use the name of Contractor in its promotional activities and marketing campaign as described in section 11.5 herein.

12.0 GENERAL PROVISIONS

12.1 NOTICES - Any notice required to be given hereunder shall be in writing either delivered personally or sent by registered or certified mail, return receipt requested, to either County or Contractor at the addresses listed below, or at such other address as either County or Contractor may hereafter designate to the other:

COUNTY:

HUMAN RESOURCES DEPARTMENT
4080 Lemon St., 7th Floor
Riverside, CA 92502
Director Human Resources

CONTRACTOR:

GUILLERMO J. GOMEZ, M.D, INC.
1744 University Ave., Ste. 100
Riverside, CA 92507
951-369-0043

All notices shall be deemed given on the date of delivery if delivered personally or on the third business day after such notice is deposited in the United States mail, addressed and sent as provided above.

12.2 ASSIGNMENT AND DELEGATION - This Agreement and the rights, interests, and benefits hereunder shall not be assigned, transferred, pledged, or hypothecated in any way by Contractor or County, and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated without the prior written consent of the other party. Any assignment or delegation of this Agreement by Contractor to a third party shall be void unless prior written approval is obtained from County.

12.3 INVALIDITY AND SEVERABILITY - If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be in effect only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions hereof.

12.4 LIMITATIONS OF SEVERABILITY - In the event the removal of a provision rendered invalid or unenforceable or declared null and void had the effect of materially altering the obligations of either party in such manner as to cause serious financial hardship to such party, the party so affected shall have the right to terminate this Agreement upon providing thirty (30) days prior written notice to the other party.

12.5 CAPTIONS - Captions in this Agreement are descriptive only and do not affect the intent or interpretation of the Agreement.

12.6 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)- The Contractor in this Agreement is subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto. The Contractor hereto agrees to cooperate in accordance with the terms and intent of this Agreement for implementation of relevant law(s) and/or regulation(s) promulgated under this Law. The Contractor further agrees that it shall be in compliance, and shall remain in compliance with the requirement of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

12.7 ENTIRE AGREEMENT - This Agreement (together with all attachments hereto), and any requirements promulgated by EPO or the Director, shall constitute the entire agreement between the parties related to the rights herein granted and the obligations herein assumed. It is the express intention of Contractor and County that any and all prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period governed by this Agreement which are not expressly set forth herein, or are not promulgated by EPO or the Director, shall be of no further force, effect or legal consequence after the effective date hereunder

12.8 AMENDMENT - This Agreement may be amended or modified only by mutual written consent of the parties.

12.9 ATTORNEYS FEES - If any action at law or in equity is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and reasonable costs, in addition to any other relief to which such party may be entitled.

12.10 TIME IS OF THE ESSENCE - Time shall be of the essence of each and every term, obligation, and condition of this Agreement.

12.11 GOVERNING LAW - County, Contractor and this Agreement are subject to the laws of the State of California and the United States of America, and regulations promulgated thereto. Any provision required to be in this Agreement by any of applicable federal or state law, and regulations thereto shall bind County and Contractor, whether or not expressly provided in this Agreement.

12.12 VENUE - All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state and federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

12.13 GOVERNMENT CLAIMS ACT - The provisions of the Government Claims Act (Government Code section 900 et. seq.) must be followed first for any disputes arising under this Agreement.

12.14 INDEPENDENT CONTRACTOR - The relationship between County and Contractor is an independent contractor relationship. Neither Contractor nor its employee(s) and/or agent(s) are or shall be considered to be an employee(s), and/or agent(s) of County, and neither County nor any employee(s) and/or agent(s) of County are or shall be considered to be an employee(s) and/or agent(s) of Contractor. Contractor is solely responsible for all Health Care Services provided to Members by Contractor, its employees, agents or assigns. None of the provisions of this Agreement shall be construed to create a relationship of agency, representation, joint venture, ownership, control or employment between the parties other than that of independent parties contracting for the purposes of effectuating this Agreement.

12.15 CONFLICT OF INTEREST - The parties hereto and their respective employees or agents shall have no interest, and shall not acquire any interest, direct or indirect, which shall conflict in any manner or degree with the performance of services required under this Agreement.

12.16 EXHIBITS - All exhibits attached to this Agreement, and referenced herein, are incorporated into and made part of this Agreement.

12.17 CERTIFICATION OF AUTHORITY TO EXECUTE THIS AGREEMENT - Contractor certifies that the individual signing herein has authority to execute this Agreement on behalf of Contractor, and may legally bind Contractor to the terms and conditions of this Agreement, and any attachments hereto.

[Rest of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Medical Contractor Agreement for EPO Services for Riverside County.

ATTEST:
Clerk to the Board
Kecia Harper-Ihem

By _____
Deputy

Date _____

COUNTY OF RIVERSIDE:

By _____
Chairman, Board of Supervisors

Date _____

Approved as to form and content:

Pamela J. Walls
County Counsel

By: _____
Deputy County Counsel

CONTRACTOR: Guillermo J. Gomez, M.D.
TIN 320136077

By: _____

Printed Name: GUILLERMO J. GOMEZ

Title: MD

Date: 9/18/2009

Attachment 1

Officers, Owners, Stockholders, and Creditors Listing

GUILLERMO J. GOMEZ MD	ONLY OFFICER
GUILLERMO J. GOMEZ MD	100% SOLELY OWNED
GUILLERMO J. GOMEZ MD	100% STOCKHOLDER

NO CREDITORS

Attachment 2
Compensation

Reimbursement by Exclusive Care for prior authorized covered services, shall be payable by County at 130% (one hundred and thirty percent) of the current year Medi-cal allowable all inclusive rate for professional services. Contractor is responsible for collecting deductibles, co-payments, and coinsurance amount from Members receiving Covered Services.

Attachment 3

Roster of locations:

University Maternity and Medical Clinic
1744 University Ave., Ste 100
Riverside, CA 92503
Phone: 951-369-0043
Fax: 951-683-2105

The 2nd location does not have a clinic name

3750 Arlington Ave.
Riverside, CA 92506
Phone: 951-343-2254
Fax: 951-343-2269

704A

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Human Resources Department

SUBMITTAL DATE:
October 6, 2009

SUBJECT: Exclusive Care - EPO Behavioral Health Contractor Agreement Renewal with Tobias Desjardins, L.C.S.W.

RECOMMENDED MOTION: 1) Approve the attached Behavioral Health Contractor Agreement from December 1, 2009 until November 30, 2014, with Tobias Desjardins, L.C.S.W., located in Hemet; 2) authorize the Chairperson to sign four (4) copies of the attached Agreement and; 3) retain one (1) copy of the signed Agreement and return three (3) copies to Human Resources for distribution.

BACKGROUND: In 1999, the Board of Supervisors established the County's self-funded Exclusive Provider Option (EPO) health plan, Exclusive Care, to provide a value health plan option to the employees of Riverside County and their families. To provide services to its enrolled members, Exclusive Care has contracted with a variety of healthcare providers.

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ 0	***In Current Year Budget:***	NO
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	NO
	Annual Net County Cost:	$ to be determined by claims	**For Fiscal Year:**	2009/10

SOURCE OF FUNDS: Premiums paid by members

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Karen L. Johnson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: TAWNY V. LIEU DATE 10/15/09

Departmental Concurrence

☒ Policy ☐ Consent — Dep't Recomm.:

☒ Policy ☐ Consent — Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** | **Agenda Number:** 3.39

G:\EXEC\Form 11\EPO Provider Contracts\2009 Contracts\Tobias Desjardins, LCSW - Renewal.doc

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND continued:

The California Board of Behavioral Sciences has been checked and no adverse actions were found. This Provider has completed the Exclusive Care credentialing process. This agreement continues participation in the Exclusive Care Provider Network under terms similar to other comparable providers under contract.

RIVERSIDE COUNTY - EXCLUSIVE CARE
EXCLUSIVE PROVIDER ORGANIZATION
BEHAVIORAL HEALTH CONTRACTOR AGREEMENT

This Agreement is made by and between the County of Riverside, State of California (hereafter "County"), a political subdivision of the State of California, and **Tobias Desjardins, L.C.S.W.** (hereafter "Contractor"), with reference to the following facts:

WHEREAS, County has developed an Exclusive Provider Organization ("EPO") to provide health care services, including mental health services, to the employees of Riverside County; and, other area municipalities; and,

WHEREAS, Contractor is a mental health professional capable of providing services for the EPO; and,

WHEREAS, the parties wish to make a full statement of their respective rights and responsibilities in connection with the provision of behavioral health care services as utilized by County during the term of this Agreement; now, therefore,

IN CONSIDERATION of their mutual promises and covenants, the parties agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meaning described below:

1.1 Agreement means this Contractor Agreement for the provision of services for the EPO of County, and all attachments, addenda and amendments hereto.

1.2 Behavioral Health Services - Services rendered or made available to a Member for treatment of Mental Health and Substance Abuse Disorders.

1.3 Co-payment or Deductible means any nominal fee, approved by EPO, that may be charged to Members at the time of service for designated Behavioral health care services.

1.4 Director means the Director of Human Resources for Riverside County, or his or her designee.

1.5 Clean Claim(s) means those claims submitted to EPO which are complete including but not limited to complete coding, itemization, dates of service and billed amounts.

1.6 Employee Assistance Program (EAP) - The County of Riverside's Employee Assistance Program functions as the behavioral health administrative division of the Exclusive Provider Option.

1.7 Emergency Psychiatric Condition - A Mental Health/Substance Abuse Disorder which manifests itself by acute symptoms of sufficient severity such that the absence of immediate Behavioral Health Services could reasonably be expected to

result in the following: (i) immediate harm to self or others; (ii) placing the Member's health in serious jeopardy; (iii) serious impairment of the Member's functioning; or (iv) serious and permanent dysfunction of the Member.

1.8 Emergent/Urgent Treatment - The immediate and unscheduled screening, examination, and evaluation of a Member by a Medical or Psychiatric Practitioner to determine if an Emergency Condition exists. If an Emergency Condition is found to exist, Emergency Treatment will include the care and treatment to relieve or eliminate the Emergency Condition or stabilize the Member before transfer to a facility capable of handling higher levels of emergent care.

1.9 Exclusive Provider Organization (EPO) means the health care plan developed, and implemented by the County for the provision of health care services, including behavioral health care services, to County employees their dependents and other public entity employees and their dependents - to be known as Exclusive Care.

1.10 Formulary means the list of medications reimbursable by the pharmacy benefit of the EPO.

1.11 Health care services means all Medically Necessary services to which Members are entitled under the EPO, including physician, medical, psychiatric, hospital based, preventive, ancillary, emergency, and health education services.

1.12 IPA means Independent Physician Association.

1.13 Physician Service means those services rendered by a physician to an EPO member either as inpatient or an out patient.

1.14 Medically/Clinically Necessary. Medically Necessary means all services which are reasonable and necessary to protect life, to prevent significant illness or significant disability or to alleviate severe pain and the diagnosis or treatment of disease, illness or injury. Clinically Necessary – Behavioral Health Services or supplies for treatment of an active Mental or Substance Abuse Disorder which have been established in accordance with generally acceptable professional standards and EXCLUSIVE CARE's Utilization Review Committee to be:

- Rendered for the treatment and diagnosis of a Mental Health or Substance Abuse Disorder as defined by the *DMS-IV as may be revised from time to time*, and limited to impairment of a Member's mental, emotional or behavioral functioning; and

- Appropriate for the severity of symptoms, consistent with diagnosis, and otherwise in accordance with generally accepted mental health practice and professionally recognized standards; and

- Not furnished primarily for the convenience of the Member, the attending Participating Practitioner, or other provider of service; and

- Furnished at the most appropriate level which may be provided safely and effectively to the Member.

1.15 Member means any eligible beneficiary who has enrolled in the County EPO for whom the County, by and through the EPO, provides health care services, including behavioral health services.

1.16 Member Physicians means physicians, psychiatrists, surgeons, osteopaths and Doctors of Podiatric Medicine (DPM) licensed to practice medicine in the State of California and who have an ownership interest in, are employed by, or have written agreements with IPA or are directly contracted with the EPO to provide medical services to Members.

1.17 Non-contracted Providers mean licensed physicians, psychiatrists, surgeons, osteopaths, and other licensed health care professionals which provide health care services, including behavioral health services, to Members eligible to receive benefits under the EPO. Non-Contracted Providers do not have written agreements with IPA and are not directly contracted with the EPO.

1.18 Non-Physician Medical Practitioner means nurse practitioner, physician assistants, mental health licensed professionals (LCSW, MFCC, MFT) or certified nurse midwifes licensed to practice in the State of California and who are employees, subcontractors or who have written agreements with IPA or are directly contracted by the EPO to provide medical services to Members.

1.19 PCP means a physician who is the Primary Care Physician responsible for supervising, coordinating and providing initial, primary and preventive care to Members, for initiating referrals, maintaining continuity of Member care, and providing health counseling and education. This may include physicians who are licensed in Family Practice, Pediatrics, Internal Medicine, Obstetrics, or General Practice.

1.20 Provider means licensed physicians, surgeons, osteopaths, licensed mental health professionals and other licensed health care professionals who provide health care services or behavioral health care services to EPO members.

1.21 Quality Assessment and Improvement Program (QAIP) means a program established by the EPO to oversee quality assessment and quality improvement reviews of services provided to Members.

1.22 Referrals means recommended directions of non primary care services of Members to physicians, including Outside Providers, or providers of ancillary services such as but not limited to lab, x-ray and physical therapy, EKG, EEG, health education, medical social service, home health care, mental health, for the purposes of obtaining health care services, including behavioral health care services.

1.23 State means the State of California.

1.24 Surcharge means an additional fee which is charged to a Member for covered services of a health plan or the County or appropriate government agency and disclosed in the evidence of coverage or the disclosure form used as the evidence of coverage. Surcharges are not allowable charges.

2.0 DUTIES OF CONTRACTOR

2.1 CONTRACTOR RESPONSIBILITIES - Contractor shall provide to Members those behavioral health care services, which are Medically Necessary when such services are authorized by the Employee Assistance Program (EAP) and EPO, and in accordance with this Agreement. Contractor is responsible for coordinating the provision of behavioral health care services, with EAP and the EPO.

The services covered by this Agreement are services that have been authorized and provided in accordance with policies and procedures established by County for the EPO. When appropriate, Contractor shall be responsible for determining whether Members are eligible for services. All EPO and County operating procedures shall apply, including eligibility verification, pre-certification, submission of clean claims, compliance with the current formulary and prior authorization, if required.

2.2 ACCESSIBILITY OF SERVICES - Contractor shall provide timely access to behavioral health care services, and provide for reasonable hours of operations in compliance with EPO established standards for access and availability, and in accordance with community standards.

2.3 PRIOR AUTHORIZATION - Contractor shall obtain advance authorization from the EAP division of the EPO as applicable, prior to the rendering of any non-emergent service for a Member. In the case of an emergency or an elective admit, Contractor agrees to notify EPO, either orally or in writing during normal business hours on the day of admission of the Member, or on the first working day following the admission of Member on weekends, holidays, or after hours.

2.4 HOSPITAL TRANSFERS - In any circumstance where Contractor is providing Hospital Service under this Agreement, Contractor agrees to notify EAP division of the EPO immediately and to assist in facilitating the transfer of Members requiring behavioral health care services that are not offered or available at Hospital. Contractor agrees to cooperate and comply with EPO standards with respect to required referral systems for services to ensure continuity of care between EPO and other entities to which the Member is referred.

2.5 PROTECTION OF MEMBERS - Contractor may not impose any limitations on the acceptance of Members for care or treatment that it does not impose on other patients of other plans. Contractor shall not request, demand, require or seek directly or indirectly the transfer, discharge or removal of any Member for reasons of the Member's need for behavioral health care services or the Member's utilization of behavioral health care services. Contractor may refuse to provide professional healthcare services to any member only if a reasonable cause is presented and accepted by the EPO.

2.6 STANDARDS - Contractor agrees to perform its duties under this Agreement in a manner consistent with the reasonable administrative guidelines developed by EPO and all applicable state and federal laws and regulations relating to the delivery of behavioral health care services and in accordance with community standards. Behavioral health care services shall be rendered by qualified mental health providers. All behavioral health care services, shall be provided in accordance with generally accepted industry

standards in compliance with the standards developed by EPO. Contractor agrees to maintain and demonstrate to EPO, upon request, throughout the term of this Agreement, compliance with any and all of the applicable licensure, credentialing, and/or regulatory requirements for the provision of behavioral health care services by Contractor under this Agreement.

2.7 ASSURANCE OF MEMBER CARE - Behavioral health care services shall be rendered by qualified medical providers, unhindered by fiscal and administrative management. Contractors' fiscal and administrative concerns or any dispute with EPO and Contractor concerning their respective obligations under this Agreement or otherwise shall not influence nor cause any delay in services provided by Contractor to Members.

2.8 INSPECTION OF FACILITIES - In every instance where Contractor utilizes a facility to provide behavioral health care services under this Agreement, such facilities shall comply with applicable state and/or federal law, and regulations. Contractor agrees that it shall cooperate with inspections of such facilities, which are required to assure compliance with required facility standards.

2.9 CITATIONS - Contractor shall notify EPO in writing of each and every report of any regulatory or licensing agency, which contains any citation of Contractor for failure to meet any required standard; any legal or government action against any of its licenses, accreditations, or certifications; or any other situation that will materially impair the ability of Contractor to carry out the duties and obligations under this Agreement. The parties shall meet within thirty (30) days and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes the adverse effect. Notwithstanding the provisions herein, if the parties fail to reach a negotiated modification concerning the adverse action, then the affected party may terminate this Agreement by giving at least ninety (90) days notice or may terminate sooner if agreed to by both parties.

2.10 STAFF PRIVILEGES - Where applicable, Contractor shall use its best efforts to enable physicians seeking to participate in EPO to apply for, obtain and maintain membership on the Medical Staff of any Hospital contracting with EPO. Such clinical privileges shall be appropriate for the area of practice at Hospital, provided such physicians meet Hospital standards.

2.11 UTILIZATION REVIEW (UR) - Contractor agrees to participate in the UR program developed by EPO, and to abide by decisions resulting from that review, subject to any rights of reconsideration that may be available under EPOs UR program.
Contractor agrees to provide access to EPO utilization review and case management personnel for the purpose of conducting concurrent review and case management on Members who are receiving Behavioral health care services.

2.12 QUALITY ASSURANCE (QA) PROGRAM - Contractor agrees to cooperate in the EPOs QA program, with regular EPO monitoring and evaluation of compliance with the QA standards and EPO policies and procedures, including participation in Member grievance resolutions and quality of care studies. Contractor shall also implement its own ongoing quality assurance program which shall develop procedures for ensuring that the quality of care provided by Contractor conforms with generally accepted community practices. Contractor shall develop written procedures for remedial action whenever, as

determined by the quality assurance program, inappropriate or substandard services have been furnished or services that should have been furnished have not been furnished.

2.13 MEMBER GRIEVANCE RESOLUTION - Contractor shall notify EPO immediately, upon its knowledge of a complaint by a Member. The EPO grievance system shall make its best efforts to resolve the dispute to the satisfaction of the Member within thirty (30) days of receipt of dispute resolution, or upon the time frame required by applicable law, whichever is less. Contractor agrees to cooperate with EPO in resolving Member grievances related to the provision of services and agrees to participate in the grievance review procedures of EPO. At no time shall a Member's medical condition be permitted to deteriorate because of delay in provision of care that Contractor disputes. Fiscal and/or administrative concerns shall not influence the independence of the medical decision making process to resolve any medical disputes between Member and the provider of service.

2.14 SUBCONTRACTS - Contractor shall ensure that subcontracting providers used to provide behavioral health care services to Members meet the standards set by EPO, and consistent with community standards.

Contractor shall ensure that all subcontractors are bound by the provisions of this Agreement, and shall ensure that all subcontractors have not been excluded from participation in any state or federal program.

2.15 OTHER CONTRACTUAL COMMITMENTS - Contractor represents and assures EPO and County that contractual commitments to other HMOs, competitive medical plans and/or other related entities do not restrict or impair Contractor from performing its duties under this Agreement and do not constitute a conflict of interest with the provision of behavioral health care services to Members.

2.16 NONDISCRIMINATION - Contractor represents and assures that behavioral health care services are provided to Members in the same manner and quality as such services are provided to Contractors' other patients. Members shall not be subject to any discrimination whatsoever by Contractor in regard to access to behavioral health care services. Contractor agrees to comply with the provisions of Title 2, CCR, Section 8107 et. seq., as may be amended from time to time, as incorporated by reference herein. Contractor agrees to include this Nondiscrimination Clause in any and all subcontracts to perform services under this Agreement. The provisions of subsection (b) of Title 2, CCR, Section 8107 shall be applicable for this Agreement.

2.17 CONFORMANCE TO OTHER LAW - Contractor certifies compliance with the Americans with Disabilities Act of 1990 (42 USC, Section 12100 et. seq.), AB2222 (the Prudence Kay Poppink Act) of 2000, the Drug Free Workplace Act of 1990 (Government Code Section 8355 et. seq.), and Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996.

Contractor certifies awareness of the Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor, the derivative Cal/OSHA standard and laws and regulations relating thereto and shall comply therewith as to all relative elements under this Agreement.

2.18 IDENTIFICATION OF OFFICERS, OWNERS, STOCKHOLDERS, CREDITORS - On an annual basis, Contractor shall identify the names of the following persons by listing them on Attachment 1 of this Agreement, attached hereto and incorporated herein by this reference.

A. Contractor officers;
B. Contractor owners, including parent corporation(s);
C. Stockholders owning greater than 10% of any stock issued by Contractor;
D. Major creditors holding more than 10% of any debts owed by Contractor.

In addition, Contractor shall notify EPO within thirty (30) days of any changes in the information in Attachment 1.

2.19 AVAILABILITY OF SERVICES - Contractor agrees to provide EPO with current information regarding Contractor's services, programs and benefits on an annual basis, which shall include, but not be limited to, the identification of deletions and additions to Contractors services.

2.20 PROVISION OF INFORMATION- Contractor shall provide EPO and/or governmental agencies with such data and other information regarding the rendition of services as may be reasonably requested or as may be otherwise required for compliance with applicable regulatory and disclosure requirements. Contractor shall execute such additional verifications or documents as may be required by law or regulation.

2.21 OTHER REPORTING - Contractor agrees to submit all information or reports, in a timely manner, as may be required to enable EPO to fulfill its reporting and other obligations under the Agreement.

2.22 ADMINISTRATIVE GUIDELINES - Contractor agrees to perform its duties under this Agreement in a manner consistent with the reasonable administrative guidelines provided by the EPO.

2.23 CREDENTIALING OF CONTRACTOR – Contractor agrees to provide all necessary information, and/or documents to EPO so that the EPO may credential Contractor, and verify that Contractor has obtained, and has maintained appropriate licensing, accreditation, or certification, and insurance coverage. Such information shall be provided within thirty (30) days and on an annual basis, or upon request by EPO. Failure of Contractor to become credentialed by EPO, and/or to remain credentialed by EPO shall be cause for immediate termination of this Agreement by EPO.

3.0 DUTIES OF COUNTY AND EPO

3.1 USE OF CONTRACTOR - Except upon the sole determination of County that the safety, health and/or welfare of the public or the medical needs of Member require otherwise, EPO agrees to use Contractor for the provision of behavioral health care services as set forth herein.

3.2 ADMINISTRATION - County agrees to perform all necessary administrative, accounting and reporting requirements and other functions to state and federal regulators consistent with the administration of EPO and this Agreement.

3.3 MEMBER SERVICES - EPO agrees to provide Member Services, including, but not limited to, processing Member complaints and grievances, informing Members of EPO policies and procedures, providing Members with information about EPO and its network of hospitals, IPAs and PCPs.

3.4 BENEFIT INFORMATION – The EAP division of the EPO agrees to apprise all Members concerning the type, scope and duration of behavioral health benefits and services to which such Members are entitled under the EPO. This includes, but it not limited to, written notification to Members of behavioral health care services available, and changes in the availability or location of behavioral health care services, being provided by Contractor, and issuance of an identification card to each Member upon enrollment.

3.5 CONTRACTOR ASSISTANCE - County agrees to assist and cooperate with Contractor in the development and implementation of procedures necessary to carry out the intent of this Agreement. EPO shall provide necessary training regarding EPO policies and procedures.

3.6 UTILIZATION REVIEW (UR) PROGRAM - EPO shall establish a UR program which shall seek to avoid unnecessary or unduly costly hospital and medical services while ensuring the delivery of behavioral health care services, to Members are Medically Necessary. The UR program will include, but will not be limited to: admission certification, concurrent and continuing stay review, retrospective review, discharge planning and case management. EPO shall provide prior authorization to Contractor for treatment and hospitalization of Members. Prior authorizations shall provide the number of days anticipated for any hospitalization, and any extension of Hospital Days shall require authorization by EPO prior or during the hospital stay, in accordance with EPO UR standards. EPO shall not retrospectively deny any Health Care Service, approved as Medically Necessary provided that the information given by Contractor to EPO is reasonably true and accurate regarding the medical condition of the Member.

3.7 ADMINISTRATION OF PAYMENTS - County agrees to pay Contractor in accordance with the terms and procedures set forth in this Agreement.

4.0 BILLING AND COMPENSATION

4.1 CLAIMS - In order to receive payment for services rendered, Contractor shall bill EPO on the HCFA 1500 form, or their successor form, whichever is applicable, within one (1) year from the date of service for outpatient claims and sixty (60) days from the date of discharge for inpatient claims. Contractor agrees to provide EPO with all information necessary to verify and substantiate the provisions of and charges for behavioral health care services including providing the authorization number on the UB92, or HCFA 1500 form, or their successor forms. Claims will be adjudicated using all accepted coding and payment conventions of the United States, including but not limited to usual and customary criteria, RBRVS rules, professional review and routine claim edits normally performed in the course of preparing a claim for payment. All appeals must be received within one (1) year from the date of denial. All claims must be submitted within one (1) year from the date of service in order to be considered for compensation.

4.2 COLLECTION OF CHARGES FROM MEMBERS - Contractor agrees that the only charges for which a Member may be liable and be charged by Contractor shall be for Co-payments or Deductibles, as established by EPO, or for services not covered under the EPO. Contractor shall advise Member, in writing, of their payment responsibility, if any, prior to rendering non-covered Behavioral health care services, and/or services that require Co-payments or Deductibles. Contractor shall notify the Member, in writing, that he or she will be responsible of the payment of any non-covered services that are provided to Member. Contractor's rights to collect charges from Members for non-covered services, except as provided herein, shall not be affected by this Agreement or its termination.

4.3 SERVICE WAIVER - In the event behavioral health care services, are denied by EPO, as not being Medically Necessary, or as not a covered benefit under the EPO, Contractor shall not charge a Member unless Contractor has obtained a written waiver from Member. The waiver must be obtained in advance of rendering services and shall specify those services EPO has denied as not being Medically Necessary, or as not a covered benefit under the EPO, and shall clearly state that the Member is responsible for payment of those services denied by EPO.

4.4 SURCHARGES - Notwithstanding the provisions herein, Contractor shall in no event, including, without limitation, nonpayment by EPO, insolvency of EPO, or breach of the Agreement, bill, charge, collect and deposit, or attempt to bill, charge, collect or receive any form of payment from any Member for behavioral health care services, provided pursuant to this Agreement. Contractor also agrees it shall not maintain any action at law or equity against a Member to collect sums owed by County to Contractor.

Upon notice of any such surcharge or action, County may terminate this Agreement consistent with the provisions contained herein and take all other appropriate action consistent with the terms of this Agreement to eliminate such activity. Contractor's obligations regarding the collection of surcharges from Members shall survive the termination of this Agreement.

Failure of Contractor to act in accordance with any of the provisions of this section shall constitute a material breach of the Agreement and the Agreement may be subject to termination by County pursuant to the provisions herein. In addition, County may take any other appropriate administrative or legal action to enjoin and otherwise restrain Contractor's violation of the provisions of this section, including offsetting the amount of said collections against any future payment, and/or reimbursement to Members or their representatives of any charges or surcharges collected by Contractor from Members.

4.5 COLLECTION OF CHARGES FROM THIRD PARTIES - Contractor agrees to coordinate benefits with other programs or entitlements, excluding tort liability of a third party, and estates from deceased Members. EPO shall coordinate the benefits covering tort liability of a third party, and estates from deceased Members and EPO shall be entitled to any recovery under such coordination of benefits. Contractor shall cooperate with EPO coordination of benefits. In the case in which County is other than primary, County shall pay the lesser of the amounts which when added to the amounts received by Contractor from other sources equals one hundred percent (100%) of the amount required under this Agreement as specified in Attachment 2. Unless Member has other health insurance coverage, Contractor accepts payment from County for Behavioral health care services as

provided herein as full payment for such Behavioral health care services and shall at no time seek compensation from Members.

4.6 POTENTIAL TORT LIABILITY - Contractor shall make no claim for recovery of the value of behavioral health care services rendered to a Member, when such recovery would result from an action involving the tort liability of a third party or recovery from estates of deceased Members or casualty liability including Worker's Compensation awards and uninsured motorist coverage.

4.7 COMPENSATION - County shall pay Contractor, in accordance with the rates as outlined in Attachment 2, within sixty (60) working days of receipt from Contractor of an uncontested claim which is accurate, complete and otherwise in accordance with the provisions herein.

4.8 ADEQUACY OF COMPENSATION - Contractor shall accept the payments specified in this Agreement as payment in full for all behavioral health care services provided to Members and for all administrative costs incurred for providing such services. In the event County fails to make any payments to Contractor as provided herein, whether from EPO's insolvency or otherwise, Members shall not be liable to Contractor, under any circumstances, for behavioral health care services. Contractor's prohibition regarding the collection of payments from Members for services covered by EPO shall survive the termination of this Agreement.

5.0 RECORDS MAINTENANCE, AVAILABILITY, INSPECTION AND AUDIT

5.1 CONTRACTOR RESPONSIBILITY - Contractor shall maintain and provide adequate financial records and information as reasonably necessary to County so that County may properly administer the EPO and consistent with state and federal law. Such records shall be retained by Contractor for at least five (5) years from the close of County's fiscal year in which this Agreement is in effect. Medical Records must be maintained in accordance with industry standards including all HIPAA regulations. These obligations are not terminated upon a termination of the Agreement, whether by rescission or otherwise. County reserves the right to audit both financial and medical records from time to time as deemed necessary. Any expense involved in such as audit shall be the Contractor's responsibility.

5.2 PROPRIETARY NATURE OF INFORMATION - County and Contractor agree to treat all Member patient information provided by Contractor or County as confidential in accordance with applicable law, including HIPAA regulations. County and Contractor shall maintain the confidentiality of all such information and shall make disclosures to third parties only upon the advance written consent of the Member, or when allowed by applicable law. Contractor shall safeguard the confidentiality of Member health records and treatment in accordance with all applicable state and federal laws, and regulations.

5.3 RECORDS OPEN FOR INSPECTION - All books, records and papers of Contractor or subcontractor of Contractor relating to the performance of this Agreement must be open to inspection and copying during normal business hours by the EPO, or state and/or federal regulators. Records shall include, without limitation, Member patient records (subject to applicable state and federal law governing the confidentiality of medical

records), and/or financial records pertaining to the cost of operations and income received for Behavioral health care services, rendered to Members. Such records shall be made available at all reasonable times the Contractor upon reasonable request by County. Contractor shall maintain its books and records in accordance with general standards for books and record keeping.

5.4 PUBLIC RECORDS - Contractor acknowledges and agrees that information, communications, and documents given by or to County, and/or EPO and meetings involving County and/or EPO management may be subject to the public records and meetings laws and regulations of the State of California.

5.5 QUALITY ASSURANCE AND UTILIZATION REVIEW RECORDS Contractor shall cooperate with EPO's QA and UR programs and, upon reasonable request, shall provide EPO with summaries of, or access to records maintained by Contractor and required in connection with such programs, subject to applicable state and federal laws concerning the confidentiality of medical records.

6.0 INDEMNIFICATION, ACTS AND OMISSIONS, LIABILITY AND INSURANCE

6.1 Hold Harmless/Indemnification - CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

COUNTY shall indemnify and hold harmless CONTRACTOR, its employees, agents and representatives from any liability whatsoever, based or asserted upon any services of COUNTY, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of COUNTY, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. COUNTY shall defend, at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action

or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to Indemnitees as set forth herein.

CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the Indemnitees to the fullest extent allowed by law.

6.2 COUNTY ACTS OR OMISSIONS - County agrees to defend, indemnify, and hold harmless Contractor and its officers, directors, agents, and employees from and against any and all fines, claims, demands, suits, actions, and costs (including, without limitation, reasonable attorney's fees) of any kind and nature arising by reasons of the acts or omissions of County, EPO, or of its officers, directors, agents, and employees in connection with the obligations imposed by this Agreement.

6.3 LIABILITY FOR OBLIGATIONS - Nothing contained in this Agreement shall cause either party to be liable or responsible for any debt, liability, or obligation of the other party, or any third party, unless such liability or responsibility is expressly assumed by the party sought to be charged therewith. Each party shall be solely responsible for and shall indemnify and hold the other party harmless against any obligation for the payment of wages, salaries or other compensation (including all state, federal and local taxes and mandatory employee benefits), insurance and voluntary employment related or other contractual or fringe benefits as may be due or payable by the party to or on behalf of such party's employees, agents and representatives.

6.4 INSURANCE

Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.

A. Workers' Compensation:

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, cross liability coverage and employment practices liability, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

D. Professional Liability Insurance:

Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

E. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR'S insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed $500,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of deductibles or self insured retention's unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such deductibles or self-insured retention's as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*

4) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) The COUNTY'S Reserved Rights--Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add to additional exposures (such as the use of aircraft, watercraft, cranes, etc.) the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

6) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

7.0 DISPUTE RESOLUTION

7.1 DISPUTES - EPO and Contractor agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement, prior to the filing of a claim under the Government Claims Act (Government Code Section 900 et. seq.), and prior to the initiation of any litigation by either party.

7.2 CURE PERIOD PROVISIONS - In the event that either party defaults in the performance of any duties or obligations under this Agreement, the non-breaching party shall serve written notice of breach of contract on the breaching party. The breaching party shall have thirty (30) days from receipt of the notice of breach to cure said breach. If the breach is not cured within this time frame, the non-breaching party has sole discretion to extend such cure period. If the breach is not cured within this time frame, as may be extended at non-breaching party's sole discretion, this Agreement may thereafter be terminated as provided herein.

These cure period provisions shall not be applicable when the breach is of a nature where Contractor has failed to provide services, or the safety, health and/or welfare of Members is at risk, at the sole determination of the Director.

7.3 ADVERSE GOVERNMENT ACTION - In the event any action of any department, branch or bureau of the federal, state, or local government has a material adverse effect on either party in the performance of their obligations hereunder, then that party shall notify the other of the nature of this action, including in the notice a copy of the adverse action. The parties shall meet within thirty (30) days and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes the adverse effect. Notwithstanding the provisions herein, if the parties fail to reach a negotiated modification concerning the adverse action, then the affected party may terminate this Agreement by giving at least ninety (90) days notice or may terminate sooner if agreed to by both parties.

8.0 TERM

8.1 TERM - The term of this Agreement shall become effective as of December 1, 2009 and shall continue in effect for five (5) years, until November 30, 2014.

9.0 TERMINATION

9.1 TERMINATION FOR MATERIAL CAUSE - Either party, as appropriate, may terminate this Agreement immediately for cause as set forth herein upon written notice of termination stating the actions of the other party constituting cause for termination.

9.2 CAUSE FOR IMMEDIATE TERMINATION OF AGREEMENT BY CONTRACTOR - The following shall constitute cause for immediate termination of this Agreement by Contractor:

A. Breach of Material Term and Failure to Cure – County's breach of any material term, covenant, or condition and subsequent failure to cure such breach within thirty (30) days following written notice of such breach.

B. Insolvency of EPO - including the filing of bankruptcy by EPO.

C. Dissolution of EPO - dissolution of EPO by an act of the Board of Supervisors for Riverside County.

9.3 CAUSE FOR IMMEDIATE TERMINATION OF AGREEMENT BY COUNTY - The following shall constitute cause for immediate termination of this Agreement by County:

A. Breach of Material Term and Failure to Cure – Contractor's breach of any material term, covenant, or condition and subsequent failure to cure such breach within thirty (30) days following written notice of such breach.

B. Failure to Provide Services - Failure of Contractor to provide behavioral health care services to Members as authorized herein.

C. Preservation of the Safety, Health and/or Welfare of Members - Determination by County that the safety, health and/or welfare of Members are placed in danger by Contractor.

D. Credentialing – Failure of Contractor to become credentialed by EPO, and/or remain credentialed by the EPO.

E. Loss of Licensing - Failure by Contractor to secure and maintain the necessary governmental licenses, accreditation or certification required for the performance of duties hereunder.

F. Loss of Insurance Coverage - Failure by Contractor to maintain adequate general and professional liability insurance coverage, as provided herein.

G. Insolvency of Contractor - including the filing of bankruptcy of Contractor.

H. Dissolution of EPO - dissolution of EPO by an act of the Board of Supervisors for Riverside County.

I. Discontinuance of EPO Services by County - discontinuance of the offering of EPO as a health care benefits plan option for Riverside County employees.

9.4 TERMINATION WITHOUT CAUSE - After the end of the first year of this Agreement, either party may terminate this Agreement without cause. In the event either party desires to terminate this Agreement without cause, the terminating party shall give the other party at least ninety (90) days written notice of termination.

10.0 CONTINUING CARE RESPONSIBILITIES

10.1 CARE OF MEMBERS – In the event of termination of this agreement, contractor shall continue to provide services to hospitalized patients until their discharge from the hospital and will be compensated for the health care services under the terms of this agreement. The contractor has also agreed to see all the members, those who were hospitalized at the time of termination of the agreement as well as those receiving treatment on an outpatient basis, for an additional 30 days for mental health emergencies under the same terms, including rates of this agreement.

10.2 MEMBERS RECORDS - Upon termination of this Agreement, Contractor agrees to assist EPO in the transfer of Member behavioral health care by making available copies of medical records, patient files and other pertinent information necessary for efficient case management of Members.

10.3 PHASE-OUT PAYMENT - During the phase-out period, Contractor may file a claim with EPO for services provided. Compensation during the phase-out period shall be at the agreed contract rate and applicable terms that are in effect for the last term of this Agreement.

10.4 NON-PAYMENT POLICY - Notwithstanding the above, or any other provisions to the contrary, Contractor agrees that in the event EPO ceases operations for any reason, including insolvency, Contractor shall continue to provide behavioral health care services and Hospital Services for those Members who are hospitalized on an inpatient basis. Contractor shall not bill, charge, collect or receive any form of payment from any such Member or have any recourse against Member for Hospital Services, or behavioral health care services provided after EPO ceases operation. This continuation of behavioral health care services and Hospital Services obligation shall continue until Member is discharged from Hospital, or complete the course of outpatient treatment. Contractor's prohibition regarding the collection of payments from Members for services covered by EPO shall survive the termination of this Agreement.

11.0 CONFIDENTIAL AND PROPRIETARY INFORMATION

11.1 INFORMATION CONFIDENTIAL AND PROPRIETARY TO COUNTY - Contractor acknowledges that all Members participating in the EPO receiving behavioral health care services or Contractor Services shall be Members of EPO. Member information shall include, without limitation, the names, addresses and telephone numbers of all Members, administrative service manuals and all forms related thereto, and records, files (other than patient medical files) and lists contained in Contractor and EPO files. Contractor acknowledges that County believes that all such information is confidential

under HIPAA and proprietary to County and that such Member information contains valuable trade secrets of County.

11.2 CONTRACTOR USE OF INFORMATION - Contractor shall maintain all Member information as confidential. Contractor shall not disclose or use any confidential and proprietary information for its own benefit or gain either during the term of this Agreement or after the date of termination of this Agreement, provided, however that Contractor may use the name, address and telephone number or other medical information of a Member if medically necessary for the proper treatment of such Member or upon express prior written permission of EPO or the Member. Nothing contained herein abrogates the right of the Member to disenroll from EPO.

11.3 TERMINATION AGREEMENT - Upon the effective date of termination of this Agreement, Contractor shall provide and return to County all confidential and proprietary information and trade secrets in its possession in a reasonable manner to specified by County.

11.4 NON-SOLICITATION OF MEMBERS - Contractor shall not directly or indirectly engage in the solicitation of Members without County's prior written consent. Solicitation shall mean conduct by an officer, agent, employee or subcontractor of Contractor or its assignee or successor during the term of this Agreement and continuing for a period of one (1) year after the effective date of termination of this Agreement, which may be reasonably interpreted as designed to persuade Members to discontinue their enrollments with EPO or to encourage Members to participate in another health services plan.

11.5 DISSEMINATION OF INFORMATION - Contractor agrees that County may use Contractor's name, address, and telephone number in any informational material routinely distributed to Members and for other purposes related to the administration and marketing of EPO as an indication of Contractor's willingness to provide behavioral health care services and/or Contractor Services to Members.

11.6 CONTRACTOR ADVERTISING - Prior to listing or otherwise referencing EPO or County in any promotional or advertising brochures, media announcements or other advertising or marketing material, Contractor shall first obtain the prior written consent of the Director, except that Contractor does not need approval to list EPO or County in any informational material distributed, displayed or advertised, listing EPO and/or County as a participating health plan.

11.7 USE OF NAMES AND TRADEMARKS - County, EPO and Contractor each reserve the right to control the use of its name, symbols, trademarks, or other marks currently existing or later established. However, either party may use the other party's symbol, trademarks, or other marks with the prior written approval of the other party. County shall be allowed to use the name of Contractor in its promotional activities and marketing campaign as described in section 11.5 herein.

[Rest of the page intentionally left blank]

12.0 GENERAL PROVISIONS

12.1 NOTICES - Any notice required to be given hereunder shall be in writing either delivered personally or sent by registered or certified mail, return receipt requested, to either County or Contractor at the addresses listed below, or at such other address as either County or Contractor may hereafter designate to the other:

COUNTY:

HUMAN RESOURCES DEPARTMENT
County Administrative Center
4080 Lemon St., 7th Floor
Riverside, CA 92502
Attn: Ron Komers, Director Human Resources

CONTRACTOR:

Tobias Desjardins, LCSW
132 Thompson Ave.
Hemet, CA 92543
Phone: 951-652-1101

All notices shall be deemed given on the date of delivery if delivered personally or on the third business day after such notice is deposited in the United States mail, addressed and sent as provided above.

12.2 ASSIGNMENT AND DELEGATION - This Agreement and the rights, interests, and benefits hereunder shall not be assigned, transferred, pledged, or hypothecated in any way by Contractor or County, and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated without the prior written consent of the other party. Any assignment or delegation of this Agreement by Contractor to a third party shall be void unless prior written approval is obtained from County.

12.3 INVALIDITY AND SEVERABILITY - If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be in effect only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions hereof.

12.4 LIMITATIONS OF SEVERABILITY - In the event the removal of a provision rendered invalid or unenforceable or declared null and void had the effect of materially altering the obligations of either party in such manner as to cause serious financial hardship to such party, the party so affected shall have the right to terminate this Agreement upon providing thirty (30) days prior written notice to the other party.

12.5 CAPTIONS - Captions in this Agreement are descriptive only and do not affect the intent or interpretation of the Agreement.

12.6 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)- The Contractor in this Agreement is subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the laws and regulations promulgated subsequent thereto. The Contractor hereto agrees to cooperate in accordance with the

terms and intent of this Agreement for implementation of relevant law(s) and/or regulation(s) promulgated under this Law. The Contractor further agrees that it shall be in compliance, and shall remain in compliance with the requirement of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

12.7 ENTIRE AGREEMENT - This Agreement (together with all attachments hereto), and any requirements promulgated by EPO or the Director, shall constitute the entire agreement between the parties related to the rights herein granted and the obligations herein assumed. It is the express intention of Contractor and County that any and all prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period governed by this Agreement which are not expressly set forth herein, or are not promulgated by EPO or the Director, shall be of no further force, effect or legal consequence after the effective date hereunder

12.8 AMENDMENT - This Agreement may be amended or modified only by mutual written consent of the parties.

12.9 ATTORNEYS FEES - If any action at law or in equity is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and reasonable costs, in addition to any other relief to which such party may be entitled.

12.10 TIME IS OF THE ESSENCE - Time shall be of the essence of each and every term, obligation, and condition of this Agreement.

12.11 GOVERNING LAW - County, Contractor and this Agreement are subject to the laws of the State of California and the United States of America, and regulations promulgated thereto. Any provision required to be in this Agreement by any of applicable federal or state law, and regulations thereto shall bind County and Contractor, whether or not expressly provided in this Agreement.

12.12 VENUE - All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state and federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

12.13 GOVERNMENT CLAIMS ACT - The provisions of the Government Claims Act (Government Code section 900 et. seq.) must be followed first for any disputes arising under this Agreement.

12.14 INDEPENDENT CONTRACTOR - The relationship between County and Contractor is an independent contractor relationship. Neither Contractor nor its employee(s) and/or agent(s) are or shall be considered to be an employee(s), and/or agent(s) of County, and neither County nor any employee(s) and/or agent(s) of County are or shall be considered to be an employee(s) and/or agent(s) of Contractor. Contractor is solely responsible for all behavioral health care services provided to Members by Contractor, its employees, agents or assigns. None of the provisions of this Agreement shall be construed to create a relationship of agency, representation, joint venture, ownership, control or employment between the parties other than that of independent parties contracting for the purposes of effectuating this Agreement.

12.15 CONFLICT OF INTEREST - The parties hereto and their respective employees or agents shall have no interest, and shall not acquire any interest, direct or indirect, which shall conflict in any manner or degree with the performance of services required under this Agreement.

12.16 EXHIBITS - All exhibits attached to this Agreement, and referenced herein, are incorporated into and made part of this Agreement.

12.17 CERTIFICATION OF AUTHORITY TO EXECUTE THIS AGREEMENT - Contractor certifies that the individual signing herein has authority to execute this Agreement on behalf of Contractor, and may legally bind Contractor to the terms and conditions of this Agreement, and any attachments hereto.

[Rest of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Medical Contractor Agreement for EPO Services for Riverside County.

ATTEST:
Clerk of the Board
Kecia Harper-Ihem

By _____
Deputy

Date _____

COUNTY OF RIVERSIDE:

By _____
Chairman, Board of Supervisors

Date _____

Approved as to form and content:

Pamela J. Walls
County Counsel

By: _____
Deputy County Counsel

CONTRACTOR: Tobias Desjardins, LCSW
TIN: 61221319

By: _____ LCSW

Printed Name: Tobias Desjardins

Title: LCSW

Date: 9/20/9.

Attachment 1

Officers, Owners, Stockholders, and Creditors Listing

100% solely owned by Tobias Desjardins, LCSW

Attachment 2
Compensation

Reimbursement of the Exclusive Care Provider Organization, Exclusive Care, established by the County of Riverside for employees and their dependents, for authorized covered services, shall be payable by County at the fees set forth below net of co-payments and/or coinsurance . Contractor is responsible for collecting the co-payment.

CPT CODE	DEFINITION OF SERVICE	Reimbursement Amount
		LIC
90801	Psychiatric diagnostic interview examination	$80
90804	Individual psychotherapy, insight oriented, behavior modifying and/or supportive, in an office or outpatient facility, approximately 20-30 minutes face-to-face with the patient;	$40
90806	Individual psychotherapy, insight oriented, behavior modifying and/or supportive, in an office or outpatient facility, approximately 45-50 minutes face-to-face with the patient;	$70
90808	Individual psychotherapy, insight oriented; behavior modifying and/or supportive, in an office or outpatient facility, approximately 75-80 minutes face-to-face with the patient;	$75
90847	Family psychotherapy (conjoint psychotherapy) (with the patient present)	$75
90853	Group psychotherapy (other than of a multiple-family group)	$25
90899	Unlisted psychiatric service or procedure	$20

These rates include the member's co-payment

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

721

FROM: Department of Mental Health

SUBMITTAL DATE: October 22, 2009

SUBJECT: Ratify Mental Health Services Act (MHSA) Professional Service and Instructional Service Agreements.

RECOMMENDED MOTION: Move that the Board of Supervisors:

1. Ratify the Sole Source Agreement with the California Institute for Mental Health (CIMH) for a maximum annual amount of $400,000 (FY 09/10) to provide technical assistance and training in support of the Mental Health Services Act and other mental health initiatives.
2. Authorize the Chairman to sign the Agreement with California Institute for Mental Health.
3. Authorize the Purchasing Agent to renew the agreement with California Institute for Mental Health annually through FY 12/13.
4. Approve partial list of Instructional Service Vendors as identified in Attachment A.
5. Exempt the Purchasing Agent from the requirement of sole source contracts not to exceed $100,000 per vendor, when adding Mental Health Services Act and Continuing Education related training vendors to the existing list of vendors within the maximum aggregate amount of $1,250,000 through FY 12/13.

BACKGROUND: The Mental Health Services Act (MHSA) Plans approved by the State Department of Mental Health (DMH) called for a transformation of the mental health system. MHSA resources have been earmarked to bring about the transformation of our mental health system into the recovery based, consumer and family centered system visualized in the requirements of the Act. Riverside County Department of Mental Health (RCDMH) is continuing the training of staff in the evidence-based practices and concepts outlined in the MHSA Component Plans.
.....(continued on 2nd page)

JW:AMF

Jerry Wengerd, Director
Department of Mental Health

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 1,650,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10-12/13

SOURCE OF FUNDS: 100% State

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Debra Cournoyer

County Executive Office Signature Debra Cournoyer

FORM APPROVED COUNTY COUNSEL
BY: LARISA R-MCKENNA DATE 10/22/09
Departmental Concurrence

Mark Seiler, Assistant Director
Purchasing:

☒ Policy ☒ Policy
☐ Consent ☐ Consent

Per Exec. Ofc.:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Prev. Agn. Ref.: 3.31- 1/9/07, 3.71- 1/10/06 | **District:** All | **Agenda Number:** 3.40

BACKGROUND (Continued): These evidenced based practices support the concepts of Wellness, Recovery, Resilience, Consumer-focus, Cultural Competence, and Integrated Services. Direct service and clinical staff will be trained on the specific models and methodologies that are considered evidence-based practices in the treatment of mental illness. Licensed clinical staff are also required to complete continuing education trainings in order to maintain licensure. These trainings fall under the following broad categories:

1. **Mental Health System Transformation**: The concepts of wellness and recovery that are an integral part of the MHSA have transformed the way mental health services are delivered. This system transformation has required the training of staff from upper management to front line staff in the wellness and recovery model and the principles that are inherent within it including, resilience, empowerment, hope, consumer choice, self-responsibility, community focus, and the ethics of client/staff relationships. These trainings have been delivered by well-renowned subject-matter experts in the field of mental health that have been involved in the development and delivery of programs that are used as models to demonstrate the practices and principles that have become a vital part of the MHSA. Vendors that have been currently identified are; META Services, the National Mental Health Association of Greater Los Angeles (MHALA) and Community Activators. The National MHALA has had over 15 years of success in operating the MHA Village, pioneering a recovery-focused, integrated services model in California. Trainers supporting subject areas associated with utilizing the Recovery Model to provide and support the provision of vocational services within the Mental Health Services Act will be chosen from those that have been awarded contracts by the State Department of Mental Health, Mental Health Cooperative Programs Statewide Training and/or Technical Assistance. Purchase agreements will be entered into for the delivery of training, technical assistance and any related costs such as training venues and materials.

2. **Evidence Based Practices**: The MHSA Component Plan contains a variety of evidence-based practices that hold promise for improving outcomes for our consumers and their families. Two providers that have been identified are:

   a. Incredible Years is an evidence based parenting practice to strengthen social and academic competence, reduce behavior problems, and increase positive interactions with child peers, teachers and parents. A purchase agreement will be established, not to exceed $60,000, including, but not be limited to, consultation, technical assistance, training and materials, and certification of trainers.
   b. California Institute for Mental Health (CIMH). CIMH has been identified as a sponsor of a majority of training within the MHSA Children's Services Work Plan. CIMH is engaged in a number of efforts to promote the adoption of evidence-based practices that hold promise for improving outcomes for children and families. CIMH sponsored trainings will be centered on such evidence based practices as Multidimensional Treatment Foster Care, Multidimensional Family Therapy, Aggression Replacement Training, Cognitive Behavioral Therapy and Cultural Competency. CIMH is a research, policy development and training organization affiliated with the California Mental Health Directors Association. It was the specific intent of the local mental health directors who founded CIMH that CIMH would work collaboratively with all mental health system stakeholders. A purchase agreement will be established to allow DMH to participate in CIMH sponsored trainings that support both MHSA-related and ongoing Mental Health initiatives.

The agreement with CIMH is not to exceed $400,000. In addition, other agreements may be entered into with specific entities/individuals (partial vendor list attached), which are subject matter experts to provide trainings in support of continuing education for licensure. These agreements are not to exceed an aggregate amount of $1,250,000.

PERIOD OF PERFORMANCE: DMH requests this authority effective July 1, 2009, through June 30, 2010, with authority to renew annually through 2013.

PRICE REASONABLENESS: Training will be delivered under agreements with subject-matter experts who have direct experience as either developers and/or providers of evidence-based practices, continuing education courses or through a broker such as CIMH that has contracted with subject-matter experts to provide a statewide team approach to various evidence-based approaches that were outlined in the MHSA Component Plan. This statewide collaborative approach results in discounted rates for the Counties.

FINANCIAL IMPACT: There are sufficient funds in the Department's budget for these training & technical assistance professional and instructional services agreements. No additional County funds are required.

PARTIAL VENDOR LIST – ATTACHMENT A

VENDOR	POSSIBLE TOPICS
Bradley, Tim	DBT Basic & Advanced
Brymer, Melissa	Psychological First Aid
Community Activators	
CPI	NCI Trainer
Cunningham, Harry	IMR
Franklin, Jay	Youth, Gangs & COD
Harwood, Matt	HIV/AIDS / Human Sexuality
Incredible Years	
Jackson, Craig	Law & Ethics
Kinkmeyer, James	CalWorks STEP Parenting
Levander, Andrew	Treatment of Self-Injury
Mar, Dr. Jeffrey	Eating Disorder
Marsenich, Lynne	Family Partnership Summit
Merrill, Greg	Intimate Partner Abuse
META Services	
Minsky, Sam	MI
Najavits, Lisa	Seeking Safety
National Mental Health Association of Greater Los Angeles	
Pfarr, Jody	Bridges Out of Poverty
Raudenbush, Dr.	Transition Age Youth

PROFESSIONAL SERVICE AGREEMENT

for

TRAINING, CONSULTATION AND TECHNICAL ASSISTANCE SERVICES

between

COUNTY OF RIVERSIDE

DEPARTMENT OF MENTAL HEALTH

and

CALIFORNIA INSTITUTE FOR MENTAL HEALTH (CIMH)

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This Agreement, made and entered into this _____day of _____, 2009, by and between CALIFORNIA INSTITUTE FOR MENTAL HEALTH (CIMH), (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"). The parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services as outlined and specified in Exhibit A, Scope of Services, consisting of two (2) pages, at the prices stated in Exhibit B, Payment Provisions, consisting of one (1) page.

1.2 CONTRACTOR represents that it has the skills, experience and knowledge necessary to fully and adequately perform under this Agreement, and the COUNTY relies upon this representation. CONTRACTOR shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

1.3 CONTRACTOR affirms this it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it can properly perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.4 Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

2. Period of Performance

2.1 This Agreement shall be effective upon signature of this Agreement by both parties and continue in effect through July 1, 2009 and continue in effect through June 30, 2010, unless terminated earlier, with option to renew annually through June 30, 2013. CONTRACTOR shall commence performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter.

3. Compensation

3.1 The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed Four Hundred Thousand Dollars ($400,000) annually including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products.

Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement.

3.2 No price increases will be permitted during the first year of this Agreement. All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside and Orange County areas for instructional training and materials and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

3.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to COUNTY by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to CONTRACTOR only after services have been rendered or delivery of materials or products, and acceptance has been made by COUNTY. Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

Riverside County Department of Mental Health
Attention: Workforce Education and Training Unit
4060-A County Circle Drive
Riverside, CA 92503

a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (to be provided upon award); quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.
b) Invoices shall be rendered monthly in arrears.
c) In accordance with California Government Code Section 926.10, COUNTY is not allowed to pay excess interest and late charges.

3.4 The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made.

No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated and have no further force and effect.

4. Alteration or Changes to the Agreement

4.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his designee are the only authorized COUNTY representatives who may at any time, by written order, make alterations to this Agreement. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified by written amendment accordingly.

4.2 Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within 30 days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, he may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section shall excuse the CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

5. Termination

5.1. COUNTY may terminate this Agreement without cause upon 30 days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

5.2 COUNTY may, upon five (5) days written notice, terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress so as to endanger performance and does not immediately cure such failure. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

5.3 After receipt of the notice of termination, CONTRACTOR shall:

(a) Stop all work under this Agreement on the date specified in the notice of termination; and

(b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports or other products which, if the Agreement had been completed or continued, would have been required to be furnished to COUNTY.

5.4 After termination, COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement and at the rates set forth in Exhibit B.

5.5 CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement. In such event, CONTRACTOR shall not be entitled to any further compensation under this Agreement.

5.6 The rights and remedies of COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6. Ownership/Use of Contract Materials and Products

The CONTRACTOR agrees that all materials, reports or products in any form, including electronic, created by CONTRACTOR for which CONTRACTOR has been compensated by COUNTY pursuant to this Agreement shall be the sole property of the COUNTY; and may be used by the COUNTY for any purpose COUNTY deems to be appropriate, including, but not limit to, duplication and/or distribution within the COUNTY or to third parties. CONTRACTOR agrees not to release or circulate in whole or part such materials, reports or products without prior written authorization of the COUNTY.

7. Conduct of Contractor

7.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

8. Inspection of Service; Quality Control/Assurance

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The CONTRACTOR shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. If any services performed or products provided by CONTRACTOR are not in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected, the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the services performed or products provided. The COUNTY may also terminate this Agreement for default and charge to CONTRACTOR any costs incurred by the COUNTY because of the CONTRACTOR's failure to perform.

8.2 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess or evaluate CONTRACTOR's performance under this Agreement at any time upon reasonable notice to CONTRACTOR.

9. Independent Contractor

The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

10. Subcontract for Work or Services

No contract shall be made by the CONTRACTOR with any other party for furnishing any of the work or services under this Agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the CONTRACTOR and personnel assigned under this Agreement, or for parties named in the proposal and agreed to under this Agreement.

11. Disputes

11.1 The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement which is not resolved by the parties shall be decided by the COUNTY's Purchasing Department's Compliance Contract Officer who shall furnish the decision in writing. The decision of the COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute.

11.2 Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

12. Licensing and Permits

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

13. Use By Other Political Entities

The CONTRACTOR agrees to extend the same pricing, terms and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit entity in Riverside County. It is understood that other entities shall make purchases in their own name, make direct payment,

and be liable directly to the CONTRACTOR; and COUNTY shall in no way be responsible to CONTRACTOR for other entities' purchases.

14. Non-Discrimination

CONTRACTOR shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY.

16. Confidentiality

16.1 The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this

Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

16.3 The CONTRACTOR is subject to and shall operate in compliance with all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the related laws and regulations promulgated subsequent thereto.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent, or designee, shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

18. Notices

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

Department of Mental Health
4060 A County Circle Drive
Riverside, CA 92503

CONTRACTOR

California Institute for Mental Health (CiMH)
2125 19TH Street, 2nd Floor
Sacramento, CA 95818

19. Force Majeure

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or

certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification

21.1 CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability, claim, damage or action whatsoever, based or asserted upon any act or omission of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death. CONTRACTOR shall defend, at its sole cost and expense, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any such action or claim. With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR's indemnification of COUNTY. CONTRACTOR's obligations hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal (or similar document) relieving the COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR's obligations to indemnify and hold harmless the COUNTY.

21.2 In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

21.3 CONTRACTOR's indemnification obligations shall also apply to any action or claim regarding actual or alleged intellectual property infringement related to any material or product provided to

COUNTY pursuant to this Agreement. In the event of any such action or claim, CONTRACTOR shall provide immediate notice to COUNTY of the action or claim. CONTRACTOR may defend or settle the action or claim as CONTRACTOR deems appropriate; however, CONTRACTOR shall be required to obtain for COUNTY the right to continue to use the material or product (or a similar non-infringing material or product with the same function) on terms identical to those stated in this Agreement.

22. Insurance

Without limiting or diminishing the CONTRACTOR's obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement:

22.1 Workers' Compensation

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than **$1,000,000** per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

22.2 Commercial General Liability

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name all Agencies, Districts, Special Districts, and Departments of the COUNTY of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than **$1,000,000** per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

22.3 Vehicle Liability

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than **$1,000,000** per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name all Agencies, Districts, Special Districts, and

Departments of the COUNTY of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

22.4 Professional Liability Insurance

CONTRACTOR shall maintain Professional Liability Insurance providing coverage for the CONTRACTOR's performance of work included within this Agreement, with a limit of liability of not less than **$1,000,000** per occurrence and **$2,000,000** annual aggregate. If CONTRACTOR's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

22.5 General Insurance Provisions - All lines

a) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

b) The CONTRACTOR must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

c) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so orally or in writing by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the COUNTY of Riverside prior to any material modification, cancellation,

expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the COUNTY of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. ***CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.***

d) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

e) The COUNTY'S Reserved Rights--Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work (such as the use of aircraft or watercraft) the COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

f) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

g) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

23. General

23.1 CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full and complete compliance with any

terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement.

23.3 In the event the CONTRACTOR receives payment under this Agreement which is later disallowed by COUNTY for nonconformance with the terms of the Agreement, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

23.4 CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

23.5 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims or encumbrances.

23.6 Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

23.7 The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information and personnel.

23.8 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

23.9 CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes or regulations which apply to performance under this Agreement.

23.10 CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

23.11 This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

23.12 This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

COUNTY:

County of Riverside, Department of Mental Health
PO Box 7459
Riverside, CA 92503-7549

Signature: _____

Print Name: Jeff Stone

Title: Chairman of the Board

Dated: _____

CONTRACTOR:

California Institute for Mental Health (CiMH)
2125 19TH Street, 2nd Floor
Sacramento, CA 95818

Signature: _____
Sandra Taylor for Goodwin

Print Name: Bill Carter, LCSW

Title: Chief Deputy Director CEO

Dated: 10-20-09

FORM APPROVED COUNTY COUNSEL
BY: _____ 10/5/09
LARISA R-MCKENNA DATE

EXHIBIT A
SCOPE OF SERVICE

California Institute for Mental Health (CONTRACTOR) will assist the Riverside County Department of Mental Health (DMH) by providing the following services for the Mental Health System overall, as well as, the Adult and Children's Systems of Care:

- Technical assistance
- Administrative services
- Independent projects
- Development team participation
- Conducting annual conferences, workshops and training
- Consultation

MENTAL HEALTH SYSTEM

Technical assistance, policy development and training in the ongoing development and implementation of the following subject matter:

- Cultural Competency
- Women's Issues
- Mental Health Services Act
- Telemental Health
- Other key practices and initiatives that impact the delivery of mental health services.

ADULT SYSTEM OF CARE

CONTRACTOR conducts several educational, training, technical assistance and evaluation activities to assist in the provision of quality services to adults with psychiatric disabilities, such as but not limited to:

- Training and technical assistance for mandated programs (integrated services for people with psychiatric disabilities who are homeless) including housing development, employment, support for people with dual diagnosis, services for transition age youth and development of coalitions
- Training and Technical Assistance for providing recovery-oriented services and systems of care
- Training, technical assistance for, and evaluation of the implementation of Integrated Dual Diagnosis Treatment.

CHILDREN'S SYSTEM OF CARE

Technical assistance and training in the ongoing development and implementation of:

- Values-Driven Evidence-Based Practices such as Aggression Replacement Training, Multidimensional Treatment Foster Care, Multidimensional Family Therapy, Cognitive Behavioral Therapy, Co-Occurring Disorders.
- Parent Providers of Care.
- Other initiatives as identified by the Department of Mental Health.

EXHIBIT B
FEE SCHEDULE

Contract Maximum:
Expenses related to CONTRACTOR in general, shall not exceed $400,000 in aggregate on an annual basis. CONTRACOR services may include; technical assistance, independent projects, development team participation, annual conferences, workshops and specialized trainings, administrative services and consultation. Prior to any service being rendered CONTRACTOR agrees to submit details and timeline of delivery of services to COUNTY.

Individual technical assistance and training: Rates will be based upon, but not limited to, the following:

Full Day - $2000 plus travel related expenses
Half-Day - $1000 plus travel related expenses
**Fees are inclusive of preparation, follow-up and travel time.

Independent Projects: For example, literature research project, investigating specific practices and presentation of findings. Fees will be based upon, but not limited to, the following:

$125 per hour

Development Team Participation: Specialized training may be developed with the participation of the CONTRACTOR. The "fee per use" rate of this service will vary depending upon whether CONTRACTOR is receiving assistance from other funding sources and will be determined on a project-by-project basis.

Regularly scheduled and/or annual conferences, workshops and trainings: Participants will register on an individual basis with prior-approval from Mental Health Administration. Fees paid to CONTRACTOR will be based upon the conference/workshop/training registration and materials fee on a per use basis.

Administrative Services:
CIMH, when directed, will act as an intermediary with third party vendors at a "fee per use" rate of no more than 10% of related invoice.

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SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Office on Aging

SUBMITTAL DATE: September 10, 2009

SUBJECT: Title III Medicare Improvements for Patients and Provider MIPPA Grant for FY 2009-11 with the California Department on Aging (CDA).

RECOMMENDED MOTION: That the Board of Supervisors:

1) Approve and authorize Chair of the Board to sign and execute the Title III Medicare Improvements for Patients and Provider Act for FY2009-2011 (August 1, 2009 to May 31, 2011) with the California Department of Aging (CDA).
2) Return 4 copies of the Standard Agreements to the Office on Aging for further processing.
3) Direct the Auditor Controller to increase the Estimated Revenue and Appropriations by $24,621 as outlined in Attachment A.

BACKGROUND: This agreement represents a biannual year contract for the Medicare Improvement for Patient and Provider Act (MIPPA) grant. This agreement is from August 1, 2009 to May 31, 2011 with the California Department of Aging (CDA) who has received from the federal government a two year non-competitive grant to provide funds to California's Aging Network. Attachment A reflects revenues and appropriations for FY 2009-2010 only. These funds are a part of the MIPPA act to assist in expanding Medicare beneficiary enrollment in the Prescription Drug Low Income Subsidy Program (LIS), the Medicare Savings Program (MSP), and in general rural outreach and enrollment efforts for Medicare Part D.
(Continued next page...)

Edward F. Walsh, Director

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 24,621	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: Federal 100%

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

BY: Lani Sioson

County Executive Office Signature Lani Sioson

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: [signature] 10/15/09
SUSANA GARCIA-BOCANEGRA
Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY: [signature] DATE 10/13/09
NEAL R. KIPNIS

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: | **District:** ALL | **Agenda Number:** 3.41

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Continued

This contract for the two years totals $49,242 and any left over funds in FY 2009-2010 will be available for use in FY 2010-2011.

It is extremely important that funds are used so that counties can demonstrate its ability to meet the Centers for Medicare and Medicaid Services (CMS) established performance measures. Funding for the second year of the MIPPA grant is dependent upon meeting the minimum performance levels required by the grants. If these measures are not met, funds for FY 2010-2011 may be withheld.

There is no impact to county general fund and we are requesting for no matching requirements.

OFFICE ON AGING
ATTACHEMENT A
FY 2009-2010

Adjusting revenues and appropriations:

INCREASED ESTIMATED REVENUE		
21450-5300100000-767140	Fed-Misc Reimbursement	24,621
		$24,621

INCREASED APPROPRIATIONS		
21450-5300100000-510040	Regular Salaries	8,271
21450-5300100000-518100	Budget Benefits	4,552
21450-5300100000-529000	Misc. Travel Expense	3,905
21450-5300100000-523700	Office Supplies	671
21450-5300100000-536200	Contribution to non-County Agency	6,825
21450-5300100000-523720	Photocopying	397
		$24,621

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER
MI-0910-21
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
California Department of Aging

CONTRACTOR'S NAME
COUNTY OF RIVERSIDE

2. The term of this Agreement is: August 1, 2009 (or, if applicable, when approved by DGS, Office of Legal Services, whichever is later.) May 31, 2011

3. The maximum amount of this Agreement is: **$ 49,242.00** Forty-nine thousand two hundred forty-two and 00/100

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	8 page(s)
Exhibit B – Budget Detail and Payment Provisions	9 page(s)
Exhibit C* – General Terms and Conditions	GTC 307

Check mark one item below as Exhibit D:

☒ Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	26 page(s)
☐ Exhibit - D* Special Terms and Conditions	

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
COUNTY OF RIVERSIDE

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS
6296 RIVERCREST DRIVE, SUITE K RIVERSIDE CA 92507

FORM APPROVED COUNTY COUNSEL BY: NEAL R. KIPNIS DATE

STATE OF CALIFORNIA

AGENCY NAME
California Department of Aging

BY *(Authorized Signature)* | DATE SIGNED *(Do not type)*

PRINTED NAME AND TITLE OF PERSON SIGNING
Rachel de la Cruz, Manager, Contracts and Business Services

ADDRESS
1300 National Drive, Suite 200, Sacramento CA. 95834

California Department of General Services Use Only

☒ Exempt per:
Mello Grunland Older Californians Act And AG OP No. 80-111.

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER
MI-0910-21
REGISTRATION NUMBER

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ARTICLE I. DEFINITIONS

A. **Contractor** means the Area Agency on Aging (AAA) and are used interchangeably.

B. **Eligible Service Population** means individuals defined as Medicare eligible beneficiaries likely to be qualified for the Medicare Part D Low-Income Subsidy (LIS), Medicare Savings Program (MSP), and the Medicare Part D Prescription Drug Program, including individuals in rural areas.

C. **Enhanced Outreach** means outreach activities above and beyond routine activities planned in response to other funding (e.g., Basic State Health Insurance Assistance Program (SHIP) Funds, SHIP Supplemental LIS Funds, or Older Americans Act (OAA) Outreach Funds). These activities should also give consideration to Medicare eligibility changes that go into effect January 1, 2010, equating the MSP asset limit to that of the full Medicare Part D LIS asset limit, thereby increasing the number of Medicare low income assistance eligible beneficiaries.

D. **Enrollment Assistance** means assistance to beneficiaries in completing and submitting LIS and MSP applications. Enhanced outreach alone does not meet the requirement for enrollment assistance.

E. **Enrollment Assistance Centers** means locations equipped and designated for Medicare Part D, LIS and MSP enhanced outreach and enrollment assistance that have been publicly advertised and identified for these purposes.

F. **Indirect Costs** means costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objective specifically benefited, without effort disproportionate to the results achieved.

G. **Low Income Subsidy** (LIS) means financial assistance with Part D premiums and cost sharing for certain low-income Medicare beneficiaries referred to as the low-income subsidy.

H. **Medicare Improvements for Patients and Providers Act (MIPPA) of 2008** means legislation which amended Titles XVIII and XIX of the Social Security Act to extend expiring provisions under the Medicare Program; to improve beneficiary access to preventive and mental health services; to enhance low-income benefit programs; and to maintain access to care in rural areas, including pharmacy access.

I. **Medicare Prescription Drug Improvement and Modernization Act of 2003** (also known as the "Medicare Modernization Act" or "MMA") means legislation that imposed the most sweeping changes to the Medicare program since its inception, including the addition of a prescription drug benefit through a new Medicare "Part D."

ARTICLE I. DEFINITIONS (Continued)

J. **Medicare Savings Program** (MSP) - As of January 1, 2010, low-income Medicare beneficiaries who do not qualify for Medi-Cal may be enrolled in one of three Medicare Savings Programs that will automatically provide these individuals with the Low Income Subsidy (LIS). The Medicare Savings Programs include the following: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Qualified Individuals (QI).

K. **Program Income** means revenue generated by the Contractor or subcontractor from contract-supported activities. Program income is:

1. Voluntary contributions received from a participant or responsible party as a result of services.

2. Income from usage or rental fees of real or personal property acquired with funds provided under this Agreement.

3. Royalties received on patents and copyrights from contract-supported activities.

4. Proceeds from sale of items fabricated under a contract agreement.

L. **Rural** means all territory, population and housing units not classified as urban. Rural classification cuts across other hierarchies and can be in metropolitan or non-metropolitan areas.

M. **State Health Insurance Assistance Program (SHIP)** means a national program supported by the federal Centers for Medicare and Medicaid Services (CMS) that offers one-on-one counseling and assistance to people with Medicare and their families. Through federal grants directed to states, SHIPs provide free counseling and assistance via telephone and face-to-face interactive sessions, public education presentations and programs, and media activities. In California SHIP is the same program as the Health Insurance Counseling and Advocacy Program (HICAP).

N. **Urban** means all territory, population and housing units in urban areas, which include urbanized areas and urban clusters. An urban area generally consists of a large central place and adjacent densely settled census blocks that together have a total population of at least 2,500 for urban clusters, or at least 50,000 for urbanized areas. Urban classification cuts across other hierarchies and can be in metropolitan or non-metropolitan areas.

ARTICLE II. SCOPE OF WORK

A. General Provisions

ARTICLE II. SCOPE OF WORK (Continued)

1. The Scope of Work shall be performed by the Area Agency on Aging (AAA) and their subcontractors which shall include, but not be limited to, the Health Insurance Counseling Advocacy Program (HICAP), the Aging and Disability Resource Center (ADRC), where applicable.

2. All MIPPA contract and subcontract activities must be over and above those related activities provided through other funding sources (e.g., OAA funding and the basic federal HICAP funds) and must meet performance benchmarks as specified by CDA.

B. Provisions for the Contractor.

The Contractor shall:

1. Provide enhanced outreach and enrollment assistance to eligible Medicare beneficiaries regarding their benefits; and more intensive outreach and enrollment assistance to (1) individuals in rural areas on Medicare Part D, and (2) individuals in all areas who may be eligible for the LIS or MSP.

2. Assume the lead responsibility in developing (and updating) the local MIPPA Project Plan that delineates how the AAAs, HICAPs, and ADRCs (where applicable) will coordinate their efforts and resources to achieve the performance objective of a 20 percent increase in LIS and MSP applications.

3. Provide enhanced outreach activities independently of, but in coordination with the affiliated HICAP (where applicable), ADRC (where applicable), other aging network programs (such as, but not limited to, Information and Assistance, Home-Delivered Meals, Brown Bag) and assist Medicare beneficiaries in applying for the LIS and MSP programs and Medicare Part D, with a high priority to rural areas.

4. Collaborate with the local HICAP serving the Planning and Service Area (PSA) and the ADRC (where applicable) to reach the required performance goals (see Exhibit A, Article V, Performance Benchmarks Document).

5. Work with local aging network resources (e.g., including but not limited to home-delivered meal providers, nutrition centers and Information and Assistance) and community partners (including but not limited to general health and mental health clinics, county Medi-Cal offices and local Social Security Administration offices), making every effort to provide enhanced outreach to eligible Medicare beneficiaries regarding their benefits and

enhanced outreach to individuals who may be eligible for the LIS and/or for the MSP.

6. Prepare and submit the AAA MIPPA related budget(s) to CDA. In addition, review, approve, and monitor all MIPPA related budgets, expenditures and revisions of subcontractors, including but not limited to HICAP (where applicable) and ADRC (where applicable). AAAs shall ensure that all budgeted funds are expended by the end of the contract period.

7. Monitor, on an ongoing basis, all use of MIPPA funds through reporting, site visits, regular contact, or other means to provide reasonable assurance that the MIPPA funds are administered in compliance with laws, regulations, and the provisions of contracts and that performance goals are achieved [OMB Circular A-133.400(d)(3)].

8. Provide support and technical assistance to subcontractors and respond in writing to all written requests for direction, guidance, and interpretation of instructions to include client and service data.

9. Distribute and maintain up-to-date CDA requirements so that all responsible persons have ready access to standards, policies, and procedures.

10. Submit a narrative report to CDA by March 1, 2010, that specifies how the contract funds were used, progress to date in achieving MIPPA Project Plan objectives; barriers encountered and steps taken to overcome these issues.

C. Provisions for the HICAP Program, where applicable.

The Contractor shall require the HICAP Program to:

1. Provide enhanced outreach and enrollment assistance to eligible Medicare beneficiaries regarding their benefits; and more intensive outreach and enrollment assistance to (1) individuals in rural areas on Medicare Part D, and (2) individuals in all areas who may be eligible for the LIS or MSP.

2. Conduct enhanced outreach activities in coordination with the AAA and ADRC (where applicable), to assist Medicare beneficiaries in applying for the LIS and MSP programs and Medicare Part D, with a high priority to rural areas.

3. Work collaboratively with the affiliated AAA(s) or ADRC (where applicable) to reach the required performance goals.

ARTICLE II. SCOPE OF WORK (Continued)

D. Provisions for the ADRC Program, where applicable.

The Contractor shall require the ADRC to:

1. Conduct enhanced outreach activities in coordination with the AAA and HICAP (where applicable), to assist Medicare beneficiaries in applying for the LIS and MSP programs and Medicare Part D, with a high priority to rural areas where applicable.

2. Provide increased outreach and enrollment assistance to beneficiaries on Medicare Part D and the MSP.

3. Work collaboratively with any affiliated HICAP or AAA to reach the required performance goals in the Performance Benchmarks Document.

4. Establish additional enrollment assistance centers to facilitate streamlined application for these benefits.

5. Participate on the MIPPA Statewide Steering Committee.

6. Test on-line and other tools being developed by the National Resource Center and provide feedback to the Steering Committee on the applicability of these products.

E. Other Provisions and Assumptions

1. Before payments can be made to the AAA, the AAA will be required to submit to CDA an updated MIPPA Project Plan, which clearly distinguishes the activities that will be performed by the each of the MIPPA entities, AAA, HICAP, and ADRC. This updated plan shall also identify how the AAA will coordinate with their local HICAP to meet the data reporting requirements as specified by CDA and to evaluate progress in meeting the contract performance benchmarks identified in Exhibit A, Article V (Performance Benchmarks Document). Further updates to the MIPPA Project Plan would only be required if substantial changes were proposed by the Contractor.

2. The Contractor shall assure:

   a. Services are provided to the Eligible Service Population as defined in Exhibit A, Article I, Section A.

   b. As applicable, compliance with standards and guidelines for procurement of supplies, equipment, construction, and services as provided in 45 CFR, Part 74 and 45 CFR, Part 92, "Procurement Standards."

ARTICLE II. SCOPE OF WORK (Continued)

c. Compliance with all standards and regulations identified in Exhibit A, Article I, Section H.

F. Performance Benchmark

The CDA has established benchmarks based on LIS/MSP data from SFY 2007-2008 for each AAA, HICAP and ADRC. These are contained in Exhibit A, Article V.

1. The Contractor shall attain the established AAA benchmark.

2. The HICAP shall attain the established benchmark over and above their current LIS/MSP benchmarks, as established by Quarterly Aggregate data reporting for SFY 2007-2008.

3. The ADRC shall attain the established benchmark independent of any AAA or HICAP program with which they may be affiliated.

G. Data Reporting and Collection

1. The Contractor is required to collect and report data as required to CDA for the AAA, HICAP, and ADRC.

2. The Contractor shall assure that all performance data reports submitted are timely, complete, accurate and verifiable, using CDA approved reporting procedures and timelines.

3. MIPPA Data Reports will include aggregate data from each reporting entities (i.e., AAA, HICAP, ADRC) that directly assisted Medicare beneficiaries in submitting an application for Medicare Part D, the LIS or the MSP benefit.

4. MIPPA Data Reports will be submitted via e-mail to CDA at datateam.reports@aging.ca.gov and are required on a monthly basis at the end of the month of the proceeding month during the term of the contract in order to meet CMS and AoA reporting requirements. The reporting timetable will be posted to the CDA website.

5. CDA reserves the right to modify performance reporting terms and conditions to assure compliance with Federal government guidelines and requirements.

6. Performance will meet measurable performance goals. Performance data that must be submitted includes, but is not limited to:

ARTICLE II. SCOPE OF WORK (Continued)

a. Number of consumers assisted in submitting an LIS and MSP application.

b. Number and type of enhanced outreach events conducted during the project period.

c. Number of LIS/MSP enrollment assistance events conducted during the project period.

d. Number of training and technical assistance sessions held for ADRC, AAA and HICAP programs on enhanced outreach, screening, enrollment assistance and follow-up strategies, including locations where the sessions were held.

e. Number of ADRC, AAA, HICAP programs agreeing to serve as enrollment assistance center.

7. AAAs, ADRCs and HICAPs may have the option of sub-contracting enhanced outreach activities to other community based organizations as necessary.

8. The Contractor will assure the protection of confidentiality of all project-related information that identifies individuals.

ARTICLE III. APPEAL PROCESS

A. Contractor may appeal an adverse determination as defined in Title 22 CCR, Section 7702 using the appeal process established by the CDA in Title 22 CCR, Sections 7700 through 7710. Such appeal shall be filed within thirty (30) days of CDA's notice of adverse determination.

B. Subcontractors of the Contractor may appeal the Contractor's final adverse determination relating to MIPPA funds using the appeal process established in Title 22 CCR, Sections 7700 through 7710.

C. Appeal costs or costs associated with any court review are not reimbursable.

ARTICLE IV. MIPPA SPECIFIC TERMS AND CONDITIONS

A. This Agreement is issued under the authority of the MIPPA Act of 2008, Section 119, PL 110-275. By receiving funds under this Agreement, the Contractor assures that it will carry out the project/program as authorized and will comply with the terms and conditions and other requirements of this Agreement.

B. This Agreement is subject to the requirement of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).

ARTICLE V. PERFORMANCE BENCHMARKS

PERFORMANCE BENCHMARKS BY PSA - HICAP – ADRC (20%)

With SSA "leads" data provided by 1-31-10.

CA MIPPA Funding Allocations to AAAs, HICAPs, and ADRCs						
	AAAs (33)		HICAPs (26)		ADRCs (4)	
PSAs	Contract $	Benchmark	Contract $	Benchmark	Contract $	Benchmark
1	3,578	18	7,479	37	77,994	390
2	8,229	41	8,599	43		
3	8,784	44	8,871	44	77,993	390
4	38,589	193	21,439	107		
5	5,023	25	0	0		
6	19,474	97	11,040	55	77,993	390
7	18,125	91	11,495	57		
8	13,633	68	10,101	51		
9	27,472	137	12,969	65		
10	30,778	154	13,844	69		
11	11,785	59	0	0		
12	6,462	32	7,750	39		
13	5,117	26	7,822	39		
14	19,115	96	11,023	55		
15	9,512	48	8,743	44		
16	960	5	0	0		
17	13,188	66	10,328	52		
18	13,201	66	10,242	51		
19	114,153	571	31,912	160		
20	30,431	152	13,954	70		
21	32,620	163	16,135	81		
22	47,577	238	19,517	98		
23	49,121	246	21,289	106	77,993	390
24	3,914	20	0	0		
25	75,723	379	22,656	113		
26	4,826	24	0	0		
27	9,012	45	14,409	72		
28	10,078	50	0	0		
29	4,117	21	0	0		
30	8,421	42	8,852	44		
31	4,159	21	7,455	37		
32	7,460	37	8,223	41		
33	12,380	62	9,781	49		
TOTAL	**667,017**	**3,335**	**335,928**	**1,680**	**311,973**	**1,560**
6,575 Total new applications					16,200	State Operations/ Contract Management
Performance benchmark equals total contract $ divided by $200/LIS-MSP application benchmark set by CMS					328,173	Total ADRC Funds

ARTICLE I. FUNDS

A. Expenditure of Funds

1. The Contractor shall expend all funds received hereunder in accordance with this Agreement.

2. Any reimbursement for authorized travel and per diem shall be at rates not to exceed those amounts paid by the State in accordance with Department of Personnel Administration's rules and regulations.

- Travel - http://www.dpa.ca.gov/textdocs/freepmls/PML2008019.pdf
- Per Diem (meals and incidentals) - http://www.dpa.ca.gov/personnel-policies/travel/meals-and-incidentals.htm
- Lodging – http://www.dpa.ca.gov/personnel-policies/travel/short-term-travel.htm

This is not to be construed as limiting the Contractor from paying any differences in costs, from funds other than those provided by this Department, between the Department of Personnel Administration rates and any rates the Contractor is obligated to pay under other contractual agreements. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State. (CCR, Title 2 Section 599.615 et seq.)

Contractor agrees to include these requirements in all contracts it enters into with subcontractors/vendors to provide services pursuant to this Agreement.

3. The Department reserves the right to refuse payment to the Contractor or disallow costs for any expenditure, as determined by the Department to be: out of compliance with this Agreement, unrelated or inappropriate to contract activities, when adequate supporting documentation is not presented, or where prior approval was required but was either not requested or not granted.

B. Accountability for Funds

The Contractor shall maintain accounting records for funds received under the terms and conditions of this Agreement. These records shall be separate from those for any other funds administered by the Contractor, and shall be maintained in accordance with Generally Accepted Accounting Principles and Procedures and the Office of Management and Budget's Cost Principles.

ARTICLE I. FUNDS (Continued)

C. Unexpended Funds

Upon termination, cancellation, or expiration of this Agreement, or dissolution of the entity, the Contractor shall return to the State immediately upon written demand, any funds provided under this Agreement, which are not payable for goods or services delivered prior to the termination, cancellation, or expiration of this Agreement, or the dissolution of the entity.

D. Availability of Funds

1. Federal funds will be made available in two increments. The Federal Government disburses 50 percent of the total allocation for this project for expenditures for Fiscal Year 2009-10. The second half of funding is contingent upon CMS and AoA approval of performance data submitted for the initial first phase report, due to CDA March 1, 2010, with any modifications to the initial MIPPA Project Plan. If awarded, these funds will be disbursed for Fiscal Year 2010-11.

2. It is understood between the parties that this Agreement may have been written before ascertaining the availability or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.

3. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government or the Budget Acts of the appropriate fiscal years for the purpose of these programs. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.

4. Limitation of State Liability

Payment for performance by the Contractor shall be dependent upon the availability of future appropriations by the Legislature or Congress for the purposes of this contract and approval of an itemized MIPPA Budget (CDA 229m). No legal liability on the part of the State for any payment may arise under this contract until funds are made available, the itemized budget is received and approved by the State, and the Contractor has received an executed contract.

ARTICLE I. FUNDS (Continued)

5. Funding Reduction(s)

a. If funding for any State fiscal year is reduced or deleted by the State or federal government, the State shall have the option to either:

- Terminate the Contract pursuant to Exhibit D, Article XII, B.
- Offer a contract amendment to the Contractor to reflect the reduced funding for this contract.

b. In the event that the State elects to offer an amendment, it shall be mutually understood by both parties that (1) the State reserves the right to determine which contracts, if any, under this program shall be reduced and (2) some contracts may be reduced by a greater amount than others, and (3) that the State shall determine at its sole discretion the amount that any or all of the contracts shall be reduced for the fiscal year.

E. Interest Earned

1. If, as a result of advanced funds, the project earns interest on funds awarded by the State, that interest shall be identified as income to the program and used for program expenditures, with full documentation on file for all programs.

2. For MIPPA program:

a. Nonprofits shall maintain advances of federal funds in interest bearing accounts, unless (1), (2), or (3) apply.

(1) The recipient receives less than $120,000 in federal awards per year.

(2) The best reasonably available interest bearing account would not be expected to earn interest in excess of $250 per year on federal cash balances.

(3) The depository would require an average or minimum balance so high that it would not be feasible within the expected federal and non-federal cash resources.

ARTICLE I. FUNDS (Continued)

b. For nonprofit entities, interest earned in excess of $250 on federal advances deposited in interest bearing accounts shall be remitted annually to the Department.

F. Program Income

1. Program Income must be reported and expended under the same terms and conditions as the program funds from which it is generated.

2. Program Income must be used to pay for current allowable costs of the program.

3. Program Income must be used to expand services

H. MIPPA Administration

MIPPA Administration shall be no more than 8 % of the total MIPPA allocation.

ARTICLE II. BUDGET AND BUDGET REVISION

A. The Contractor shall be compensated for expenses only as itemized in the approved MIPPA Budget (CDA 229m) and shall not be entitled to payment for these expenses until the MIPPA Budget (CDA 229m) is reviewed and approved by the Department. The approved MIPPA Budget is hereby incorporated by reference into this Agreement as a part of Exhibit B.

B. The Contractor shall submit electronically the original CDA 229m no later than 30 days after receiving this contract.

C. The CDA 229m must set forth in detail the reimbursable items, unit rates and extended total amounts for each line item. The Contractor's budget shall include, at a minimum, the following items when reimbursable under this Agreement:

1. Direct and overhead costs.

2. Salary rates, as appropriate and personnel classifications together with the percentage of personnel time to be charged to this Agreement, as well as fringe benefits.

3. Rental reimbursement items should specify the unit rate, such as the rate per square foot.

4. If purchase of equipment is a reimbursable item, the equipment to be purchased should be specified.

5. Any travel outside the State of California.

6. A detailed list of other operating expenses.

ARTICLE II. BUDGET AND BUDGET REVISION (Continued)

D. The Contractor shall ensure that subcontractors submit a budget, which shall be incorporated by reference into the subcontract and will have, at a minimum, the categories listed in Section C, above.

E. The Contractor may make changes in budget allocations, subject to the following conditions:

1. The Contractor may transfer contract funds from each line item in accordance with OMB, 45CFR subpart 92, section .30 (common rules).

2. The Contractor shall maintain a written record of all budget changes and clearly document line item changes. The record shall include the date of the transfer, the amount, and the purpose. This record shall be available to the Department upon request and shall be maintained in the same manner as all other financial records.

3. Allocations for program costs may not be transferred to the AAA administration allocation.

4. In the event that programs are changed from DIRECT to CONTRACTED or CONTRACTED to DIRECT, the Contractor shall submit a revised budget to the Department. An amendment to this Agreement shall be required in accordance with Exhibit D, Article XV.

E. The Contractor shall submit electronically a budget revision 30 days after receiving an amended MIPPA Budget Display with changes in funding levels, unless otherwise instructed by the Department.

F. The final date to submit a budget revision is April 30, 2011, unless otherwise specified by CDA.

H. Indirect Costs

1. The maximum reimbursement amount allowable for indirect costs is 8% of Contractor's direct costs, excluding in-kind contributions and nonexpendable equipment.

   Contractor agrees to include this requirement in all contracts it enters into with subcontractors/vendors to provide services pursuant to this Agreement.

2. Contractors requesting reimbursement for indirect costs shall retain on file an approved indirect cost rate or an allocation plan documenting the methodology used to determine the indirect costs.

3. Indirect costs exceeding the 8% maximum may be budgeted as in-kind.

ARTICLE III. PAYMENTS

A. The Contractor shall prepare and submit electronically by the 30th of each month to the AAA-Based Team the MIPPA Monthly Report of Expenditures/Requests for Funds (CDA 245m) unless otherwise specified by the Department.

B. Advance Payments

1. The Contractor may request one advance payment within the first quarter of each fiscal year, which shall not exceed twenty-five percent (25%) of the amount awarded for the fiscal year, for each funding source under the terms of this Agreement, unless otherwise specified by the Department. To receive an advance payment, the Contractor shall submit electronically an Annual Advance - Request for Funds (CDA 245m).

2. One-sixth of the advanced payment shall be deducted each month from reimbursement amounts due the Contractor until the advance is fully liquidated.

3. If at the time of the Closeout Report for each fiscal year, or upon completion or termination of this Agreement, the advance payment has not been fully liquidated, the Contractor agrees to pay the balance to the Department immediately upon written demand.

4. If the Contractor has received an advance payment, the Contractor shall advance to the subcontractor, upon execution of the subcontract, one advance payment of up to twenty-five percent (25%) of the subcontract amount for that fiscal year. If the Contractor receives an advance payment in the second fiscal year, the Contractor shall advance to the subcontractor, one advance payment of up to twenty-five percent (25%) of the subcontract amount for the second fiscal year.

C. Monthly Reimbursement Payments

1. The Contractor shall submit a CDA 245m to the Department no later than thirty (30) days after the close of the month for which expenditures occurred.

2. The Contractor shall be reimbursed for actual cash expenditures.

3. The Contractor shall ensure the implementation of policy and procedures developed by the Department whereby the subcontractors report expenditures and request payment monthly in arrears for actual expenses incurred.

4. The Department shall pay the Contractor a total not to exceed the amount shown on the Budget Display, which is hereby incorporated by reference.

ARTICLE III. PAYMENTS (Continued)

D. Financial Management Systems

The Contractor shall meet the following standards for its financial management systems, as stipulated in 45 CFR Section 92.20 (governmental) or 45 CFR, Section 74.21 (non-profits):

1. Financial Reporting
2. Accounting Records
3. Internal Control
4. Budgetary Control
5. Allowable Costs
6. Source Documentation
7. Cash Management

ARTICLE IV. CLOSEOUT

A. The MIPPA Financial Closeout Report (CDA 230m) shall be submitted to the AAA-Based Team, within 30 calendar days following the end of the contract period, or within 30 days following termination prior to the end of the contract period, unless otherwise specified by CDA.

State of California
California Department of Aging
CDA 001 (Rev. 11/05)

Award #: MP-0910-21
Date: 7/1/2009
Amendment #: 0
Date: 7/29/2009

Budget Detail, Payment Provisions, and Closeout - Exhibit B

Budget Display

Fiscal Years 2009/10 & 2010/11

County of Riverside

2009-2010	Baseline	Remaining Funds	Total	Net Change
AAA MIPPA				
AOA & CMS	16,494		16,494	
Total AAA MIPPA	16,494	-	16,494	-
HICAP MIPPA				
CMS	8,127		8,127	
Total HICAP MIPPA	8,127	-	8,127	-
ADRC MIPPA				
AOA & CMS	-		-	
Total ADRC MIPPA	-	-	-	-
Grand Total - All Funds 2009-10	24,621	-	24,621	-
Funding Summary				
Federal Funds	24,621	-	24,621	-
	24,621	-	24,621	-

2010-2011	Baseline	Remaining Funds	Total	Net Change
AAA MIPPA				
AOA & CMS	16,494		16,494	
Total AAA MIPPA	16,494	-	16,494	-
HICAP MIPPA				
CMS	8,127		8,127	
Total HICAP MIPPA	8,127	-	8,127	-
ADRC MIPPA				
AOA & CMS	-		-	
Total ADRC MIPPA	-	-	-	-
Grand Total - All Funds 2010-11	24,621	-	24,621	-
Funding Summary				
Federal Funds	24,621	-	24,621	-
	24,621	-	24,621	-

TOTAL MIPPA GRANT ALLOCATION	Baseline	Remaining Funds	Total	Net Change
AAA MIPPA				
AOA & CMS	32,988		32,988	
Total AAA MIPPA	32,988	-	32,988	-
HICAP MIPPA				
CMS	16,254		16,254	
Total HICAP MIPPA	16,254	-	16,254	-
ADRC MIPPA				
AOA & CMS	-		-	
Total ADRC MIPPA	-	-	-	-
Grand Total - All Funds	49,242	-	49,242	-
Funding Summary				
Federal Funds	49,242	-	49,242	-
	49,242	-	49,242	

State of California	Award #:	MP-0910-21
California Department of Aging	Date:	7/1/2009
CDA 001 (Rev. 11/05)	Amendment #:	0
	Date:	7/29/2009

Budget Detail, Payment Provisions, and Closeout - Exhibit B

Budget Display

Fiscal Years 2009/10 & 2010/11

County of Riverside

2009-2010	Baseline	Remaining Funds	Total	Net Change
Comments:				
2009-2010				
The maximum amount of AAA MIPPA allowable for administration is:			$1,320	
The maximum amount of HICAP MIPPA allowable for administration is			$650	
The maximum amount of ADRC MIPPA allowable for administration is:			$0	
2010-2011				
The maximum amount of AAA MIPPA allowable for administration is:			$1,320	
The maximum amount of HICAP MIPPA allowable for administration is			$650	
The maximum amount of ADRC MIPPA allowable for administration is:			$0	

Special Terms and Conditions - Exhibit D
MIPPA

ARTICLE I. DEFINITIONS AND RESOLUTIONS OF LANGUAGE CONFLICTS

A. Definitions

1. The term "Agreement" or "Contract" shall mean the Standard Agreement (Std. 213), exhibits A, B, C, and D, and an approved MIPPA Budget, which is hereby incorporated by reference, amendments, and any other documents incorporated by reference, unless otherwise provided for in this Article.

2. "State" and "Department," mean the State of California and the California Department of Aging (CDA) interchangeably.

3. "Contractor" means the Area Agency on Aging to which funds are awarded under this Agreement and which is accountable to the State and/or federal government for use of these funds and which is responsible for executing the provisions for services of this Agreement.

4. "Subcontractor" or "vendor" means the legal entity that receives funds from the Contractor to provide direct services identified in this Agreement. Subcontract and/or vendor agreement means a subcontract and/or vendor agreement supported by funds from this Agreement.

5. "Reimbursable item" also means "allowable cost" and "compensable item."

6. "CFR" means Code of Federal Regulations. "CCR" means California Code of Regulations. "GC" means Government Code. "W & I" means Welfare and Institutions Code. "USC" means United States Code. "PCC" means the Public Contract Code.

B. Resolution of Language Conflicts

In the event of any inconsistency between the articles, attachments, or provisions which constitute this contract, the following order of precedence shall apply:

1. Standard Agreement (STD 213), all Exhibits and any amendments thereto.

2. All other contract policy terms and conditions contained in applicable Department of Health and Human Services (HHS) Grant Policy Statements apply unless they conflict or are superseded by the terms and conditions of the Medicare Improvements for Patients and Providers Act of 2008, Section 119, PL 110-275. Contractor is responsible for contacting CDA for any needed clarifications.

4. Any other documents incorporated herein by reference.

5. Program memos and other guidance issued by the Department.

ARTICLE II. ASSURANCES

A. Law, Policy and Procedure, Licenses, and Certificates

The Contractor agrees to administer this Agreement and require any subcontractors to administer their subcontracts in accordance with this Agreement, and with all applicable local, State, and federal laws and regulations including, but not limited to, discrimination, wages and hours of employment, occupational safety, and to fire, safety, health, and sanitation regulations, directives, guidelines, and/or manuals related to this Agreement and resolve all issues using good administrative practices and sound judgment. The Contractor and its subcontractors shall keep in effect all licenses, permits, notices, and certificates that are required by law.

B. The Contractor shall require language in all subcontracts to require all subcontractors to comply with all applicable State and federal laws.

C. Nondiscrimination

The Contractor shall comply with all federal statutes relating to nondiscrimination. These include those statutes and laws contained in the Contractor Certification Clauses (CCC 307) which is hereby incorporated by reference. In addition, Contractor shall comply with the following:

1. Equal Access to Federally-Funded Benefits, Programs and Activities (Title VI of the Civil Rights Act of 1964.)

   Contractor shall ensure compliance with Title VI of the Civil Rights Act of 1964 (42 USC. Section 2000d; 45 CFR Part 80), which prohibits recipients of federal financial assistance from discriminating against persons based on race, color, religion, or national origin.

2. Equal Access to State-Funded Benefits, Programs and Activities
   Contractor shall, unless exempted, ensure compliance with the requirements of Government Code sections 11135-11139.5, and Section 98000 et seq. of Title 22 of the California Code of Regulations, which prohibit recipients of state financial assistance from discriminating against persons based on race, national origin, ethnic group identification, religion, age, sex, sexual orientation, color, or disability. (22 CCR 98323) (Chapter 182, Stats. 2006)

3. Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. Sections 12101 et seq.).

ARTICLE II. ASSURANCES (Continued)

4. Contractor agrees to include these requirements in all contracts it enters into with subcontractors to provide services pursuant to this Agreement.

D. Standards of Work

The Contractor agrees that the performance of work and services pursuant to the requirements of this Agreement shall conform to accepted professional standards.

E. Conflict of Interest

1. The Contractor shall prevent employees, consultants, or members of governing bodies from using their positions for purposes including, but not limited to, the selection of subcontractors, that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as family, business, or other ties. In the event that the State determines that a conflict of interest exists, funds may be disallowed by the State and such conflict may constitute grounds for termination of the Agreement.

2. This provision shall not be construed to prohibit employment of persons with whom the Contractor's officers, agents, or employees have family, business, or other ties, so long as the employment of such persons does not result in a conflict of interest (real or apparent) or increased costs over those associated with the employment of any other equally qualified applicant, and such persons have successfully competed for employment with the other applicants on a merit basis.

F. Covenant Against Contingent Fees

1. The Contractor warrants that no person or selling agency has been employed or retained to solicit this Agreement. There has been no agreement to make commission payments in order to obtain this Agreement.

2. For breach or violation of this warranty, the State shall have the right to terminate this Agreement without liability or at its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingency fee.

G. Payroll Taxes and Deductions

The Contractor shall promptly forward payroll taxes, insurances, and contributions, including State Disability Insurance, Unemployment Insurance, Old

ARTICLE II. ASSURANCES (Continued)

Age Survivors Disability Insurance, and federal and State income taxes withheld, to designated governmental agencies.

H. Facility Construction or Repair

1. When applicable for purposes of construction or repair of facilities, the Contractor shall comply with the provisions contained in the following and shall include such provisions in any applicable agreements with subcontractors:

   a. Copeland "Anti-Kickback" Act (18 USC 874, 40 USC 276c) (29 CFR, Part 3).

   b. Davis-Bacon Act (40 USC 276a to 276a-7) (29 CFR, Part 5).

   c. Contract Work Hours and Safety Standards Act (40 USC 327-333) (29 CFR, Part 5, 6, 7, 8).

   d. Executive Order 11246 of September 14, 1965, entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967, as supplemented in Department of Labor Regulations (41 CFR, Part 60).

2. The Contractor shall not use payments for construction, renovation, alteration, improvement, or repair of privately-owned property which would enhance the owner's value of such property to the benefit of the owner except where permitted by law or with prior approval by the Department.

3. The Contractor or subcontractor must obtain prior written approval from the Department before making any fund or budget transfers between construction and nonconstruction.

I. Contracts in Excess of $100,000

If all funding provided herein exceeds $100,000, the Contractor shall comply with all applicable orders or requirements issued under the following laws:

1. Clean Air Act, as amended (42 USC 1857).

2. Clean Water Act, as amended (33 USC 1368).

3. Federal Water Pollution Control Act, as amended (33 USC 1251, et seq.).

4. Environmental Protection Agency Regulations (40 CFR, Part 15 and Executive Order 11738).

ARTICLE II. ASSURANCES (Continued)

5. Public Contract Code Section 10295.3.

J. Debarment, Suspension, and Other Responsibility Matters

1. The Contractor certifies to the best of its knowledge and belief, that it and its subcontractors:

   a. Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

   b. Have not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or contract under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

   c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

   d. Have not within a three-year period preceding this Agreement had one or more public transactions (federal, State, or local) terminated for cause or default.

   e. Contractor shall report immediately to the Department in writing any incidents of alleged fraud and/or abuse by either Contractor or Contractor's subcontractor. Contractor shall maintain any records, documents, or other evidence of fraud and abuse until otherwise notified by the Department.

2. The Contractor agrees to timely execute any and all amendments to this Agreement or other required documentation relating to their subcontractors debarment/suspension status.

K. Agreement Authorization

1. If a public entity, the Contractor shall submit to the Department a copy of the resolution, order, or motion referencing this Agreement number authorizing execution of this Agreement. If a private nonprofit entity, the

ARTICLE II. ASSURANCES (Continued)

Contractor shall submit to the Department an authorization by the board of directors to execute this Agreement, referencing this Agreement number.

2. These documents must also identify the action taken.

3. Documentation in the form of a resolution, order, or motion by the Governing Board of the Area Agency on Aging is required for the original and each subsequent amendment to this Agreement. This requirement may also be met by a single resolution from the Governing Board of the Contractor authorizing the Area Agency on Aging Director or designee to execute the original and all subsequent amendments to this Agreement.

L. Contractor's Staff

1. The Contractor shall maintain adequate staff to meet the contractor's obligations under this Agreement.

2. This staff shall be available to the State for training and meetings which the State may find necessary from time to time.

M. Corporate Status

1. The Contractor shall be a public or private nonprofit entity or Joint Powers Agreement (JPA). If a private nonprofit corporation or JPA, the Contractor shall be in good standing with the Secretary of State of California and shall maintain that status throughout the term of the Agreement.

2. The Contractor shall ensure that any subcontractors providing services under this Agreement shall be of sound financial status. Any private, subcontracting corporation or JPA shall be in good standing with the Secretary of State of California and shall maintain that status throughout the term of the Agreement.

3. Failure to maintain good standing by the contracting corporation or JPA shall result in suspension or termination of this Agreement with the Department until satisfactory status is restored. Failure to maintain good standing by a subcontracting corporation or JPA shall result in suspension or termination of the subcontract by the Contractor until satisfactory status is restored.

N. Lobbying Certification

The Contractor, by signing this Agreement, hereby certifies to the best of his or her knowledge and belief, that:

ARTICLE II. ASSURANCES (Continued)

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The Contractor shall require that the language of this certification be included in the award documents for all subcontracts at all tiers (including subgrants, and contracts under grants, loans, and cooperative agreements which exceed $100,000) and that all subrecipients shall certify and disclose accordingly.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. This certification is a prerequisite for making or entering into this transaction imposed by 31 USC 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

ARTICLE III. AGREEMENT

A copy of this Agreement is on file and available for inspection at the California Department of Aging, 1300 National Drive, Suite 200, Sacramento, California 95834.

ARTICLE IV. COMMENCEMENT OF WORK

Should the Contractor or subcontractor begin work in advance of receiving notice that this Agreement is approved, that work may be considered as having been performed at risk as a mere volunteer and may not be reimbursed or compensated.

ARTICLE V. SUBCONTRACTS OR VENDOR AGREEMENTS

A. The Contractor shall satisfy, settle, and resolve all administrative, programmatic, and fiscal aspects of the program(s), including issues that arise out of any subcontracts and/or vendor agreements, and shall not delegate or contract these responsibilities to any other entity. This includes, but is not limited to, disputes, claims, protests of award, or other matters of a contractual nature.

B. In the event any subcontractor is utilized by the Contractor for any portion of this Agreement, the Contractor shall retain the prime responsibility for all the terms and conditions set forth, including but not limited to, the responsibility for preserving the State's copyrights and rights in data in accordance with Article XIX, of this exhibit, for handling property in accordance with Article VII of this exhibit, and ensuring the keeping of, access to, availability, and retention of records of subcontractors in accordance with Article VI of this exhibit.

C. Funds for this Agreement shall not be obligated in subcontracts and/or vendor agreements for services beyond the ending date of this Agreement, unless all funding under this Agreement is appropriated without regard for fiscal year, and the Department has agreed in writing to permit the specific expenditure for a specified period of time.

D. The Contractor shall have no authority to contract for, or on behalf of, or incur obligations on behalf of the State.

E. Copies of subcontracts, vendor agreements, Memorandums and/or Letters of Understanding shall be on file with the Contractor and shall be made available for review at the request of the Department.

F. The Contractor shall monitor the insurance requirements of its subcontractors and/or vendors in accordance with Article XI, Section E of this exhibit.

G. The Contractor shall require language in all subcontractor and/or vendor agreements to indemnify, defend, and save harmless the Contractor, its officers, agents, and employees from any and all claims and losses accruing to or resulting from any subcontractors, vendors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with any activities performed for which funds from this Agreement were used and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the subcontractor and/or vendor in the performance of this Agreement.

H. The Contractor shall ensure that the subcontractor and/or vendor will complete all reporting and expenditure documents requested by the Department. These reporting and expenditure documents shall be sent to the Contractor in a timely manner and at intervals as determined by the Department.

ARTICLE V. SUBCONTRACTS AND/OR VENDOR AGREEMENTS (Continued)

I. Prior to the awarding of a subcontract to any for-profit entity, the Contractor shall submit the following to the Department for review and approval (per CCR, Title 22, Division 1.8, Section 7362):

1. The RFP or IFB.
2. All bid proposals received.
3. The proposal or bid evaluation documentation, along with the Contractor's rationale for awarding the subcontract to a for-profit entity.

Where a program may be subcontracted to a for-profit organization, the Contractor should include in its contract with the for-profit entity a requirement for performance of a program specific audit of the subcontracted program by an independent audit firm.

J. The Contractor shall require the subcontractor to maintain adequate staff to meet the subcontractor's Agreement with the Contractor. This staff shall be available to the State for training and meetings which the State may find necessary from time to time.

K. If a private nonprofit corporation, the subcontractor shall be in good standing with the Secretary of State of California and shall maintain that status throughout the term of the Agreement.

L. The Contractor shall refer to the guidance in OMB Circular A-133 Section 210 in making a determination of whether a subcontractor and/or vendor relationship exists. If a vendor relationship exists then the Contractor shall follow the Procurement requirements in the applicable OMB Circular and record the vendor expenditures on Page 1 of the closeout under consultant or equipment costs if the Contractor purchased services or property respectively.

ARTICLE VI. RECORDS

A. The Contractor shall maintain complete records (which shall include, but not be limited to, accounting records, contracts, agreements, reconciliation of the "Financial Closeout Report" to the audited financial statements, a summary worksheet of results from the audit resolutions performed for all subcontractors with supporting documentation, letters of agreement, insurance documentation in accordance with this Article, Memorandums and/or Letters of Understanding, patient or client records, and electronic files) of its activities and expenditures hereunder in a form satisfactory to the State and shall make all records pertaining to this Agreement available for inspection and audit by the State or its duly authorized agents, at any time during normal business hours. All such records must be maintained and made available by the Contractor; (a) until an audit has occurred and an audit resolution has been issued or unless otherwise

ARTICLE VI. RECORDS (Continued)

authorized in writing by the Department's Audit Branch, (b) for such longer period, if any, as is required by applicable statute, by any other clause of this Agreement, or by Sections B, and C of this Article, and (c) for such longer period as the Department deems necessary.

B. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for the same periods as specified in Section A above. The Contractor shall ensure that any resource directories and all client records remain the property of the Department upon termination of this Agreement, and are returned to the Department or transferred to another Contractor as instructed by the Department.

C. In the event of any litigation, claim, negotiation, audit exception, or other action involving the records, all records relative to such action shall be maintained and made available until every action has been cleared to the satisfaction of the State and so stated in writing to the Contractor.

D. Adequate source documentation of each transaction shall be maintained relative to the allowability of expenditures reimbursed by the State under this Agreement. If the allowability of expenditures cannot be determined because records or documentation of the Contractor are nonexistent or inadequate according to Generally Accepted Accounting Principles and Procedures, the expenditures will be questioned in the audit and may be disallowed by the State during the audit resolution process.

E. After the authorized period has expired, confidential records shall be shredded and disposed of in a manner that will maintain confidentiality.

ARTICLE VII. PROPERTY

A. Unless otherwise provided for in this Article, property refers to all assets, capitalized or noncapitalized, used in operation of this Agreement.

1. Property includes land, buildings, improvements, machinery, vehicles, furniture, tools, and intangibles, etc .

2. Property does not include consumable office supplies such as paper, pencils, typing ribbons, file folders, etc.

B. Property meeting all of the following criteria are subject to the capitalization requirements. Such property must:

1. Have a normal useful life of at least 1 year;

ARTICLE VII. PROPERTY (Continued)

2. Have a unit acquisition cost of at least $5000 (e.g., four identical assets which cost $3000 each, for a $12,000 total would not meet this capitalization requirement); and

3. Be used to conduct business under this Agreement.

C. Noncapitalized property are those items which do not meet all three requirements in this Article, Section B above.

D. Additions, improvements, and betterments to assets meeting all of the conditions in Section B above must be capitalized. Additions typically involve physical extensions of existing units. Improvements and betterments typically do not increase the physical size of the asset. Instead, improvements and betterments enhance the condition of an asset (e.g., extend life, increase service capacity, and lower operating costs). Examples of assets that might be improved and bettered include roads, bridges, curbs and gutters, tunnels, parking lots, streets and sidewalks, drainage, and lighting systems.

E. Intangibles are property which lack physical substance but give valuable rights to the owner and can be capitalized or noncapitalized. Examples of intangible property include patents, copyrights, leases, and computer software. By contrast, hardware consists of tangible equipment (e.g., computer printer, terminal, etc.).

Costs include all amounts incurred to acquire and to ready the intangible asset for its intended use. Typical intangible property costs include the purchase price, legal fees, and other costs incurred to obtain title to the asset.

F. The Contractor shall record the following information when property is acquired:

1. Date acquired;

2. Property description (include model number);

3. Property identification number

4. Serial number

5. Cost or other basis of valuation;

6. Fund source; and

7. Rate of depreciation (or depreciation schedule), if applicable.

ARTICLE VII. PROPERTY (Continued)

The Contractor shall keep track of property purchased with Contract funds, whether capitalized or not. The Contractor shall maintain and submit to the Department annually with the Closeout, a current inventory of property furnished or purchased by either the Contractor or the subcontractor with funds awarded under the terms of this Agreement or any predecessor agreement for the same purpose. The Contractor shall use the Report of Project Property Furnished/Purchased with Agreement Funds (CDA 32), unless otherwise directed by the Department.

G. Prior to disposal of any property purchased by the Contractor or the subcontractor with funds from this Agreement, the Contractor must obtain approval from the Department regardless of the acquisition value. Disposition, which includes sale, trade-in, discarding, or transfer to another agency may not occur until approval is received from the Department. The Contractor shall use the Request to Dispose of Property (CDA 248) to dispose of property.

H. The Contractor shall immediately investigate and within five (5) days fully document the loss, destruction, or theft of such property.

I. The State reserves title to all State-purchased or financed property not fully consumed in the performance of this Agreement, unless otherwise required by federal law or regulations or as otherwise agreed by the parties.

J. Contractor shall exercise due care in the use, maintenance, protection, and preservation of such property during the period of the project, and shall assume responsibility for replacement or repair of such property during the period of the project, until the Contractor has complied with all written instructions from the Department regarding the final disposition of the property.

K. In the event of the Contractor's dissolution or upon termination of this Agreement, the Contractor shall provide a final property inventory to the State. The State reserves the right to require the Contractor to transfer such property to another entity, or to the State.

L. To exercise the above right, no later than 120 days after termination of the Agreement or notification of the Contractor's dissolution the State will issue specific written disposition instructions to the Contractor.

M. The Contractor shall use the property for the purpose for which it was intended under the Agreement. When no longer needed for that use, the Contractor shall use it, if needed, and with written approval of the State for other purposes in this order:

1. Another Department program providing the same or similar service; or

2. Another Department-funded program.

ARTICLE VII. PROPERTY (Continued)

N. The Contractor may share use of the property and equipment or allow use by other programs, upon written approval of the Department. As a condition of the approval, the Department may require reimbursement under this Agreement for its use.

O. The Contractor or subcontractor shall not use equipment or supplies acquired under this Agreement with federal and/or State monies for personal gain or to usurp the competitive advantage of a privately-owned business entity.

P. If purchase of equipment is a reimbursable item, the equipment to be purchased will be specified in the budget.

Q. The Contractor shall include the provisions contained in this Article in all its subcontracts awarded under this Agreement.

ARTICLE VIII. ACCESS

The Contractor shall provide access to the federal or State agency, Bureau of State Audits, the Controller General of the United States, or any of their duly authorized federal or State representatives to any books, documents, papers, records, and electronic files of the Contractor or subcontractor which are directly pertinent to this specific Agreement for the purpose of audit, examination, excerpts, and transcriptions. The Contractor shall include this requirement in its subcontracts.

ARTICLE IX. MONITORING, ASSESSMENT, AND EVALUATION

A. Authorized State representatives shall have the right to monitor, assess, and evaluate the Contractor's performance pursuant to this Agreement. Said monitoring, assessment, and evaluation may include, but is not limited to, audits, inspections of project premises, inspection of food preparation sites, and interviews of project staff and participants.

B. The Contractor shall cooperate with the State in the monitoring, assessment, and evaluation processes, which include making any Administrative program and fiscal staff available during any scheduled process.

ARTICLE X. AUDITS

A. Contractors that expend $500,000 or more in Federal Awards shall arrange for an audit to be performed as required by the Single Audit Act of 1984, Public Law 98-502, Single Audit Act Amendments of 1996, Public Law 104-156, and Office of Management and Budget (OMB) Circular A-133, and a copy submitted to the:

California Department of Aging
Attention: Audit Branch

ARTICLE X. AUDITS (Continued)

1300 National Drive, Suite 200
Sacramento, California 95834

The copy shall be submitted within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency.

The contractor shall ensure that State-Funded expenditures are displayed discretely along with the related federal expenditures in the single audit report's "Schedule of Expenditures of Federal Awards" (SEFA) under the appropriate Catalog of Federal Domestic Assistance (CFDA) number as referenced in Section B of this Article.

For State contracts that do not have CFDA numbers, the Contractor shall ensure that the State-funded expenditures are discretely identified in the SEFA by the appropriate program name, identifying grant/contract number, and as passed-through the California Department of Aging.

B. The Contractor shall identify the CFDA titles and numbers to the independent auditor conducting the organization's single audit along with each of its subrecipients. The funding source (Federal Grantor) for the following programs is the U.S. Department of Health and Human Services and Centers for Medicare and Medicaid Services.

93.071	Medicare Enrollment Assistance Program
93.779	LIS/MSP Outreach to Low Income Medicare Beneficiaries

C. The Contractor shall perform a reconciliation of the "Financial Closeout Report" to the audited financial statements. The reconciliation shall be maintained and made available for Department review.

D. The Contractor shall have the responsibility for resolving its contracts with subcontractors to determine whether funds provided under this Agreement are expended in accordance with applicable laws, regulations, and provisions of contracts or agreements.

Contract resolution includes:

1. Ensuring that a subcontractor expending $500,000 or more in aggregate in Federal Awards during the subcontractor's fiscal year has met the audit requirements of OMB Circular A-133 as summarized in D;

ARTICLE X. AUDITS (Continued)

2. Issuing a management decision on audit findings within six months after receipt of the subcontractor's single audit report and ensuring that the subcontractor takes appropriate and timely corrective action;

3. Reconciling expenditures reported to the Department to the amounts identified in the single audit or other type of audit, if the subcontractor was not subject to the single audit requirements. For a subcontractor who was not required to obtain a single audit and who did not obtain another type of audit, the reconciliation of expenditures reported to the Department must be accomplished through the performance of alternative procedures (e.g., expense verification reviews/fiscal monitoring assessments);

4. When alternative procedures are used, the Contractor shall perform financial management system testing per existing federal requirements (45 CFR, Subpart C, Part 92.20 and 45 CFR, Part 74.21) which state in part that financial reporting must be accurate, current, and complete; and, accounting records must adequately identify the source and application of funds and must be supported by source documentation. The Contractor shall document system and expense testing to show an acceptable level of reliability, including a review of actual source documents; and

5. Determining whether the results of the reconciliations performed necessitate adjustment of the Contractor's own records.

E. The Contractor shall ensure that the subcontractor single audit reports meet OMB Circular A-133 requirements:

1. Performed timely – not less frequently than annually and a report submitted timely. The audit is required to be submitted within 30 days after receipt of the auditor's report or nine months after the end of the audit period, whichever occurs first.

2. Properly procured – use procurement standards provided for in OMB Circular A-133 and provide maximum opportunities to small and minority audit firms.

3. Performed in accordance with Generally Accepted Government Auditing Standards – shall be performed by an independent auditor and be organization-wide.

4. All inclusive – includes an opinion (or disclaimer of opinion) of the financial statements; a report on internal control related to the financial statements and major programs; an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements; and the schedule of findings and questioned costs.

ARTICLE X. AUDITS (Continued)

5. Performed in accordance with provisions applicable to this program as identified in OMB Circular A-133 Compliance Supplement.

F. Requirements identified in D of this Article shall be included in contracts/agreements with the subcontractor. Further, the subcontractor shall be required to include in its contract with the independent auditor that the auditor will comply with all applicable audit requirements/standards, the Department shall have access to all audit reports and supporting work papers, and the Department has the option to perform additional work, as needed.

G. The contractor shall prepare a summary worksheet of results from the contract resolutions performed of all subcontractors. The summary worksheet shall include, but not limited to, contract amount; amount resolved; variances; whether an audit was relied upon or the Contractor performed an independent expense verification review (alternative procedures) of the subcontractor in making a determination; whether audit findings were issued; and, if applicable, issuance date of the management letter; and any communication or follow-up performed to resolve the findings.

H. Unless prohibited by law, the cost of audits completed in accordance with provisions of the Single Audit Act Amendments of 1996, are allowable charges to Federal Awards. The cost may be considered a direct cost or an allocated indirect cost, as determined in accordance with the provisions of applicable OMB cost principle circulars.

I. Contractor may not charge to Federal Awards the cost of any audit under the Single Audit Act Amendments of 1996 not conducted in accordance with the Act. Contractor may not charge to Federal Awards the cost of auditing a non-federal entity which has Federal Awards expended of less than $500,000 per year, and is thereby exempted under OMB Circular A-133, Subsection __200(d). However, this does not prohibit the Contractor from charging Federal Awards for the cost of conducting a limited-scope audit to monitor its subcontractor to address compliance requirements provided the subcontractor is not required to obtain a single audit. These costs must be charged as an Administrative expense of the Contractor.

J. The Contractor shall cooperate with and participate in any further audits which may be required by the State.

ARTICLE XI. INSURANCE

A. Prior to commencement of any work under this Agreement, the Contractor shall provide for the term of this Agreement, the following insurance:

ARTICLE XI. INSURANCE (Continued)

1. General liability of not less than $1,000,000 per occurrence for bodily injury and property damage combined. Higher limits may be required by the Department in cases of higher than usual risks.

2. Automobile liability including non-owned auto liability, of not less than $1,000,000 for volunteers and paid employees providing services supported by this Agreement.

3. If applicable, contractors and subcontractors shall comply with the Public Utilities Commission (PUC) General Order No. 115-F which requires higher levels of insurance for charter-party carriers of passengers and is based on seating capacity as follows:

   $750,000 if seating capacity is under 8
   $1,500,000 if seating capacity is 8 – 15
   $5,000,000 if seating capacity is over 15

   unless otherwise amended by future regulation.

4. Professional liability of not less than $1,000,000 as it appropriately relates to the services rendered. Coverage shall include medical malpractice and/or errors and omissions.

B. The insurance will be obtained from an insurance company acceptable to the Department of General Services, Office of Risk and Insurance Management, or be provided through partial or total self-insurance acceptable to the Department of General Services.

C. Evidence of insurance shall be in a form and content acceptable to the Department of General Services, Office of Risk and Insurance Management. Insurance obtained through commercial carriers shall meet the following requirements:

1. The Certificate of Insurance shall provide that the insurer will not cancel the insured's coverage without thirty (30) days prior written notice to the State, or ten (10) days written notice if the reason for cancellation is for non-payment of insurance premium.

2. The Certificate of Insurance shall provide the statement: "The Department of Aging, State of California, its officers, agents, employees, and servants are included as additional insureds, with respect to work performed for the State of California under this Agreement." Professional liability coverage is exempt from this requirement.

ARTICLE XI. INSURANCE (Continued)

3. The Department shall be named the certificate holder and the address must be listed on the certificate.

D. The insurance provided herein shall be in effect at all times during the term of this Agreement. In the event the insurance coverage expires during the term of this Agreement, the Contractor agrees to provide the Department, at least thirty (30) days prior to the expiration date, a new certificate of insurance evidencing insurance coverage as provided herein for a period not less than the remaining agreement term or for a period not less than one (1) year. In the event the Contractor fails to keep in effect at all times said insurance coverage, the Department may, in addition to any other remedies it may have, terminate this Agreement.

E. The Contractor shall require its subcontractors or vendors under this Agreement, other than units of local government which are similarly self-insured, to maintain adequate insurance coverage for general liability, worker's compensation liabilities, and if appropriate, auto liability including non-owned auto and professional liability, and further, the Contractor shall require its subcontractors and vendors to hold the Contractor harmless. The subcontractor's Certificate of Insurance shall also name the Contractor, not the State, as the certificate holder and additional insured. The Contractor shall maintain certificates of insurance for all its subcontractors.

F. A copy of each appropriate Certificate of Insurance referencing this Agreement Number, or letter of self-insurance, shall be submitted to the Department with this Agreement.

G. The Contractor shall be insured against liability for Worker's Compensation or undertake self-insurance in accordance with the provisions of the Labor Code and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement (Labor Code Section 3700).

ARTICLE XII. TERMINATION

A. Termination Without Cause

The Department may terminate performance of work under this Agreement without cause in whole or in part, if the Department determines that a termination is in the State's best interest. The Department may terminate the Agreement upon 90 days written notice to the Contractor. The Notice of Termination shall specify the extent of the termination and shall be effective 90 days from the delivery of the Notice of Termination. The parties agree that for the terminated portion of the Agreement, the remainder of Agreement shall be deemed to remain in effect and is not void. Upon termination of the Agreement, the

ARTICLE XII. TERMINATION (Continued)

Contractor shall submit to the Department a Transition Plan as specified in Exhibit E.

B. Termination for Cause

The Department may terminate for cause the performance of work under this Agreement. The Department may terminate the Agreement upon 30 days written notice to the Contractor. The Notice of Termination shall be effective 30 days from the delivery of the Notice of Termination unless the ground for termination is due to threat to life, health or safety of the public and in that case the termination shall take effect immediately. The grounds for termination for cause shall include but not limited to the following:

1. In case of threat of life, health or safety of the public. (Termination of Agreement shall be effective immediately.)

2. A violation of the law or failure to comply with any condition of this Agreement.

3. Inadequate performance or failure to make progress so as to endanger performance of this Agreement.

4. Failure to comply with reporting requirements.

5. Evidence that the Contractor is in an unsatisfactory financial condition as determined by an audit of the Department or evidence of a financial condition that endangers performance of this Agreement and/or the loss of other funding sources.

6. Delinquency in payment of taxes or payment of costs for performance of this Agreement in the ordinary course of business.

7. Appointment of a trustee, receiver, or liquidator for all or a substantial part of the Contractor's property, or institution of bankruptcy, reorganization or the arrangement of liquidation proceedings by or against the Contractor.

8. Service of any writ of attachment, levy of execution, or commencement of garnishment proceedings against the Contractor's assets or income.

9. The commission of an act of bankruptcy.

10. Finding of debarment or suspension, Article II J.

11. The Contractor's organizational structure has materially changed.

ARTICLE XII. TERMINATION (Continued)

12. The Department determines that a Contractor may be considered a "high risk" agency as described in 45 CFR 92.12 local government and 45 CFR 74.14 for non-profit organizations. If such a determination is made, the Contractor may be subject to special conditions or restrictions.

13. Funding is reduced or deleted for any State fiscal year by the Department of Finance, Legislature, or Congress.

C. Contractor's Obligation After Notice of Termination

After receipt of a Notice of Termination, and except as directed by the Department, the Contractor shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any funds due under this clause.

The Contractor shall:

1. Stop work as specified in the Notice of Termination.

2. Place no further subcontracts for materials, or services, except as necessary to complete the continued portion of the contract.

3. Terminate all subcontracts to the extent they relate to the work terminated.

4. Settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts (the approval or ratification of which will be final for purposes of this clause).

D. Effective Date

Termination of this Agreement, shall take effect immediately in the case of an emergency such as threat to life, health, or safety of the public. In all other cases, the termination shall take effect 30 days subsequent to written notice to the Contractor. The notice shall describe the action being taken by the Department, the reason for such action and, any conditions of the termination, including the date of termination. Said notice shall also inform the Contractor of its right to appeal such decision to the Department and the procedure for doing so.

E. Notice of Intent to Terminate by Contractor

Contractor may give the Department 30 days written Notice of Intent to Terminate. In such instance, Contractor shall allow the Department up to 180 days to transition services. Unless mutually agreed upon, the Contractor does

ARTICLE XII. TERMINATION (Continued)

not have the authority to terminate the Agreement. The notice of intent to terminate shall include the reason for such action and the anticipated last day of work. Upon receipt of such notice, the Department will work with the Contractor to terminate the Agreement.

F. In the event of a termination notice, the Department will present written notice to the Contractor of any condition, such as, but not limited to, transfer of clients, care of clients, return of unspent funds, and disposition of property, which must be met prior to termination.

ARTICLE XIII. REMEDIES

The Contractor agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the Department as a result of breach of this Agreement by the Contractor, whether such breach occurs before or after completion of the project.

ARTICLE XIV. DISSOLUTION OF ENTITY

The Contractor shall notify the Department immediately of any intention to discontinue existence of the entity or to bring an action for dissolution.

ARTICLE XV. REVISIONS OR MODIFICATIONS

A. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the parties.

B. The State reserves the right to revise, waive, or modify the Agreement to reflect any restrictions, limitations, or conditions enacted by Congress or the Legislature or as directed by the Executive Branch of State Government.

ARTICLE XVI. NOTICES

A. Any notice to be given hereunder by either party to the other may be effected by personal delivery in writing or by registered or certified mail, overnight mail, postage prepaid, return receipt requested, or overnight mail, provided Contractor retains receipt, and shall be communicated as of actual receipt.

B. Any notice given to the CDA for a contractor's change of legal name, main address, or name of Director shall be addressed to the Director of the Department on the contractor's letterhead.

C. All other notices with the exception of those identified in Article VII. B. shall be addressed to the California Department of Aging, AAA Based Teams, 1300

ARTICLE XVI. NOTICES (Continued)

National Drive, Suite 200, Sacramento, California 95834. Notices mailed to the Contractor shall be to the address indicated on the coversheet of this Agreement.

D. Either party may change its address by written notice to the other party in accordance with this Article.

ARTICLE XVII. DEPARTMENT CONTACT

A. The name of the Department's contact to request revisions, waivers, or modifications affecting this Agreement, will be provided by the State to the Contractor upon full execution of this Agreement.

B. The contractor shall submit the name of its Agency Contract Representative (ACR), for this Agreement by submitting an Agency Contract Representative form to the CDA's Contracts and Business Services Section. This form requires the ACR's address, phone number, e-mail address, and FAX number to be included on this form. For any change in this information, the Contractor shall submit an amended Agency Contract Representative form to the same address. This form may be requested from the Contracts and Business Services Section.

ARTICLE XVIII. INFORMATION INTEGRITY AND SECURITY

A. Information Assets

The Contractor shall have in place operational policies, procedures, and practices to protect State information assets, i.e., public, confidential, sensitive and/or personal information as specified in State Administrative Manual, Section 4841.2., GC Section 11019, Department of Finance (DOF) Management Memo 06-12, and DOF Budget Letter 06-34.

Information assets include (but are not limited to):

- Information collected and/or accessed in the administration of the State programs and services.
- Information stored in any media form, paper or electronic.

B. Encryption on Portable Computing Devices

The Contractor is required to encrypt (or use an equally effective measure), any data collected under this Agreement that is confidential, sensitive, and/or personal including data stored on portable computing devices (including but not limited to, laptops, personal digital assistants, and notebook computers) and/or portable electronic storage media (including but not limited to, discs and thumb/flash drives, portable hard drives).

ARTICLE XVIII. INFORMATION INTEGRITY AND SECURITY (CONTINUED)

C. Disclosure

1. The Contractor shall ensure that personal, sensitive and confidential information is protected from inappropriate or unauthorized access or disclosure in accordance with applicable laws, regulations and State policies. The requirement to protect information shall remain in force until superseded by laws, regulations or policies.

2. The Contractor shall protect from unauthorized disclosure names and other identifying information, concerning persons receiving services pursuant to this Agreement, except for statistical information not identifying any participant.

3. "Identifying information" shall include, but not be limited to, name, identifying number, social security number, state driver's license or state identification number, financial account numbers, symbol or other identifying characteristic assigned to the individual, such as finger or voice print or a photograph.

4. The Contractor shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.

5. The Contractor shall not, except as otherwise specifically authorized or required by this Agreement or court order, disclose any identifying information obtained under the terms of this Agreement to anyone other than CDA without prior written authorization from CDA. The Contractor may be authorized, in writing, by a participant to disclose identifying information specific to the authorizing participant.

6. The Contractor may allow a participant to authorize the release of information to specific entities, but shall not request or encourage any participant to give a blanket authorization or sign a blank release, nor shall the Contractor accept such blanket authorization from any participant.

D. Training/Education

1. The Contractor must provide ongoing education and training, at least annually, to all employees and subcontractors who handle personal, sensitive or confidential information. Contractor employees, subcontractors, and volunteers must complete the required Security Awareness Training module located at www.aging.ca.gov within 30 days of the start date of the Contract/Agreement or within 30 days of the start date of any new employee, subcontractor or volunteer. The Contractor must maintain certificates of completion on file and provide them to CDA upon request. Training may be provided on an individual basis or in

ARTICLE XVIII. INFORMATION INTEGRITY AND SECURITY (CONTINUED)

groups. A sign-in sheet is acceptable documentation for group training in lieu of individual certificates. If internet access is not available, a hardcopy of the training module may be provided to employees and/or volunteers for their completion.

2. Contractor may substitute CDA's Security Awareness Training program with its own Security Training provided such training meets or exceeds CDA's training requirement. Contractors/Vendors shall maintain documentation of training and education provided to their staff, volunteers, and/or subcontractors.

3. All employees and volunteers who handle personal, sensitive or confidential information relating to CDA's programs must participate in Security Awareness Training.

E. Health Insurance Portability and Accountability Act (HIPAA)

The Contractor agrees to comply with the privacy and security requirements of the HIPAA to the extent applicable and to take all reasonable efforts to implement HIPAA requirements. Contractor will make reasonable efforts to ensure that subcontractors comply with the privacy and security requirements of HIPAA.

F. Contractor Confidentiality Statement

The Contractor shall sign and return a Contractor/Vendor Confidentiality Statement CDA 1024 form with this Agreement. This is to ensure that Contractor/Vendors are aware of, and agree to comply with, their obligations to protect CDA information assets from unauthorized access and disclosure.

G. Security Incident Reporting

A security incident occurs when CDA information assets are accessed, modified, destroyed, or disclosed without proper authorization, or are lost, or stolen. The Contractor must report all security incidents to the appropriate CDA Program Manager immediately upon detection. A Security Incident Report form (CDA 1025) must be submitted to the CDA Information Security Officer within five (5) business days of the date the incident was detected.

H. Notification of Security Breach to Data Subjects

1. Notice must be given by the contractor or subcontractor to any data subject whose personal information could have been breached.

ARTICLE XVIII. INFORMATION INTEGRITY AND SECURITY (CONTINUED)

2. Notice must be given in the most expedient time possible and without unreasonable delay except when notification would impede a criminal investigation, or when necessary measures to restore system integrity are required.

3. Notice may be provided in writing, electronically, or by substitute notice in accordance with State law, regulation, or policy.

I. Software Maintenance

The Contractor shall apply security patches and upgrades and keep virus software up-to-date on all systems on which State data may be used.

J. Provisions of this Article

The provisions contained in this Article shall be included in all contracts of both the contractor and its subcontractors.

ARTICLE XIX. COPYRIGHTS AND RIGHTS IN DATA

A. Copyrights

1. If any material funded by this Agreement is subject to copyright, the State reserves the right to copyright such material and the Contractor agrees not to copyright such material, except as set forth in subdivisions (b) and (c) of this section.

2. The Contractor may request permission to copyright material by writing to the Director of the Department. The Director shall consent to or give the reason for denial to the Contractor in writing within sixty (60) days of receipt of the request. If the material is copyrighted with the consent of the Department, the State reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, prepare derivative works, publish, distribute and use such materials, in whole or in part, and to authorize others to do so, provided written credit is given the author.

3. The Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this contract for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

B. Rights in Data

ARTICLE XIX. COPYRIGHTS AND RIGHTS IN DATA (Continued)

1. The Contractor shall not publish or transfer any materials, as defined in item 2 below, produced or resulting from activities supported by this Agreement without the express written consent of the Director of the Department. That consent shall be given or the reasons for denial shall be given and any conditions under which it is given or denied within thirty (30) days after the written request is received by the Department. The Department may request a copy of the material for review prior to approval of the request. This subsection is not intended to prohibit contractors from sharing identifying client information authorized by the participant or summary program information which is not client-specific.

2. As used in this Agreement, the term "subject data" means writings, sound recordings, pictorial reproductions, drawings, designs or graphic representations, procedural manuals, forms, diagrams, workflow charts, equipment descriptions, data files and data processing or computer programs, and works of any similar nature (whether or not copyrighted or copyrightable) which are first produced or developed under this Agreement. The term does not include financial reports, cost analyses, and similar information incidental to contract administration, or the exchange of that information between Area Agencies on Aging to facilitate uniformity of contract and program administration on a statewide basis.

3. Subject only to the provisions of Article XVIII and Article XIX of this Exhibit, the State may use, duplicate, or disclose in any manner, and have or permit others to do so subject to State and federal law all subject data delivered under this Agreement.

4. Materials published or transferred by the Contractor shall state: "This publication has been created or produced by a project funded by a contract with the California Department of Aging with financial assistance, in whole or in part, through a grant from the administration on Aging and the Centers for Medicare & Medicaid Services. Contractors undertaking projects under government sponsorship are encouraged to express their findings and conclusions. These contents do not necessarily represent the policy of the U.S. Department of Health and Human Services or the Department of Aging and the contractor should not assume endorsement by the Federal or State Government."

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY ARNOLD SCHWARZENEGGER, *Governor*

DEPARTMENT OF AGING
1300 National Drive
Sacramento, CA 95834
Internet Home Page: www.aging.ca.gov
TDD Only 1-800-735-2929
FAX Only (916) 327-2081

PROGRAM MEMO

TO: **Area Agency on Aging Directors**	NO.: **PM 09-15(P)**
SUBJECT: Fiscal Year 2009-2010 & 2010-2011 MIPPA GRANT CONTRACTS & DISCUSSION	DATE ISSUED: August 5, 2009
REVISED	EXPIRES: June 30, 2011
REFERENCES: MIPPA GRANT 2009-2010; 2010-2011 The Medicare Improvements for Patients and Providers Act of 2008	SUPERSEDES:

PROGRAMS AFFECTED:
[ ] All [ ] Title III-B [X] Title III-C1/C2 [ ] Title III-D [ ] Title III-E [ ] Title V
[ ] CBSP [ ] MSSP [ ] Title VII [ ] ADHC [ ] Other: _____

REASON FOR PROGRAM MEMO:
[ ] Change in Law or Regulation [ ] Response to Inquiry [X] Other Specify: Transmit "MIPPA" contracts for FYS 2009-2010 & 2010-11

INQUIRIES SHOULD BE DIRECTED TO: **Your Assigned AAA-Based Team Fiscal Specialist**

This Program Memo (PM) transmits your Medicare Improvement for Patient and Provider Act (MIPPA) contracts for State Fiscal Year (FY) 2009-10 and 2010-11. The California Department of Aging (CDA) has received a two-year non-competitive grant from the federal government providing funds to California's Aging Network to assist in expanding Medicare beneficiary enrollment in the Prescription Drug Benefit Low Income Subsidy Program (LIS), the Medicare Savings Program (MSP), and in general rural outreach and enrollment efforts for Medicare Part D.

The total grant of $1,343,000 will be distributed as follows: $675,777 to Area Agencies on Aging (AAA); $328,679 to the four Aging and Disability Resource Centers (ADRC); and $338,356 to Health Insurance Counseling and Advocacy Programs (HICAP). Half of the distributed grant award ($672,000) is allocated for expenditure in FY 2009/10; the second half will be allocated in FY 2010/11.

Please note that while the contracts include the entire grant amount, FY 2009-10 spending will be limited to the FY 2009-10 Budget Display amount. Funds not spent in FY 2009-10 will be available for use in FY 2010-11. Further guidance on this matter will follow.

All AAAs should also note that funding for the second year of the MIPPA program is dependent upon meeting minimum performance levels required by the grants. If these measures are not met, funds for FY 2010-11 may be withheld.

Flex your POWER

Do Your Part to Help California Save Energy
To learn more about saving energy, visit the CDA web site at www.aging.ca.gov

It is extremely important that funds are used so that counties can demonstrate its ability to meet the Centers for Medicare and Medicaid Services (CMS) established performance measures. Funding, if extended for the second year, will expire at the end of the grant term and will not be extended beyond that time. Any remaining funds will be returned to the federal government.

All AAAs will receive their share of AAA funds based on the Intrastate Funding Formula. Each AAA with a HICAP will get an allocation based on HICAP factors. The four AAAs with Aging and Disability Resource Centers (ADRC) will each get one quarter of the total grant designated for ADRCs.

Of the funds allocated, a maximum of eight percent of State Health Insurance Assistance Program for HICAPs and AAA funding may be used for administration of the Program. For the ADRC Program, a maximum of three percent may be used for administration. The comments section of the attached budget display illustrates the maximum dollar amount that may be used for administration.

FY 2009-10 Contract and Budget Display
Please note that this memo conveys the MIPPA Contract. No Planning Estimates were issued in advance of these documents.

MIPPA Budget Due Date
The MIPPA Budget (CDA 229m) form and instructions can be located on the CDA website at www.aging.ca.gov. An electronic copy of your original MIPPA Budget, for the FY 2009-10 period, is due to your assigned AAA-Based Team Fiscal **Specialist as soon as possible, but no later than 30 days from the date of this PM.**

MIPPA Expenditures and Request For Funds
The MIPPA (CDA 245m) form and instructions can be located on the CDA website at www.aging.ca.gov. The CDA 245m will enable AAAs to request an optional annual advance and report monthly expenditures. At the beginning of each contract period AAAs may request an advance of up to 25 percent of their MIPPA funds in each funding source. AAAs will report actual expenditures and funding sources monthly for reimbursement. The advance amount will be recouped from the monthly expenditures, 1/6th per month until fully recouped. The CDA 245m is due to your assigned AAA-Based Team Fiscal Specialist on the 30th of the month following the expenditure report.

Lynn Daucher
Director

Attachments

STATE OF CALIFORNIA - HEALTH AND HUMAN SERVICES AGENCY ARNOLD SCHWARZENEGGER, *Governor*

DEPARTMENT OF AGING
1300 National Drive, Suite 200
SACRAMENTO, CA 95834
Internet Home Page: *www.aging.state.ca.us*
TDD Only 1-800-735-2929
FAX Only (916) 928-2500

INSTRUCTIONS FOR PROCESSING THIS (MIPPA) CONTRACT

All documents must identify the Contractor's legal name ***exactly*** as shown on the Standard Agreement (STD. 213).

DOCUMENTS REQUIRED TO EXECUTE CONTRACT

- **Four Standard Agreements** (Std. 213s with one set of terms and conditions) signed with original signatures. Facsmile signatures will only be accepted in accordance with Government Code 25100.

- **Resolution/Order/Motion** - If your agency is a public entity, the Department requires a Resolution/Order/Motion from the Board of Supervisors or equivalent governing body authorizing the execution of this Contract. If your agency is private nonprofit, the Department requires an authorization via the Board of Directors to execute this Contract. **These documents must reference the Contract Number and may reference more than one Contract Number.** If the document does not also authorize the signing of amendments, another Resolution/Order/Motion will have to be obtained upon the amending of this Agreement

- **Certificate of Insurance** referencing the Contract Number or Letter of Self-Insurance for General Liability. Certificates may reference more than one Contract Number. Certificates and/or Letters of Self-Insurance must meet the conditions specified in ARTICLE XII. of the Agreement. ***The additional insured statement must name the Department of Aging and/or the State of California as the additional insured.***

- **Certificate of Insurance** referencing the Contract Number or Letter of Self-Insurance for Auto Liability. ***The auto liability certificate must name the Department of Aging and/or the State of California as the additional insured.***

- **Contractor/Vendor Statement of Confidentiality (CDA 1024)** a signed copy must be returned with the Contract. A separate signed copy must be returned for each different Contract Number (not each copy of the same Contract Number).

NOTICE:

The Department requires that all of the supporting documents be returned with the Contract as a complete package. An incomplete package will be returned to the Contractor.

Each Contract package must stand on its' own. Copies of supporting documents that do not need original signatures; (i.e., Insurance Certificates, or Resolutions) will be accepted. If you have more than one Contract with the Department; e.g. MSSP, Title V, Title III Contracts, you may not send one Insurance Certificate to cover all three. The document itself may be a copy but there must be a copy for each different Contract Number.

FAILURE to complete each Contract Package or to return the required documents that meet the specifications of the Department will delay processing of the Contract and may affect the timely release of your request for funds.

If you have any questions regarding the terms and conditions/program exhibits of this Agreement, please contact your Team Analyst. If you have questions regarding these instructions, please contact Don Fingado, Contracts Coordinator at (916) 419-7157.

2009-10 MIPPA CONTRACT TRANSMITTAL LETTER
(This letter must be signed and returned with the Contract package.)

Rachel de la Cruz
Manager, Contracts and Business Services
California Department of Aging
1300 National Drive, Suite 200
Sacramento, CA 95834

Enclosed please find all documents required for the execution of my contract with the California Department of Aging (CDA). All documents have been reviewed for completeness and all supporting documents identify the Contractor's name ***exactly*** as shown on the Standard Agreement (Std.213).

The following documents are enclosed. A check has been placed in each appropriate box.

☐ **Four Standard Agreements** (Four Std.213s with one set of terms and conditions) signed with original signatures. Facsmile signatures will only be accepted in accordance with Government Code 25100.

☐ **RESOLUTION/Order/Motion** of meeting authorizing execution of this Contract. **The Contract Number must be referenced in the document. The action taken must also be stated in the document.**

☐ **CERTIFICATE OF INSURANCE** referencing the Contract number or Letter of Self-Insurance for General Liability.

☐ **CERTIFICATE OF INSURANCE** referencing the Contract number or Letter of Self-Insurance for Automobile Liability.

☐ **CONTRACTOR/VENDOR STATEMENT OF CONFIDENTIALITY (CDA 1024)** referencing the Contract number must be signed and returned with this Agreement.

- Upon receipt of a complete and correct contract package, the contract will be promptly executed and a copy sent to me.

- Failure to include all required documents that are complete and correct will result in the package being returned to me via regular mail. The returned package will include a statement indicating the reason(s) for return. Execution of this Contract and the availability of funds may be delayed.

_____ _____
SIGNATURE CONTRACT NUMBER
(Director or designee)

DATE _____

(See reverse side for detailed instructions.)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

732

FROM: Stanley L. Sniff Jr., Sheriff-Coroner-PA

SUBMITTAL DATE: 10/21/09

SUBJECT: Approval of GeoSpective Technologies, a Division of Hollister-Powell & Associates, as a Sole Source Provider of Geographic Data and Related Database Support Services

RECOMMENDED MOTION: Move that the Board of Supervisors approve and authorize the Chairperson to execute an FY 2009-10 Agreement for the provision of customized geographic data files and related database support services with GeoSpective Technologies (GST), a division of Hollister-Powell & Associates, in the amount of $104,500, without securing competitive bids, in accordance with Ordinance 459.4.

BACKGROUND: The Sheriff's Department began using the services of GST in the mid 1980's to obtain geographical and relational data to assist in matching street addresses. GST supplies the data in a format that is readily useable by the Sheriff's Records Management System (RMS) and the Computer Aided Dispatch System (CAD).

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE
Departmental Concurrence

Purchasing: Mark Seiler, Assistant Director

BR 10-055 (Continued on Page 2)

Stanley L. Sniff Jr., Sheriff-Coroner-PA
Will Taylor, Director of Administration

FINANCIAL DATA				
	Current F.Y. Total Cost:	$104,500	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$49,400	Budget Adjustment:	No
	Annual Net County Cost:	$0	For Fiscal Year:	FY 2009-10

SOURCE OF FUNDS: Departmental Budget and Contract Law Enforcement Revenue

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Robert Tremaine

Dep't Recomm.: ☒ Policy ☐ Consent
Per Exec. Ofc.: ☒ Policy ☐ Consent

Prev. Agn. Ref.: 9/16/08 3.41 | **District: All** | **Agenda Number:** 3.43

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

The Sheriff's Department and County Fire have developed a street address database with the County Transportation and Land Management Agency (TLMA). As part of the RMS upgrade project, Tiburon, the project contractor, developed a format for street address validation of our database for use in RMS. Unfortunately, staff has not yet modified Tiburon's new validation format for use in CAD. Consequently, in FY 2009-10 the Department must continue its Agreement with GeoSpective Technologies/Hollister-Powell & Associates.

Price Reasonableness
As an indication of GeoSpective Technologies/Hollister-Powell & Associates' price reasonableness in FY 2009-10, this year's contract cost is the same cost that the firm has offered to the County for the last twelve years.

Date: 10/21/09

From: Riverside County Sheriff's Department

To: Board of Supervisors

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for

The information below is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested: Provision of customized geographic data files and related database support services

Supplier being requested: GeoSpective Technologies (GST), a division of Hollister-Powell & Associates (HP)

Alternative suppliers that can or might be able to provide supply/service: None. Over a long relationship with the Sheriff's Department, GST/HP has developed data file formats specifically to be used with the Sheriff's Computer Aided Dispatch (CAD) and Records Management System (RMS).

Extent of market search conducted: None

Unique features of the supply/service being requested from this supplier which no alternative supplier can provide: Since Tiburon, the firm that developed RMS, upgraded that system and provided a format for validating street addresses from the County's database, GST/HP is now only supplying the street address data in a format that is readily useable by the Sheriff's CAD. However, this year staff will make the necessary modifications to Tiburon's validation format so that it can also be used with CAD.

Reasons why my Department requires these unique features and what benefit will accrue to the County: The geographic data files used in the CAD system are necessary for daily law enforcement Patrol operations.

Price Reasonableness: As an indication of price reasonableness in FY 2009-10, this year's contract cost is the same amount that the firm has offered to the County for the last twelve years.

Does moving forward on this product or service further obligate the County to future similar contractual arrangements: No. In fact, as detailed above, staff will make the necessary modifications to an existing program so that it can be used in CAD, and the Agreement with GST/HP will no longer be necessary.

Department Head Signature — **Date** 10/22/09

Purchasing Department Comments: Approve Approve with Condition/s Disapprove

Purchasing Agent — **Date** 10/22/09

GeoSpective Technologies™
A Division of Hollister-Powell & Associates, LLC
Riverside Main Office
6960 Magnolia Avenue, Suite 205
Riverside, CA 92506
Voice: (951) 328-1090
Fax: (951) 328-1098
Website: http://www.hollister-powell.com

FY09-10
SHERIFF CUSTOM DATA SERVICES
GST Income Agreement Number 09-006-C-001

This document describes services and/or products, and terms and conditions of usage between HOLLISTER-POWELL & ASSOCIATES – GEOSPECTIVE TECHNOLOGIES™, hereinafter referred to as "GST", and the SHERIFF'S DEPARTMENT of Riverside County, hereinafter referred to as the "SHERIFF" for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

TERMS OF GST SERVICES AND PRODUCTS
Quote Q-09-006-001 dated June 2, 2009

WHAT IS COVERED: GST agrees to provide services and/or products for the SHERIFF as referenced in quote Q-09-006-001 dated June 2, 2009 as follows:

A. **SHERIFF ANNUAL SERVICE PACKAGE** consisting of:

1. GST GeoSense© customized data extracts licensed for use in SHERIFF RMS System, including:
   - Creation of three (3) distinct countywide data files derived from GST GeoSense© Data licensed for use in SHERIFF RMS compatible format, including:
     - Countywide RMS "Alias" file containing common street misspellings, duplicate names for streets (historical street name changes), address ranges, and related location attributes (and other address attribute misspellings if requested)
     - Countywide RMS "Intersection" file containing cross-streets address ranges, zip codes, other related location attributes, Sheriff codes, spatial attributes
     - Countywide RMS "Street" file containing street name attributes, address ranges, addressing anomalies (odd/non-standard addressing), Sheriff codes, cross-streets for splits, census tracts, zip codes, other location attributes
   - On-going updates/maintenance of GST custom extract program(s) associated with producing these data extract(s), including all staff time associated with:
     - Batch processing of Data
     - Process monitoring and validation
     - Programming and/or Database changes (as required)
   - On-going updates/maintenance of GST GeoSense© data and SHERIFF boundary layers as necessary to ensure currency/accuracy of data in RMS formatted files (refer to item #5 and item #6 for coverage):
   - Data Exchange in required format, including:
     - Monthly or other mutually agreed upon exchange interval for data files (refer to item #9 for additional coverage)
     - Data exchange monitoring/validation (i.e. ftp, other mutually agreed upon exchange methodologies)
   - Includes all associated technical analysis, working with designated SHERIFF staff on changes/modifications, troubleshooting, and other similar technical support as required for these extracts

2. GST GeoSense© customized data extracts licensed for use in SHERIFF CAD System:
   - Creation of four (4) distinct countywide data files derived from GST GeoSense© Data licensed for use in SHERIFF CAD compatible format, including:
     - Countywide CAD "Alias" file containing common street misspellings, duplicate names for streets (historical street name changes), and related location attributes (and other address attribute misspellings if requested)
     - Countywide CAD "Intersection" file containing cross-streets, intersection addressing, location attributes Sheriff codes, spatial attributes
     - Countywide CAD "Street" file containing street name attributes, address ranges, addressing anomalies (odd/non-standard addressing), spatial attributes, record identifiers, zip codes, location attributes, and Sheriff codes
     - Countywide "AltGrid" file containing Alternate Map Grid locator codes and record identifiers
   - On-going updates/maintenance of GST custom extract program(s) necessary to produce these data extract(s), including all staff time associated with:
     - Batch processing of Data
     - Process monitoring and validation
     - Programming and/or Database changes (as required)
   - On-going updates/maintenance of GST GeoSense© data and SHERIFF boundary layers as necessary to ensure currency/accuracy of data in CAD formatted files (refer to item #5 and item #6 for coverage):
   - Data Exchange in required format, including:
     - Monthly or other mutually agreed upon exchange interval for data files (refer to item #9 for additional coverage)
     - Data exchange monitoring/validation (i.e. ftp, other mutually agreed upon exchange methodologies)
   - Includes all associated technical analysis, working with designated SHERIFF staff on changes/modifications, troubleshooting, and other similar technical support as required for these extracts
3. GST GeoSense© customized data extracts licensed for use in SHERIFF Technical Services Bureau GIS System:
   - Creation of multiple countywide data file(s) derived from GST GeoSense© Data in three (3) industry-standard GIS compatible formats (ArcView® format, Maptitude® format, AtlasGIS® format), licensed for use, including:
     - Countywide ArcView® compatible files in (.DBF, .SHP, .SHX) format including:
       - Cities - Six (6) distinct data layers/information sets
       - Cntybdy – One (1) distinct data layer/information sets
       - County – Six (6) distinct data layers/information sets (including tentative streets)
       - District (School) – Five (5) distinct data layers/information (includes attendance boundaries)
       - Parks – Two (2) distinct data layers/information
       - Roads – Twenty-Two (22) distinct data layers/information (including gated communities, apartment complexes, Mobile Home Parks, street surfaces, street name aliases, addressing anomalies)
       - Schools – Five (5) distinct data layers/information sets (includes school sites)
       - Sheriff – Three (3) distinct data layers/information sets
       - Water – Two (2) distinct data layers/information sets
       - Parcel Bdys* - One (1) distinct data layer/information sets
       - Parcel Centroids* - One (1) distinct data layer/information sets

***Important Note**: GST claims no ownership of Riverside County Parcel data. It is understood that parcel data is public information of which its current distribution and/or terms of usage are coordinated and managed by the County of Riverside – Transportation and Land Management Agency (TLMA), and/or any other county departments as deemed by the County of Riverside, and any other policies, regulations and/or laws as deemed applicable. This dataset provided via authorizing agreement(s) between Sheriff and TLMA and/or any other applicable authorizing agreement(s)/policy. Sheriff must provide GST with reasonable advance written notification of any change in agreement between Sheriff and TLMA related to this dataset to ensure GST has adequate time to fully comply

- Countywide Maptitude® compatible files in (.BIN, .BX, .CDF, .DCB, .STY) format including:
  - Cdps – One (1) distinct data layer/information set (including Census designated places)
  - Cities – One (1) distinct data layers/information sets
  - County – Seven (7) distinct data layers/information sets(including tentative streets)
  - District (School) – Five (5) distinct data layers/information (includes attendance boundaries)
  - IR – One (1) distinct data layer/information set
  - Military – One (1) distinct data layer/information set
  - Parks – Two (2) distinct data layers/information
  - Roads – Twenty-Three (23) distinct data layers/information (including gated communities, apartment complexes, Mobile Home Parks, street surfaces, street name aliases, addressing anomalies)
  - Schools – Seventeen (17) distinct data layers/information sets (including charter schools, continuation schools, colleges, universities, Head Start sites, proposed schools sites (applicable attendance boundaries if requested)
  - Sheriff – Three (3) distinct data layers/information sets
  - Water – Three (3) distinct data layers/information sets
  - Parcel Bdys* - One (1) distinct data layer/information sets
  - Parcel Centroids* - One (1) distinct data layer/information sets

  ***Important Note**: GST claims no ownership of Riverside County Parcel data. It is understood that parcel data is public information of which its current distribution and/or terms of usage are coordinated and managed by the County of Riverside – Transportation and Land Management Agency (TLMA), and/or any other county departments as deemed by the County of Riverside, and any other policies, regulations and/or laws as deemed applicable. This dataset provided via authorizing agreement(s) between Sheriff and TLMA and/or any other applicable authorizing agreement(s)/policy. Sheriff must provide GST with reasonable advance written notification of any change in agreement between Sheriff and TLMA related to this dataset to ensure GST has adequate time to fully comply
- Countywide Atlas-GIS® compatible files in (.AGF, .AGX, .AIF, .ANX, .DBF)
  - One (1) Master countywide file with street and polygons, including the following layers:
    - Cdps – One (1) distinct data layer/information set (including Census designated places)
    - Cities – One (1) distinct data layers/information sets
    - County – Seven (7) distinct data layers/information sets(including tentative streets)
    - District (School) – Five (5) distinct data layers/information (includes attendance area boundaries)
    - IR – One (1) distinct data layer/information set

- Military – One (1) distinct data layer/information set
- Parks – Two (2) distinct data layers/information
- Roads – Twenty-Three (23) distinct data layers/information (including gated communities, apartment complexes, Mobile Home Parks, street surfaces, street name aliases, addressing odd/odd non-standard addresses)
- Schools – Seventeen (17) distinct data layers/information sets (including charter schools, continuation schools, colleges, universities, Head Start sites, proposed schools sites (applicable attendance boundaries if requested)
- Sheriff – Three (3) distinct data layers/information sets
- Water – Three (3) distinct data layers/information sets

➢ One (1) Master countywide Roads file with Census Type A Classification Roads including street names and aliases, addressing, addressing odd (odd non-standard addresses)

- On-going updates/maintenance of GST custom extract program(s) necessary to produce these data extract(s), including all staff time associated with:
  - Batch processing of Data
  - Process monitoring and validation
  - Programming and/or Database changes (as required)
- On-going updates/maintenance of GST GeoSense© data and SHERIFF boundary layers as necessary to ensure currency/accuracy of data in the above formatted files (refer to item #5 and item #6 for coverage):
- Data Exchange in required format, including:
  - Quarterly or other mutually agreed upon exchange interval for data files (refer to item #9 for additional coverage)
  - Data exchange monitoring/validation (i.e. ftp, other mutually agreed upon exchange methodologies)
- Includes all associated technical analysis, working with designated SHERIFF staff on changes/modifications, troubleshooting, and other similar technical support as required for this extract

4. <u>GST GeoSense© applicable data compatible/spatially aligned to Riverside County Parcel* data - No Additional charge for use in SHERIFF Technical Services Bureau GIS System, including</u>:
   - Applicable dataset spatial alignment for Sheriff Technical Services Bureau – GIS System in two (2) industry-standard GIS compatible formats (ArcView® format and Maptitude® format)
   - No additional charge for this added feature
     ***Important Note**: GST claims no ownership of Riverside County Parcel data. It is understood that parcel data is public information of which its current distribution and/or terms of usage are coordinated and managed by the County of Riverside – Transportation and Land Management Agency (TLMA), and/or any other county departments as deemed by the County of Riverside, and any other policies, regulations and/or laws as deemed applicable. This dataset provided via authorizing agreement(s) between Sheriff and TLMA and/or any other applicable authorizing agreement(s)/policy. Sheriff must provide GST with reasonable advance written notification of any change in agreement between Sheriff and TLMA related to this dataset to ensure GST has adequate time to fully comply
5. <u>Annual Maintenance Subscription Service – On-going updates to Data Layers, Data Points and Address/Street related Attributes as referenced in items #1, #2, #3, including:</u>
   - Subscription Service covers all tasks associated with maintaining currency of data for Sheriff extracts listed under items #1, #2, and #3 including all the following as necessary/applicable:
     - Research and analysis of a wide variety of GIS source documents
     - Map preparation, drafting, digitizing, data entry, plotting

- Computerized boundary creation
- Field checks,
- Document Research
- Other related tasks, services and/or products for this service related to on-going update/maintenance of geographic data as applied to SHERIFF boundary layers and Sheriff Data Extracts as necessary for reliability and currency of geographic data used in conjunction with/as specified in this agreement

6. Computerized maintenance of SHERIFF Reporting Districts, Beats and Station Boundaries.
   - GST will make changes/updates to Sheriff Reporting Districts, Beats and Station boundaries as either identified by Sheriff and/or as authorized by Sheriff to do independently (i.e. minor city annexations)
   - Maintenance includes applying current or updated boundaries to all countywide geographic features identified in Sheriff extracts under item #1, #2, and #3
   - Includes any map product, report, or electronic file necessary for validation of boundary changes (as necessary and applicable)
   - Includes annual storage of Sheriff boundary attributes in GST GeoSense© Oracle® Database
7. GST Mapping Services – No Charge Maps covered under SHERIFF Annual Service Package include:
   - One (1) Wall-size Map
     - Territory covers Riverside County
     - Standard features, including: roads, highways, forest boundaries, etc. (others as requested)
     - Boundary layers include cities, Sheriff Stations and Beats
     - Media type shall be White Film (or other similar as requested)
8. Geographic Street Network reports (as requested).
9. High Priority Client Status based upon emergency nature of Department, including:
   - GST will accommodate greater frequency in data extracts as needed by Sheriff beyond the standard exchange interval as defined in items #1, #2, and #3 (as is deemed within the reasonable ability of GST to accommodate)
10. Discounts on products and fees rates as referenced under "SERVICE AND LICENSE TERMS – #8. DISCOUNTS", including;
    - Early Payment Discount
    - Discounts on GST Custom Mapping Projects
      - Waived setup cost
      - A map labor discount as referenced under "SERVICE AND LICENSE TERMS - #8. DISCOUNTS" and "TERMS #10. BILLING RATE SCHEDULE"
      - Discount on total project cost for other optional technical services/products as referenced under "SERVICE AND LICENSE TERMS - #8. DISCOUNTS" and "TERMS #10. BILLING RATE SCHEDULE"
11. GST WebAddmatch© Online Sheriff Site License - Customized Version for Sheriff, including:
    - License bundled as part of SHERIFF ANNUAL SERVICE PACKAGE
    - Program is a Web Accessible address locator to find address location based upon street number and street name and/or cross-streets
    - Accesses GST GeoSense© database to access same information sent to Sheriff via extracts listed under items #1, #2, and #3
    - Finds multiple occurrences of addresses countywide, handles odd/non-standard addresses, duplicate names (historical street names), etc.
    - Customizable retrieval screen displays Sheriff District, Beat, and Station, School districts, Supervisorial Areas, Address Ranges, and other fields
    - Includes WebMap Plug-in which displays a web map of the addmatched address, including streets, station locations, Sheriff boundaries, and business locations, and parcels*.

***Important Note**: GST claims no ownership of Riverside County Parcel data. It is understood that parcel data is public information of which its current distribution and/or terms of usage are coordinated and managed by the County of Riverside – Transportation and Land Management Agency, and/or any other county departments as deemed by the County of Riverside, and any other policies, regulations and/or laws as deemed applicable. This dataset provided via authorizing agreement(s) between Sheriff and TLMA and/or any other applicable authorizing agreement(s)/policy. Sheriff must provide GST with reasonable advance written notification of any change in policy between Sheriff and TLMA related to this dataset to ensure GST has adequate time to fully comply.

SERVICE AGREEMENT AND LICENSE TERMS

1. **ASSIGNMENT OF STAFF**: GST further agrees to assign proper staff members to render the above listed services.
2. **AGREEMENT TERM**: The term of this agreement shall cover the fiscal year beginning July 1, 2009, to and including June 30, 2010.
3. **PAYMENT**: The SHERIFF agrees to pay GST the amount(s) as identified in the following payment schedule:

SHERIFF Annual Service Package Costs

Amount	Description	Payment due Date
$104,500.00	Annual SHERIFF Service Fee	On or before July 31, 2009
$95,000.00	Annual SHERIFF Service Fee Early Payment Discount	July 1, 2009 (or 1st Business Day of July)

OPTIONAL: FY09-10 Custom Mapping Media Costs*

(Mapping Projects not covered under No Charge Maps – May require separate P.O.)

Map Size	Paper	Mult. Copy	Film	PDF	Lamination	Foam Mount
A Size (8 ½ " x 11")	$19.25	$6.05	$30.25	$30.25	$5.00	$7.50
B Size (11" x 17")	$22.55	$8.25	$35.75	$35.75	$7.50	$10.00
C Size (17" x 22")	$29.15	$10.45	$41.25	$41.25	$10.00	$15.00
D Size (22" x 34")	$35.75	$12.65	$46.75	$46.75	$12.00	$20.00
E Size (34" x 44")	$41.25	$14.85	$52.25	$52.25	$15.00	$25.00

*Note: The costs above are for Media only. Does not include map labor associated with specific projects. Refer to #10. Billing Rate Schedule for labor hourly rates

4. **LATE PAYMENTS**: GST, at its option, may impose a late fee for balances outstanding more than thirty (30) days from the date specified on any invoice. If a late payment is assessed, it will be charged at 1.75% per month (21% annum.).
5. **NOT TO EXCEED**: In no event shall the total amount paid under this agreement exceed the sum of **$104,500.00**. Optional custom mapping projects and/or optional additional services not covered under "A. SHERIFF ANNUAL SERVICE PACKAGE" may require separate P.O.(s).

6. **GST DATA AND SOFTWARE:**

Use: GST GeoSense© Geographic Data and/or GST Software provided under this agreement is licensed and intended for the sole and exclusive internal use of SHERIFF CAD, SHERIFF RMS, and SHERIFF TECHNICAL SERVICES BUREAU-USER TECHNICAL SUPPORT-GSI, and intended only for the sole purpose(s) of use in CAD Emergency Dispatching System, RMS Emergency Dispatching System, and Technical Services Bureau-User Technical Support-GIS for graphical display purposes/internal mapping projects for SHERIFF and SHERIFF Stations, and not for any other purpose or use, unless first receiving written permission from GST to do so, or as otherwise authorized in this agreement.

Ownership: GST retains all right, title and interest, including all copyright and intellectual property rights, in and to, any GST GeoSense© Geographic Data and/or GST Software licensed and provided under this agreement, including and all copies thereof. GST GeoSense© Geographic Data and/or GST Software is provided exclusively on a lease and/or license only basis for the duration of this agreement, and ownership of GST GeoSense© Geographic Data and/or GST Software is neither transferred to SHERIFF, nor should be construed nor implied to be transferred to SHERIFF, under this agreement. GST Data and/or GST Software ownership interest belongs exclusively to Hollister-Powell & Associates – GeoSpective Technologies™ and exists in perpetuity, and all corresponding terms of the agreement shall likewise exist in perpetuity. Such ownership shall include right of reproduction, distribution and/or sale to third parties and all copyrights, patents, licenses, or similar intellectual property rights resulting from the use and/or development of Data.

Limitations of Use: SHERIFF may not loan, rent, lease, sublicense, distribute or otherwise transfer all or any portion of GST GeoSense© Geographic Data and/or GST Software to other county departments, other public or private agencies/organizations, and third party vendors without first receiving GST's written permission to do so. GST maintains the right to determine whether or not to provide its data and/or software to any third party vendor, and assumes no obligation to do so within this agreement with SHERIFF. If such permission is granted to a third party vendor by GST, all third party vendors working on behalf of SHERIFF shall sign a GST SHERIFF Third Party Data Usage Agreement specifying terms for use of GST Data . Use of GST GeoSense© Data and/or GST Software should be restricted within, by, and for the Riverside County SHERIFF as specified under "6. GST DATA AND SOFTWARE: Use.", unless otherwise expressly authorized in writing by GST. SHERIFF may not copy GST GeoSense© Data and/or GST Software except as expressly set forth in this agreement, and any copies that SHERIFF is permitted to make pursuant to this agreement must contain the GST copyright, patent and other intellectual property markings that appear on or in the GST Data and/or GST Software. SHERIFF may not modify, adapt, or translate the GST Data and/or Software. For purposes of security, vendor utilization must be registered and approved by Hollister-Powell & Associates – GeoSpective Technologies™. SHERIFF shall be held liable for any intentional misuse of GST Data and/or Software, which is within the reasonable scope of the SHERIFF to administer and monitor.

Reverse Engineering: Except and to the limited extent as may be otherwise specifically provided by applicable law, SHERIFF may not reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, underlying ideas, underlying user interface techniques or algorithms of GST GeoSense© Data and/or GST Software by any means whatsoever, directly or indirectly, or disclose any of the foregoing, except to the extent SHERIFF may be expressly permitted to decompile under applicable law, if it is essential to do so in order to achieve operability of the Data and/or Software with another software program, and SHERIFF has first requested Hollister-Powell & Associates to provide the information necessary to achieve such operability and Hollister-Powell & Associates has not made such information available. SHERIFF shall not use GST Data and/or Software to develop any data, software or other technology having the same primary function as the GST Data and/or Software, including but not limited to using the GST Data and/or Software in any development or test procedure that seeks to develop like data and/or software or other technology, or to determine if such software or other technology performs in a similar manner as the Software.

License Agreements: SHERIFF shall abide by all conditions and terms as set forth in this agreement and any corresponding GST Data and/or Software EULA (End User License Agreement) for Data and/or Software licensed through this agreement (Refer to any applicable corresponding Data and/or Software EULA for details).

Data Warranty: GST GeoSense© geographic data is updated from many different sources, including legal and/or public documents available from various county, city and other sources, third-party data sources, on-site field validation checks, and so forth. GST makes a conscientious effort to ensure its geographic data is as current and accurate as reasonably possible. Although the GST geographic data used in conjunction with the various projects/products outlined in this agreement is deemed reliable, GST offers no warranties or assumes/accepts any liabilities for its use, nor implies or offers any guarantee of its suitability for a specific use or purpose.

7. **GEOGRAPHIC TERRITIORY**: The GST Geographic Data and/or services that may be provided under this agreement will be limited to the sphere of influence of the Riverside County SHERIFF unless otherwise modified in writing to include additional territories, and/or as specified in an End User License Agreement for GST data and/or software, and/or any other mutually agreed upon binding agreement authorized by GST as applicable.
8. **DISCOUNTS**: GST guarantees SHERIFF discount prices for the following:
    - Early Payment Option: A $9,500.00 discount off the full Annual SHERIFF Service Fee of $104,500.00 if payment is received in full on July 1, 2009 (or by the first business day of July, 2009).
    - Custom mapping projects: A 33% discount on map labor for Optional Custom mapping Projects and waive of $200.00 Standard Map Set-up Fee on new mapping projects. Discount applies to Riverside County Sheriff Department, and Sheriff Stations/Contract Cities.
    - Other Optional Technical services: Other related GIS technical consulting, application development/programming services shall apply a 25-30% discount on the total cost of each unique project. All discounts are based upon time and assigned hourly rate from the Billing Rate Schedule in #10.
9. **ADDITIONAL SERVICES**: SHERIFF may contract with GST for additional services not specifically described under "A. SHERIFF ANNUAL SERVICE PACKAGE", "B. GST WEB ADDMATCH© PACKAGE". Said services shall be billed in addition to fees specified in "3. PAYMENT", and based upon and for the hours worked and the rate and fee schedule listed below. Discounts will be offered on projects of extended duration. Discount applied is dependent upon project duration

10. **BILLING RATE SCHEDULE**: The billing rate schedule for this agreement is as follows:

FY09-10 BILLING RATE SCHEDULE

Classification	Hourly Rate
Data Entry	$38.50
Technician	$60.50
Sr. Technician	$93.50
Programmer	$132.00
Database Developer/DBA/Manager	$165.00
Manager	$110.00
Sr. Manager	$126.50
Web Developer/Designer	$110.00
Trainer (class size 1-3 students)	$137.50

11. **DEPENDENCY TASKS**: GST assumes no responsibility or liability for project delays, or failure to include any information or Data, or complete a required task and/or project, due to delays or failure on the part of SHERIFF, including its agents and/or other consultants, to properly provide necessary SHERIFF information and/or perform necessary dependency tasks, which results in lack of reasonable and sufficient time for GST to properly process and/or prepare information, and/or complete a required task as defined in this agreement.
12. **INDEPENDENT CONTRACTOR**: GST, while engaged in the performance of this agreement, is an independent contractor, and is not an officer, agent or employee of SHERIFF.
13. **HOLD HARMLESS**: The parties hereto, and each of them, do hereby mutually agree to indemnify, defend, save and hold harmless each other, their respective officers, agents, servants and employees, of and from any and all liability, claims, demands, debts, suits, actions and causes

of action, including wrongful death and reasonable attorneys fees for the defense thereof, arising out of or in any manner connected with the performance of any act or deed under or pursuant to the terms and provisions of this agreement by such indemnifying party, or its officers, agents, servants and employees.

This indemnification shall apply with equal force to any and all liabilities, claims, debts, damages, demands, suits, actions and causes of action related to actual or alleged infringement or violation of any copyright, patent, license, trade secret or similar intellectual property rights by SHERIFF or subcontractor of SHERIFF.

14. **CHANGES:** This agreement may only be amended in writing by the mutual consent of the parties hereto.

15. **TERMINATION**: This is an auto-renew agreement, which requires that SHERIFF provide GST advance notice of intent to not renew for the next corresponding fiscal year. Such notice shall be in writing and must be received by GST not less than thirty (30) days prior to the expiration of this agreement. If such written notice is received, and this agreement expires, the following termination conditions and terms apply:

GST GeoSense© Geographic Data: (a) SHERIFF must cease use of any and all GST GeoSense© Geographic Data and/or GST Software licensed and provided under this agreement; (b) SHERIFF must remove GST GeoSense© Geographic Data from any and all Database tables and storage devices, and destroy all copies of GST Geographic Data then in SHERIFF possession and/or control, (c) SHERIFF shall take such other actions as Hollister-Powell & Associates may reasonably request to ensure that no unlicensed and/or unauthorized usage of GST GeoSense© Geographic Data continues after the expiration of this agreement, and all copies of GST Geographic Data no longer exists in SHERIFF possession and/or control; (d) At the option of GST, SHERIFF shall sign and return a "Verification of Non-Use of Proprietary Data" form indicating SHERIFF has compiled with aforementioned termination terms and conditions related to GST Geographic Data.

GST Software. (a) SHERIFF must cease use of any and all GST Software licensed under this agreement; (b) As applicable, SHERIFF must uninstall and/or remove GST Software from any and all computer storage devices, and destroy all copies of GST Software then in SHERIFF possession and/or control, (c) SHERIFF shall take such other actions as Hollister-Powell & Associates may reasonably request to ensure that no unlicensed or unauthorized use of GST Software continues after the expiration of this agreement, and as applicable, all copies of GST Software no longer exist in SHERIFF possession and/or control; (d) At the option of GST, SHERIFF shall sign and return a "Verification of Non-Use of Proprietary Software" form indicating SHERIFF has compiled with aforementioned termination terms and conditions related to GST Software;

IN WITNESS WHEREOF, the parties hereto have executed this agreement, and agreed to all conditions herein stated, on the day and year first above written.

SIGNATURES:

HOLLISTER-POWELL & ASSOCIATES – GEOSPECTIVE TECHNOLOGIES™
6960 Magnolia Avenue, Suite 205
Riverside, CA 92506-2816

Signature/Date

RIVERSIDE COUNTY SHERIFF'S DEPT.
Technical Services Bureau
1260 Palmyrita Avenue
Riverside, CA 92507

Signature/Date

FORM APPROVED COUNTY COUNSEL
BY: _____
NEAL R. KIPNIS DATE

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

933

FROM: Stanley L. Sniff Jr., Sheriff-Coroner-PA

SUBMITTAL DATE:
08/19/09

SUBJECT: Approval of a Memorandum of Understanding with San Diego County for the Sheriff's Continued Participation on the Computer and Technology Crime High-Tech Response Team

RECOMMENDED MOTION: Move that the Board of Supervisors:
1. Approve the FY 2009-10 Memorandum of Understanding (MOU) with the San Diego County District Attorney, on behalf of San Diego County, for the Sheriff's continued participation as a member of the Computer and Technology Crime High-Tech Response Team (CATCH), and authorize the Sheriff to sign all copies of the MOU.

2. Approve and direct the Auditor-Controller to make the budget adjustments on the attached Schedule A.

BACKGROUND: Since its formal inception in 2002, the Sheriff's County CATCH Team and the County District Attorney have participated on a regional team with the San Diego County District Attorney and Sheriff's Department, the San Diego Police Department, the State Department of Justice, the Imperial County District Attorney and the State Department of Motor Vehicles.

(Continued on Page 2)
BR 10-053

for
Stanley L. Sniff Jr., Sheriff-Coroner-PA
Will Taylor, Director of Administration

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY SAMUEL WONG 10/26/09
Department Concurrence

FORM APPROVED COUNTY COUNSEL
BY NEAL R. KIPNIS DATE

FINANCIAL DATA				
	Current F.Y. Total Cost:	$230,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$0	Budget Adjustment:	Yes
	Annual Net County Cost:	$0	For Fiscal Year:	FY 2009-10

SOURCE OF FUNDS: State Grant Funds

Positions To Be Deleted Per A-30 ☒
Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION: APPROVE
BY:
Robert Tremaine
County Executive Office Signature

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
☒ Policy ☐ Consent ☒ Policy ☐ Consent
Per Exec. Ofc.:

Prev. Agn. Ref.: 3/12/02 3.40 | **District:** All | **Agenda Number:** 3.44

The San Diego County District Attorney's Office is one of five regional law enforcement agencies that receives state funding pursuant to the High Technology Theft Apprehension and Prosecution Program. In FY 2009-10, the San Diego County District Attorney's Office is allocating $230,000 from this grant to fund a Riverside County Sheriff's Sergeant, an Office Assistant III and overtime.

The Sheriff's CATCH Team currently has nine authorized positions with eight funded, and a FY 2009-10 operating budget of $1,125,331. Therefore, after appropriating for this new grant revenue, the net County cost for the team totals $895,331.

Schedule A

Increase Appropriations:

10000-2500300000-510040	Regular Salaries	$151,474
10000-2500300000-510420	Overtime	4,464
10000-2500300000-518080	Other Budgeted Benefits	536
10000-2500300000-518100	Budgeted Benefits	73,526
	Total	$230,000

Increase Estimated Revenues:

10000-2500300000-755180	CA-From Other Government Agencies	$230,000

CATCH TEAM
MULTI-AGENCY HIGH-TECH TASK FORCE
MEMORANDUM OF UNDERSTANDING

PURPOSE

The purpose of the MOU is to formalize relationships between the agencies participating in this task force and to outline the mission and procedures for the Computer And Technology Crime High-Tech Response Team (hereafter referred to as CATCH). In the 2009-2010 fiscal year, the High Technology Theft Apprehension and Prosecution Program (HTTAP) Identity Theft and High Task Force grants were merged. Because of the merger of the grants, CATCH and CATCH-ID are interchangeable terms. However, reference to CATCH will be made throughout since the Riverside County Sheriff's Department participation will be on the CATCH team.

MISSION

The mission of CATCH is to apprehend and prosecute high-technology criminals and protect our citizens from high-tech and identity theft crime. The program is created on the premise that the ability of law enforcement to properly investigate and prosecute high-technology crimes will be enhanced by a cooperative pooling of resources and knowledge. CATCH will investigate the following types of cases:

1. Cases where technology is the prime instrumentality of the crime;
2. Cases where technology is the target of the crime; or
3. Cases where a particularized understanding of technology is required to successfully investigate or prosecute a case.

ADMINISTRATIVE RESPONSIBILITIES

The San Diego County District Attorney's Office is the lead agency for CATCH and agrees to accept the administrative responsibilities for the state grant and the acquisition of associated match funding, the implementation of fiscal and procurement policies, the maintenance of grant related records, and the supervision of programmatic objectives.

A San Diego County Deputy District Attorney is assigned as the grant's Project Director. The Project Director also provides for dedicated, full-time vertical prosecution for all adult and juvenile criminal cases in the San Diego CATCH region of responsibility, and provides on call legal services to assist CATCH investigators involved in tactical operations.

A San Diego Supervising District Attorney Investigator is assigned as the Law Enforcement Coordinator. The Law Enforcement Coordinator administers all field operations, provides for the immediate supervision of CATCH team Supervisors (Sergeants) and members, assigns case and forensic responsibilities, facilitates the team's tactical operations, and liaisons with each law enforcement agency's chain of command

relative to CATCH policy and personnel issues. The Law Enforcement Coordinator will prepare a report of ongoing and completed investigations for CATCH High-Tech and CATCH-ID. This report shall be presented to the Executive and Steering Committees.

The daily operations of CATCH are managed by the Project Director and Law Enforcement Coordinator who are vested with the authority to manage the program and create and update policy for task force operations. Because of the accountability and responsibility for the grant administration, the CATCH Project Director and CATCH Law Enforcement Coordinator have the final authority in all decisions effecting the CATCH operation and activities of CATCH members.

AGENCY COMMITMENT

The Participating Agency agrees to assign to CATCH one full time Detective Sergeant and four full time Detectives. Full time assignment means the designated staff position will report directly to the CATCH location on a daily basis for a 40 hour average work week. For those agencies that are providing a portion of the in kind grant match, the so designated positions will remain staffed through the grant year.

ACTIONS

Subject to funding levels remaining relatively unchanged, each agency commits as follows:

- CATCH will develop, document, and manage the program details in compliance with Cal-EMA Grantee regulations and the goals listed in the Request for Proposals.
- The San Diego County District Attorney will accept responsibility for overall fiscal management of the state grant, including the identification of the state required 25% match funding.
- CATCH will provide the task force infrastructure, including office environment, supplies and computer equipment.
- CATCH will fund appropriate CATCH approved training for the Participating Agency staff agent assigned to CATCH.
- CATCH will reimburse the Riverside County Sheriff's Department for up to $170,000 of Salary and Benefits of the assigned Riverside County Sheriff's Sergeant. Note that it is understood that although this is not full reimbursement, the Riverside County Sheriff's Department will find alternative funds for the difference and keep the Riverside County Sheriff's Sergeant assigned for the full year.
- CATCH will reimburse the Riverside County Sheriff's Department for up to $55,000 of Salary and Benefits of the assigned Riverside County Sheriff's Office Assistant. Note that it is understood that although this is not full reimbursement, the Riverside County Sheriff's Department will find

alternative funds for the difference and keep the Riverside County Sheriff's Office Assistant assigned for the full year.

- The Participating Agency will assign one full time grant funded Detective Sergeant to CATCH operations.
- The Participating Agency will assign one full time grant funded Office Assistant to CATCH operations.
- The Participating Agency will assign four full-time Participating Agency funded Detectives to CATCH operations, one or more of whom may be identified as part of the requisite in-kind CalEMA match.
- The Participating Agency will equip the investigators with standard safety equipment and a vehicle suitable for surveillance operations.
- Participating Agencies who agree to provide a portion of the in kind match, will keep the selected personnel in place during those fiscal years. If the current personnel are transferred from CATCH, a replacement must be assigned to ensure there is no break in participation in the task force operation.
- The Participating Agency will keep the selected personnel in place for at least 36 months, subject to selection criteria listed below under "Personnel and Administrative Matters."

PERSONNEL AND ADMINISTRATIVE MATTERS

- **Selection and Termination of Personnel**

All agencies recognize that an enthusiastic cooperative attitude by the team members is critical to success in a task force environment. This is best implemented by including the CATCH Project Director and or CATCH Law Enforcement Coordinator in the interview and selection process. Final selection will be made by the agency head.

CATCH reserves the right to request that a participating agency replace personnel who are not succeeding in the task force environment. All parties agree in advance to make a reassignment within 45 days from the date a participating agency receives a written request from CATCH to make a reassignment.

- **Commitment**

Because of the expertise required to conduct high tech investigations and the time and financial investment in training those personnel, participating agencies agree not to transfer or reassign the assigned personnel for a period of at least 36 months from the date the particular individual begins the assignment in the task force, except for the following reasons:

- the individual is promoted;
- the individual leaves the employ of the participating agency; or
- CATCH requests that the individuals be reassigned.

- **Policy and Procedure Manual: S.O.P.**

The policy and procedure manual for operations is in the form of Standard Operating Procedures available to all member agencies and assigned staff. The CATCH SOP recognizes member agency procedures, and addresses all aspects of task force operations, including these listed below.

- **Supervision**

Supervision of the field investigative personnel assigned to CATCH will be the immediate responsibility of the CATCH Sergeants and the ultimate responsibility of the CATCH Law Enforcement Coordinator. The on-site Sergeant will participate in the performance review of the investigators and will provide to the participating agencies written statements and evaluations of the investigators' performance, attitude, and skills in compliance with the investigator's agency guidelines upon request.

- **Timesheets**

The CATCH on site Sergeant will review all time sheets before they are submitted to the participating agency where CATCH has fiscal responsibility for the salary, benefits, or overtime associated with that staff position. The on site Sergeant may approve up to 10 hours of overtime per pay period for each investigator without prior approval. Overtime requests for more than 10 hours in a given pay period for any investigator requires pre-approval from the Law Enforcement Coordinator.

- **CATCH Personnel Training Requests**

All participating agencies recognize the importance and value of training. The Project Director and Law Enforcement Coordinator will be responsible for reviewing and approving investigator training requests. CATCH will pay for the tuition, materials, hotel, car rental and meal per diem costs using San Diego County procedures and limits for the investigators attending CATCH approved training.

- **CATCH Training**

All participating agencies recognize the importance and value of providing training to local law enforcement and the public. This is also part of the program goals and objectives for the state. The participating agencies agree to participate in programs and trainings to meet this objective, as directed by the Project Director and Law Enforcement Coordinator.

- **Compensation**

CATCH will reimburse salary and benefits for those personnel previously designated in this MOU. CATCH approved overtime for task force staff specified in this MOU will be reimbursed to qualifying agencies upon timely claims to the grant fiscal manager. This reimbursement will be limited to the projected and available overtime budget funding. Overtime over these limits will be funded by the participating agency. San Diego County District Attorney fiscal administrative staff reserves the right to defer or refuse payment on claims not submitted in a timely manner.

- **Reports**

A copy of all CATCH investigative records will be maintained at the San Diego County District Attorney's Office. Team members are expected to forward copies of their investigative reports to their own agencies where appropriate. All investigative information will be available to each of the participating law enforcement agencies on an as-needed basis.

- **Maintenance of Case Tracking Information**

Because of the accurate case reporting responsibility of the grant holders to the state, all CATCH personnel and agencies agree that investigations and prosecutions will be tracked in the CATCH database that resides in the San Diego CATCH office. The existence and current status of all investigations and prosecutions must regularly be input into the database and kept updated. This input and updating must occur on a frequency of at least twice per week.

- **Prosecution**

Cases will be prosecuted in state or federal court based upon which court system would be of greatest benefit to the overall objective of CATCH and upon the guidelines and policies of the prosecutorial agencies.

- **Media Relations**

In cases of significant public interest, joint press releases may be made. However, all media inquiries must be referred to the Project Director, without comment by any individual or agency. Information regarding routine apprehensions may be furnished to the press by the Coordinator agency and each agency's Press Information Officer will be notified. All participating federal agencies will coordinate all press releases with the U.S. Attorney's Office.

- **Counterparts**

This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

- **Executive Committee**

The daily operations of CATCH and CATCH-ID are managed by the Project Director and Law Enforcement Coordinator who are vested with the authority to run the program and create and update policy for task force operations.

Oversight is provided by an Executive Committee which is comprised of the agency head (or their designee) of each law enforcement agency that assigns at least one half time investigator to either CATCH or CATCH-ID.

Members of the Executive Committee shall meet together with the Law Enforcement Coordinator and Project Director as needed.

The Project Director and Law Enforcement Coordinator will provide a report to the Executive Committee the number and types of cases being investigated and prosecuted by CATCH and CATCH-ID, the training received by CATCH and CATCH-ID investigators, the training provided by CATCH and CATCH-ID investigators and a report on the funds received and expended by CATCH and CATCH-ID.

The Project Director and Law Enforcement Coordinator will also seek ratification by the Executive Committee of any major policy decisions or changes implemented during the preceding year.

The Executive Committee will assist the Project Director and Law Enforcement Coordinator in recruiting additional personnel and agencies to participate in CATCH.

The Executive Committee will assist the Project Director and Law Enforcement Coordinator in the development of administrative procedures and investigative strategies and objectives.

The Executive Committee will assist the Project Director and Law Enforcement Coordinator in obtaining resources, including funds, equipment, vehicles and other items required to support the mission of CATCH in the event that grant funding becomes insufficient.

- **Steering Committee**

The Steering Committee will consist of the Project Director and Law Enforcement Coordinator, Command Level officers from each of the participating agencies and members of the local High Technology Industry.

The Steering Committee will assist the Project Director and Law Enforcement Coordinator in recruiting additional personnel and agencies to participate in CATCH and in the development of administrative procedures, investigative objectives and strategies. The Steering Committee will also assist in obtaining resources, including funds, equipment, vehicles and other items required to support the mission of CATCH. The Steering Committee will meet quarterly.

The Project Director and Law Enforcement Coordinator will provide a report to the Executive and Steering Committees detailing the number and types of cases being investigated and prosecuted by CATCH, the training received by CATCH investigators, the training provided by CATCH investigators and a report on the funds received and expended by CATCH.

- **Modification of Agreement**

This MOU may be modified or amended at any time using the procedure described in this section. Any agency desiring to make a modification or amendment will submit the proposal in writing to the other participating agencies. The amendment or proposal will be voted on by the executive committee. The meeting will occur on the first Tuesday of the month following delivery of the proposed

amendment. If that date provides less than 14 days notice, the meeting will occur on the first Tuesday of the next month. At the meeting, any proposed amendment receiving 75% of the vote of those executive committee members (or their representatives) present at the meeting will be incorporated into this agreement and binding upon all participating agencies.

- **Duration and Termination of Agreement**

All terms in the agreement are contingent upon continued and sufficient funding of CATCH through the Office of Cal-EMA. If funding is eliminated or materially reduced, this agreement can be terminated or modified by CATCH or the San Diego County District Attorney's Office upon written notice to the participating agencies. CATCH will exist as long as there are at least two participating agencies and sufficient funding to operate.

- **Withdrawal of an Agency**

The participation of a specific agency may be withdrawn at any time by that participating agency delivering a written notice of withdrawal to the other participating agencies. Such withdrawal will not take effect for 60 days from the delivery of the notice of termination to the District Attorney. The participating agency agrees to honor their commitment and keep the investigator working in CATCH for the sixty days between the giving of notice and its taking effect. Any agency's termination of their involvement in CATCH will not negate the continuing agencies' participation and agreement under any existing MOU.

- **Respective Responsibilities**

For the purpose of indemnification, each participating agency of CATCH shall be responsible for the acts of its participating personnel and shall incur any liabilities arising out of the service and activities of those personnel while participating in CATCH. Personnel assigned to CATCH shall be deemed to be continuing under the employment of their jurisdictions and shall have the same powers, duties, privileges, responsibilities and immunities as are conferred upon them as peace officers in their own jurisdictions.

LOCATION

CATCH will operate from physical space located at 9630 Aero Drive, San Diego, California, and from 1500 Castellano Road, Riverside, California, or other suitable locations within our three-county area of responsibility. The San Diego County District Attorney's Office agrees to arrange for the equipment and supplies necessary to carry out the administrative responsibilities of CATCH at such locations.

NONDISCRIMINATION CLAUSE

All participating agencies will comply with Title VI of the Civil Rights Act of 1964 and all requirements imposed or pursuant to the regulations of the U.S. Department of Justice (CFR, Part 42, Subparts C and D) issued pursuant to Title VI relating to

discrimination on the grounds of race, color, creed, sexual orientation, sex, age, or national origin and equal employment opportunities.

San Diego County District Attorney	Name	Signature	Date
CATCH	Name	Signature	Date
Riverside County Sheriff's Department	Name	Signature	Date

FORM APPROVED COUNTY COUNSEL
BY: _____
NEAL R. KIPNIS DATE

620

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Stanley L. Sniff Jr., Sheriff-Coroner

SUBMITTAL DATE:
10/13/09

SUBJECT: Approval of the School Resource Officer Agreement with the Riverside County Superintendent of Schools

RECOMMENDED MOTION: Move that the Board of Supervisors:
1. Approve the School Resource Officer (SRO) Agreement with the Riverside County Superintendent of Schools, and authorize the Chair to sign all copies of the document.
2. Approve and direct the Auditor-Controller to make the budget adjustments on the attached Schedule A.

BACKGROUND: Under this Agreement with the County Superintendent of Schools, the Sheriff's Department will place a Deputy Sheriff to serve as a SRO on the campus of the Mt. San Jacinto Regional Learning Center. Normal duties for these Officers include patrolling the campuses, investigating crimes and counseling students and their parents.

As with other recent law enforcement services contracts, staff is not recommending the creation of an additional Deputy position in the Department to fulfill contractual duties; rather, the Department is recommending the use of a previously frozen Deputy position.

All costs for this service will be fully recovered through Board-approved rates. County Counsel has approved the Agreement as to form.

Stanley L. Sniff Jr., Sheriff-Coroner
Will Taylor, Director of Administration

FINANCIAL DATA				
	Current F.Y. Total Cost:	$99,825	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	$ 0	For Fiscal Year:	FY 2009-10

SOURCE OF FUNDS: School Services Law Enforcement Revenue
BR 10-051

Positions To Be Deleted Per A-30 ☒
Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Robert Tremaine

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY SAMUEL WONG 10/14/09
Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: | **District: 3** | **Agenda Number:** 3.45

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Schedule A

Increase Appropriations:

10000-2500300000-510040	Regular Salaries	$69,131
10000-2500300000-518100	Budgeted Benefits	29,194
10000-2500300000-528920	Car Pool Expense	1,500
	Total	$99,825

Increase Estimated Revenues:

10000-2500300000-773570	School Services Law Enforcement	$99,825

Agreement Number C-1001983
Fiscal Year 2009 - 2010

LAW ENFORCEMENT SERVICES AGREEMENT FOR THE PROVISION OF SCHOOL RESOURCE OFFICERS BETWEEN THE COUNTY OF RIVERSIDE AND THE RIVERSIDE COUNTY SUPERINTENDENT OF SCHOOLS

THIS AGREEMENT is made and entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, on behalf of its Sheriff's Department, hereinafter "SHERIFF", and the RIVERSIDE COUNTY SUPERINTENDENT OF SCHOOLS, hereinafter "RCSS".

WHEREAS, SHERIFF and RCSS have identified a need to provide additional law enforcement among RCSS's school sites, and specifically at Mt. San Jacinto Regional Learning Center; and

WHEREAS, SHERIFF and RCSS share common goals that include the provision of programs within RCSS's jurisdiction that address the needs of students at risk; and

WHEREAS, SHERIFF and RCSS desire to work cooperatively toward these goals by entering into this Agreement to place one Deputy Sheriff as a School Resource Officer, herein after referred to as a SRO, on the Mt. San Jacinto Regional Learning Center campus as needed to assist in the teaching of police science classes and to be a visual deterrent to aberrant behavior and thereby enhance the Riverside County Office of Education (RCOE) - RCSS's campus control and student protection;

IT IS THEREFORE AGREED AS FOLLOWS:

1. TERM This Agreement shall be effective from October 1, 2009 through June 30, 2010, unless sooner terminated as provided in Paragraph 8.

2. SCOPE OF SERVICES

A. SHERIFF agrees to provide a Deputy Sheriff to serve as a SRO. The duties of the SRO shall include provision of class presentations on relevant law enforcement issues, patrol of the Mt. San Jacinto Regional Learning Center campus, investigation of crimes, maintenance of order on campus, counseling of students and their parents, and serving as a liaison at this school site. The SRO will also serve a liaison role between the educators employed by the RCOE-RCSS, the School Attendance Review Boards (S.A.R.B.), the Probation Department, and other law enforcement officials, and perform other related duties. It is understood that the SRO will be assigned to RCSS on a full-time basis. Work hours will normally be 0700 to 1500 hours on weekdays.

B. RCSS agrees to comply with all reasonable requests of SHERIFF necessary to the performance of the SRO's duties under this Agreement. RCSS agrees to furnish space at said

school site for use by SRO while performing the above-described services.

3. MODIFICATION OF SERVICES No portion of the services or responsibilities of either party described in this Agreement may be eliminated, reduced, or appreciably changed without the mutual written consent of both parties.

4. COMPENSATION RCSS shall reimburse SHERIFF the full cost of rendering service pursuant to this Agreement. Such cost of services shall be established by the County Board of Supervisors in the form of an hourly rate for a SRO and a mileage rate, and shall include all items of cost and expense to the Sheriff for providing the services hereunder. Total cost to RCSS under this Agreement is estimated at $99,825, based on the Exhibit A, which is made part of this agreement by this reference. Payment for services shall be rendered on a monthly basis upon receipt by RCSS of a proper invoice submitted by SHERIFF.

5. VACATION AND HOLIDAY TIME

A. SRO's vacation time shall not conflict with the schedule of duties mutually developed by RCSS and SHERIFF.

B. Because RCSS and SHERIFF holidays may not correspond, holiday time will be taken by the SRO in accordance with RCSS holidays during the contract period. The excess days shall be taken with reasonable notice to RCSS, but shall not conflict with the schedule of duties mutually developed by RCSS and SHERIFF.

6. ADMINISTRATION AND SUPERVISION SHERIFF (or his designee) shall administer this Agreement and supervise the SRO on behalf of the County of Riverside. The Riverside County Superintendent of Schools (or designee) shall administer this Agreement on behalf of RCSS.

7. COUNTY EMPLOYEE SRO shall remain an employee of SHERIFF on special assignment to RCSS for the purposes set forth in this Agreement, and shall not be considered an agent or employee of RCSS.

8. TERMINATION Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In the event of termination, RCSS shall pay for services actually rendered through the termination date only.

9. HOLD HARMLESS AND INDEMNIFICATION

A. RCSS shall indemnify and hold SHERIFF , its officers, agents, employees

and independent contractors free and harmless from any claim or liability whatsoever, based or asserted upon any act or omission of RCSS, its officers, agents, employees, volunteers, subcontractors, or independent contractors, for property damage, bodily injury or death, or any other element of damage of any kind or nature arising out of the performance of this Agreement to the extent that such liability is imposed on County by the provisions of California Government Code Section 895.2 or other applicable law, and RCSS shall defend at its expense, including attorney fees, County, its officers, agents, and employees and independent contractors in any legal action or claim of any kind based upon such alleged acts or omissions.

B. SHERIFF shall indemnify and hold RCSS, its officers, agents, employees and independent contractors free and harmless from any claim or liability whatsoever, based or asserted upon any act or omission of County, its officers, agents, employees, volunteers, subcontractors, or independent contractors, for property damage, bodily injury or death, or any other element of damage of any kind or nature arising out of the performance of this Agreement to the extent that such liability is imposed on RCSS by the provisions of California Government Code Section 895.2 or other applicable law, and County shall defend at its expense, including attorney fees, RCSS, its officers, agents, employees and independent contractors in any legal action or claim of any kind based upon such alleged acts or omissions.

10. ASSIGNMENT Neither this Agreement nor any duties or obligations under this Agreement may be assigned by RCSS without prior written consent of SHERIFF.

11. ENTIRE AGREEMENT This Agreement supersedes any and all agreements, either oral or written, between the parties, and contains all of the covenants and agreements between the parties with respect to the subject matter hereof. Each party acknowledges that no other agreement, understanding or promise, oral or otherwise, relative to this subject matter exists between the parties at the time of execution of this Agreement. Any modification of this Agreement shall be effective only if it is in writing and signed by both parties.

12. NOTICES Any notice required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below:

Sheriff

Stanley L. Sniff Jr., Sheriff
Post Office Box 512
Riverside, California 92502

RCSS

Contracts and Purchasing Services
3939 Thirteenth Street
P.O. Box 868
Riverside, California 92502-0868

An information copy of any notice to Sheriff shall also be sent to:

Clerk of the Board of Supervisors
County of Riverside
4080 Lemon Street, 1st Floor
Riverside, California 92501

13. WAIVER Any waiver by SHERIFF of any breach of any one or more of the terms of this agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term thereof. Failure on the part of SHERIFF to require exact, full, and complete compliance with any term of this Agreement shall not be construed in any manner as changing the terms hereof, or estopping SHERIFF from enforcement hereof.

14. SEVERABILITY If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

IN WITNESS WHEREOF, the duly authorized representative of each of the parties hereto has signed in confirmation of this Agreement on the dates indicated below.

RIVERSIDE COUNTY SUPERINTENDENT OF SCHOOLS

Date:_____

By:_____
Mike Sepulveda, Assistant Superintendent

ATTEST:
Name:
Title:
By:_____

COUNTY OF RIVERSIDE

Date:_____

By:_____
Jeff Stone, Chairperson
Riverside County Board of Supervisors

ATTEST:
Name: Kecia Harper-Ihem
Title: Clerk of the Board

By:_____

FORM APPROVED COUNTY COUNSEL
BY:_____
NEAL R. KIPNIS DATE

EXHIBIT A

Personnel Cost	
Normal School Year Hours =	1,440
Current SRO hourly rate =	65.01
Estimated annual increase	5%
Annual Cost	$98,295.12
Vehicle Cost	
Current mileage rate =	0.81
Estimated annual increase	5%
Daily mileage =	10
Mileage Cost for 180 days	$1,530.00
Total	$99,825.12

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Samuel Wong 10/7/09
SAMUEL WONG

Approved by Ronald W. Komers
Asst. County Executive Officer/
Human Resources Director
DATE

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

553

FROM: Stanley L. Sniff Jr., Sheriff-Coroner-PA

SUBMITTAL DATE:
09/30/09

SUBJECT: Approval of the First Amendment to the Law Enforcement Services Agreement with the City of Palm Desert and the Adoption of Resolution 440-8823.

RECOMMENDED MOTION: Move that the Board of Supervisors:
1. Approve the First Amendment to the Law Enforcement Services Agreement with the city of Palm Desert, and authorize the Chairperson to execute the Amendment on behalf of the Board.

2. Amend Ordinance No. 440 pursuant to Resolution 440-8823 submitted herewith. Per the Resolution delete the following positions:

Ord. 440	Class Code	+/-	Class Title	Salary Plan	Grade	Salary
2500300000	52262	-2	Sheriff Srv. Officer II	UPE	238	$26,977-$37,050

3. Approve and direct the Auditor-Controller to make the budget adjustments on the attached Schedule A.

BACKGROUND: On September 10, 2009, the Mayor of Palm Desert approved the First Amendment to the city's law enforcement services Agreement with the County Sheriff's Department.

BR 10-045 (Continued on Page 2)

For
Stanley L. Sniff Jr., Sheriff-Coroner-PA
Will Taylor, Director of Administration

FINANCIAL DATA				
	Current F.Y. Total Cost:	$74,500	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$0	Budget Adjustment:	Yes
	Annual Net County Cost:	$0	For Fiscal Year:	FY 2009-10

SOURCE OF FUNDS: City Contract Revenue

Positions To Be Deleted Per A-30 ☒
Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE
BY: Robert Tremaine

County Executive Office Signature

Dep't Recomm.: ☒ Policy ☐ Consent
Per Exec. Ofc.: ☒ Policy ☐ Consent

2009 OCT 13 AM 9:03

Prev. Agn. Ref.: 12/16/08 3.50 | **District: 4** | **Agenda Number:** 3.46

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

This Amendment modifies the level of law enforcement service provided by the Sheriff's Department to the city of Palm Desert with the addition of a Deputy Sheriff position to fulfill duties on the Coachella Valley Narcotics Task Force. However, staff is not recommending the creation of an additional Deputy position in the Department; rather, the Department is recommending the use of a previously frozen Deputy position.

Also with this Amendment, the City is deleting 2 Sheriff's Service Officer II (SSO II) positions. This personnel action will result in the deletion of the following Personnel Control Numbers for the SSO II positions: **4415 and 79095**.

The deletion of the SSO II positions was anticipated, and as a consequence the FY 2009-10 revenue was estimated accordingly in the Patrol budget. Based on the scheduled start date for the Task Force Deputy (an unsupported rate position), staff estimates an increase in Contract City law enforcement revenue of $74,500. All costs for this service addition will be fully recovered through Board-approved rates. County Counsel has approved the Amendment as to form.

Schedule A

Increase Appropriations:

10000-2500200000-510040	Regular Salaries	$3,065
10000-2500200000-518100	Budgeted Benefits	1,405
10000-2500300000-510040	Regular Salaries	49,240
10000-2500300000-518100	Budgeted Benefits	20,790
	Total	$74,500

Increase Estimated Revenues:

10000-2500200000-773520	Contract City Law Enforcement	$4,470
10000-2500300000-773520	Contract City Law Enforcement	70,030
	Total	$74,500

RESOLUTION NO. 440-8823

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on _____, 2009, that pursuant to Section 5.A. of Ordinance No. 440, the Sheriff/Coroner/Public Administrator is authorized to make the following listed change(s), operative on the date of approval, as follows:

Job Code	+/-	Department ID	Class Title
52262	- 2	2500300000	Sheriff Service Officer II

/kc
10/07/2009
440 Resolutions\KC

3.43

FIRST AMENDMENT TO AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN COUNTY OF RIVERSIDE AND CITY OF PALM DESERT

IT IS MUTUALLY AGREED that the Agreement for Law Enforcement Services between the County of Riverside, a political subdivision of the State of California, on behalf of its Sheriff's Department, and the City of Palm Desert, a Charter City, approved by the Board of Supervisors on December 16, 2008, for services effective July 1, 2008 through June 30, 2011, is hereby amended in the following respects, and all other terms and conditions of the Agreement remain in full force and effect:

1. Attachment A is amended to read as follows:

ATTACHMENT A
CITY OF PALM DESERT
LEVEL OF SERVICE

Average Patrol Services

176.4 supported hours per day. (Approximate equivalent of thirty-six (36) Deputy Sheriff positions @ 1,780 annual productive hours per position)

Nondedicated Positions

Four (4) Deputy Sheriff positions (supported)-Traffic

Six (6) Deputy Sheriff positions (supported)-Special Enforcement/Target Team

One (1) Deputy Sheriff position (supported)-Community Oriented Policing Officer

Dedicated Positions

One (1) Sheriff's Lieutenant position

Three (3) Sheriff's Sergeant positions

One (1) Sheriff's Sergeant position-Motorcycle

Eight (8) Deputy Sheriff positions (supported)-Motorcycle Team

One (1) Deputy Sheriff position (supported)-K9 Officer

One (1) Deputy Sheriff position (unsupported) – Violent Crime Gang Task Force

One (1) Deputy Sheriff position (unsupported) – Coachella Valley Narcotics Task Force

Two (2) Deputy Sheriff positions (unsupported)-School Resource Officers

Seven (7) Community Service Officer II positions

Two (2) Community Service Officer I positions

.5241 of a Crime Analyst position

.5241 of an Office Assistant II position

IN WITNESS WHEREOF, the City of Palm Desert, by resolution or minute order duly adopted by its City Council, has caused this Agreement to be signed by its Mayor and attested and sealed by its Clerk, and the County of Riverside, by order of its Board of Supervisors, has caused this Agreement to be signed by the Chairman of said Board and attested and sealed by the Clerk of said Board, all on the dates indicated below.

Deputy

Date: September 10, 2009

CITY OF PALM DESERT

By: _____
Robert A. Spiegel, Mayor

ATTEST:

Name: Rachelle D. Klassen
Title: City Clerk
By: _____

Date: _____

COUNTY OF RIVERSIDE

ATTEST:

By: _____
Jeff Stone, Chair
Riverside County Board of Supervisors

Kecia Harper-Ihem
Clerk of the Board

By: _____

FORM APPROVED COUNTY COUNSEL
BY: _____ DATE
NEAL R. KIPNIS

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 554

FROM: Stanley Sniff, Sheriff - Coroner - PA

SUBMITTAL DATE: 10/06/09

SUBJECT: Approval of an Appropriation of Homeland Security Grant Program Funds for the Sheriff's Purchase of a Bomb Robot

RECOMMENDED MOTION: Move that the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments on the attached Schedule A.

BACKGROUND: The Sheriff's Department is a Board-appointed member of the Anti-Terrorism Approval Authority (ATAA), and the Sheriff's Hazardous Device Team is a member of the County-wide HazMat Operations Group (CHOG). Federal pass-through funds awarded to the County under the State Homeland Security Grant Program and administered by the Community Health Agency, have been supporting CHOG drills and training for hazardous material emergencies. The ATTA has approved $75,000 of this funding for the Sheriff's Hazardous Device Team to purchase a Small Remotely Operated Vehicle, commonly known as a bomb robot.

BR 10-050 (Continued on Page 2)

Departmental Concurrence

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY SAMUEL WONG 10/7/09

Stanley L. Sniff, Jr., Sheriff - Coroner - PA
Will Taylor, Director of Administration

FINANCIAL DATA				
	Current F.Y. Total Cost:	$74,492	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$0	Budget Adjustment:	Yes
	Annual Net County Cost:	$0	For Fiscal Year:	2009-10

SOURCE OF FUNDS: Federal Homeland Security Grant Program

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☒

C.E.O. RECOMMENDATION:

APPROVE
BY: Robert Tremaine

County Executive Office Signature

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: | **District:** ALL | **Agenda Number:** 3.47

The Hazardous Device Team (HDT) requires a small remotely operated robot to accomplish its missions. Accordingly, the robot must be able to reach its target operating area quickly, which is typically in excess of three hundred feet from the HDT Control Point. It must be able to operate reliably and wirelessly within the County of Riverside in both rural and urban areas with radio signal obstacles such as a dense radio frequency spectrum, structures, vehicles and vegetation. It must be able to traverse all types of terrain found within the County, and perform all functions in all weather conditions.

Based on these robot specifications, County Purchasing sent out a Request for Quotations to 10 vendors. On September 17, 2009, the County received a single response from ICOR Technology, Inc. to supply the bomb robot for a total cost of $74,491.25. The ICOR robot meets all the specifications summarized above, so the Sheriff's Department recommends the Board approve and direct the Auditor-Controller to make the budget adjustments on the attached Schedule A for the robot's purchase.

Schedule A

Increase Appropriations:

10000-2500300000-546160	Equipment - Other	$74,492

Increase Estimated Revenue:

10000-2500300000-767220	Federal – Other Operating Grants	$74,492

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

709A

FROM: TLMA - Transportation Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Notice of Completion - School Flashing Beacons

RECOMMENDED MOTION: That the Board execute and file the attached "Notice of Completion"

BACKGROUND: By Minute Order 3.40 of April 7, 2009, the Board entered into an agreement with PTM General Engineering of Riverside, CA for the construction of Flashing Beacon Projects at various locations in the Menifee, Pedley and Lakeland Village areas. The authorized amount of the contract was $44,944. The total amended contract amount (including quantity adjustments) is $44,317.24 which is 1.4% less than the originally authorized amount.

Departmental Concurrence

Juan C. Perez
Director of Transportation

dj
(Continued On Attached Page)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$44,317	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	2009/2010

SOURCE OF FUNDS: West County DIF Signal Mitigation Fund (73%), Redevelopment Agency (27%)

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

☒ Policy ☒ Policy
☐ Consent ☐ Consent
Dep't Recomm.: Per Exec. Dtc.:

Prev. Agn. Ref. 4/7/09, Item 3.40 | **District:** 1,2,3 | **Agenda Number:** 3.48

Form 11 (Rev 07/2007)

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

This work was completed in conformance with the plans and specifications on July 24, 2009. The work was inspected by the Construction Engineering Section of the Transportation Department. Work Order B8-0687, B8-0688 and B8-0679.

Budget			
Original Contract Amount			$44,944.00
Tot. Chg Orders Authorized -		0.0%	$0.00
Est. Pending Change Orders		0.0%	$0.00
Amended Contract Amount			$44,944.00
* Quantity Adjustments		-1.4%	($626.76)
+ CCO FA Adjustments		0.0%	$0.00
Total Amended Contract Amount		98.6%	$44,317.24
Expenditures			
Total Progress Payments -	2		$44,317.24
Estimated Pending Payments			
Total Expenditures			$44,317.24
(Over)\Under Contract Amount			$0.00

+ Change Orders using the Force Account method of payment issued prior to the work being completed generally do not use the total authorized amount.

* *CAL-Trans Standard Specifications 4-1.03B*. Increases or decreases in the quantity of a contract item of work will be determined by comparing the total pay quantity of such item of work with the Engineer's Estimate. If the total pay quantity of any item of work required under the contract varies from the Engineers Estimate by 25 percent or less, payment will be made for the quantity of work of said item performed at contract unit price, unless eligible for adjustment pursuant to Section 4-1.03C, "Changes in Character of Work."

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

KECIA HARPER-IHEM, CLERK OF THE BOARD
RIVERSIDE CO. CLERK OF THE BOARD
4080 LEMON STREET, 1ST FLOOR CAC
P O BOX 1147 – RIVERSIDE, CA 92502

MAIL STOP # 1010

AND WHEN RECORDED MAIL TO:
RETURN TO: STOP #1010
RIVERSIDE COUNTY CLERK OF THE BOARD
P. O. BOX 1147 – RIVERSIDE, CA 92502

THIS SPACE FOR RECORDERS USE ONLY

NOTICE OF COMPLETION

To be recorded with County Recorder
within 10 days after completion.
No recording fee.

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work of improvement has been completed, as follows:

Project title or description of work: Construction of flashing beacons

Date of Completion: Date of this notice

Nature of owner: County of Riverside, public entity

Interest or estate of owner: Public Roadway

Address of owner: **4080 Lemon Street, 8th Floor, Riverside, CA 92501**

Name of contractor: PTM General Engineering

Street or legal description of site: La Piedra Road, Limonite Avenue and Grand Avenue

Dated: _____

Owner: County of Riverside
(Name of Public Entity)

By: _____
Jeff Stone, Chairman, Board of Supervisors

STATE OF CALIFORNIA)
ss
COUNTY OF RIVERSIDE)

I am the Chairman of the governing board of the County of Riverside, the public entity which executed the foregoing notice and on whose behalf I make this verification; I have read this notice, know its contents, and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

Executed at Riverside, California on _____ (Date)

_____, Jeff Stone, Chairman of the Board of Supervisors

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

11.7A

FROM: TLMA - Transportation Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Notice of Completion - Harrison Avenue and 65th Street Traffic Signal and Lighting

RECOMMENDED MOTION: That the Board execute and file the attached "Notice of Completion."

BACKGROUND: By Minute Order 3.47 of June 23, 2009, the Board entered into an agreement with AK Engineering of San Bernardino, CA for the construction of a traffic signal and signing and striping at Harrison Avenue and 65th Street, Eastvale area. The authorized amount of the contract was $177,032. The total amended contract amount (including quantity adjustments) is $183,492.92 which is 3.6% more than the originally authorized amount.

Juan C. Perez
Director of Transportation

dj
(Continued On Attached Page)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$183,493	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	2009/2010

SOURCE OF FUNDS: West County DIF Signal Mitigation Fund (100%)

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

Departmental Concurrence

☒ Policy ☒ Policy
☐ Consent ☐ Consent
Dept'l Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref. 6/23/09, Item 3.47 | **District:** 1,2,3 | **Agenda Number:** 3.49

Form 11 (Rev 07/2007)

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

This work was completed in conformance with the plans and specifications on June 23, 2009. The work was inspected by the Construction Engineering Section of the Transportation Department. Work Order B8-0690.

Budget			
Original Contract Amount			$177,032.00
Tot. Chg Orders Authorized -		0.0%	$0.00
Est. Pending Change Orders		0.0%	$0.00
Amended Contract Amount			$177,032.00
* Quantity Adjustments		3.6%	$6,460.92
+ CCO FA Adjustments		0.0%	$0.00
Total Amended Contract Amount		103.6%	$183,492.92
Expenditures			
Total Progress Payments -	2		$183,492.92
Estimated Pending Payments			
Total Expenditures			$183,492.92
(Over)\Under Contract Amount			$0.00

+ Change Orders using the Force Account method of payment issued prior to the work being completed generally do not use the total authorized amount.

* *CAL-Trans Standard Specifications 4-1.03B*. Increases or decreases in the quantity of a contract item of work will be determined by comparing the total pay quantity of such item of work with the Engineer's Estimate. If the total pay quantity of any item of work required under the contract varies from the Engineers Estimate by 25 percent or less, payment will be made for the quantity of work of said item performed at contract unit price, unless eligible for adjustment pursuant to Section 4-1.03C, "Changes in Character of Work."

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

KECIA HARPER-IHEM, CLERK OF THE BOARD
RIVERSIDE CO. CLERK OF THE BOARD
4080 LEMON STREET, 1ST FLOOR CAC
P O BOX 1147 – RIVERSIDE, CA 92502

MAIL STOP # 1010

AND WHEN RECORDED MAIL TO:
RETURN TO: STOP #1010
RIVERSIDE COUNTY CLERK OF THE BOARD
P. O. BOX 1147 – RIVERSIDE, CA 92502

THIS SPACE FOR RECORDERS USE ONLY

NOTICE OF COMPLETION

To be recorded with County Recorder
within 10 days after completion.
No recording fee.

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work of improvement has been completed, as follows:

Project title or description of work: Construction of traffic signal, signing and striping

Date of Completion: Date of this notice

Nature of owner: County of Riverside, public entity

Interest or estate of owner: Public Roadway

Address of owner: **4080 Lemon Street, 8th Floor, Riverside, CA 92501**

Name of contractor: AK Engineering

Street or legal description of site: Harrison Avenue & 65th Street

Dated: _____

Owner: County of Riverside
(Name of Public Entity)

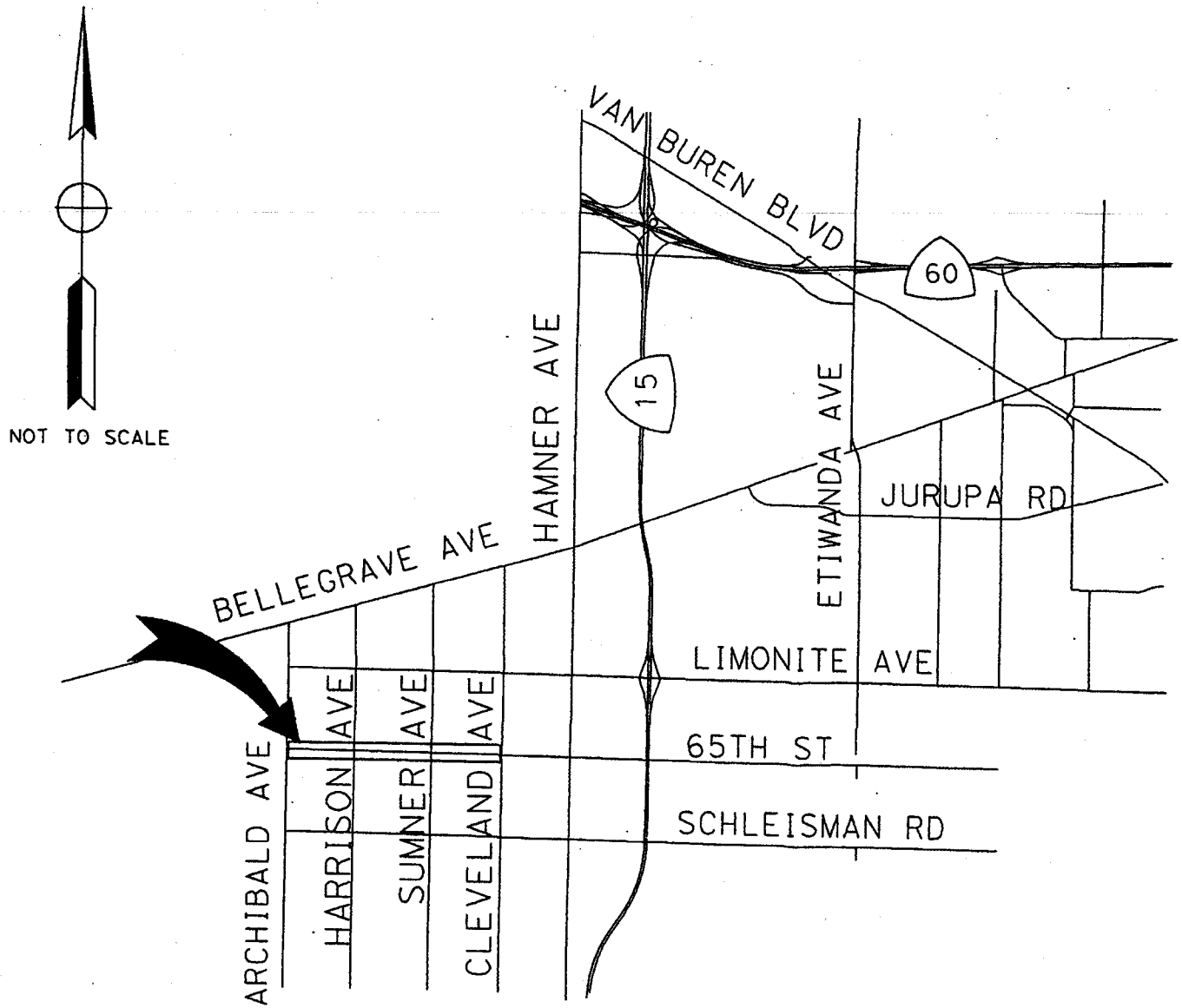
By: _____
Jeff Stone, Chairman, Board of Supervisors

STATE OF CALIFORNIA)
ss
COUNTY OF RIVERSIDE)

I am the Chairman of the governing board of the County of Riverside, the public entity which executed the foregoing notice and on whose behalf I make this verification; I have read this notice, know its contents, and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

Executed at Riverside, California on _____ (Date)

_____, Jeff Stone, Chairman of the Board of Supervisors



PROJECT LENGTH = 6000 FT
TOWNSHIP 2S RANGE 7W SECTION 26
2008 THOMAS GUIDE PG 683, B-7

VICINITY MAP

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR DATE 10/14/09

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

7104

FROM: TLMA - Transportation Department

SUBMITTAL DATE: October 22, 2009

SUBJECT: Construction of street improvements for the Mecca Streets Revitalization Project - Phase 1, including 2nd Street and Hammond Road, in the unincorporated community of Mecca.

RECOMMENDED MOTION: That the Board accept the low bid of Matich Corporation of San Bernardino, CA in the amount of $1,731,371. Award the contract to that firm and authorize the Chairman of the Board to execute the contract documents. Amend the County's Transportation Improvement Program (TIP) by approval of the project's proposed budget as shown on Attachment "A".

BACKGROUND: By Minute Order dated June 30, 2009 (agenda item 3.72) the Board authorized the Clerk of the Board to advertise for the construction of street improvements for the Mecca Streets Revitalization Project - Phase 1, including 2nd Street and Hammond Road, in the

Juan C. Perez
Director of Transportation

JCP:jj:cw:sb
(Continued On Attached Page)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 1,731,371	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	2009/2010

SOURCE OF FUNDS: Redevelopment Agency funds (RDA) (100%)

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

Departmental Concurrence

☒ Policy ☒ Policy
☐ Consent ☐ Consent
Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref. 6/30/09 (3.72) | **District:** 4 | **Agenda Number:** 3.50

Form 11 (Rev 07/2007)

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

unincorporated community of Mecca. Bids for the project were opened in the office of the Director of Transportation at 2:00 PM, Wednesday, August 12, 2009. Nine bids were received. The Transportation Department's established basis for the selection of a contractor is the lowest responsive and responsible bid for all schedules of work. The lowest and best total bid was submitted by Matich Corporation in the amount of $1,731,371. The bid is $707,029 (29%) below the Engineer's Estimate. The project costs are within the project budget as shown on Attachment "A".

The proposed work is primarily located on 2nd Street between Hammond Road and Home Avenue, and on Hammond Road between 2nd Street and 3rd Street. The improvements will benefit the property owners, residents and users of these streets. These improvements include; but are not limited to, curb and gutter, street drainage, reconstruction of the existing pavement, road enhancements for pedestrian access, the addition of a sidewalk and the replacement of street lighting.

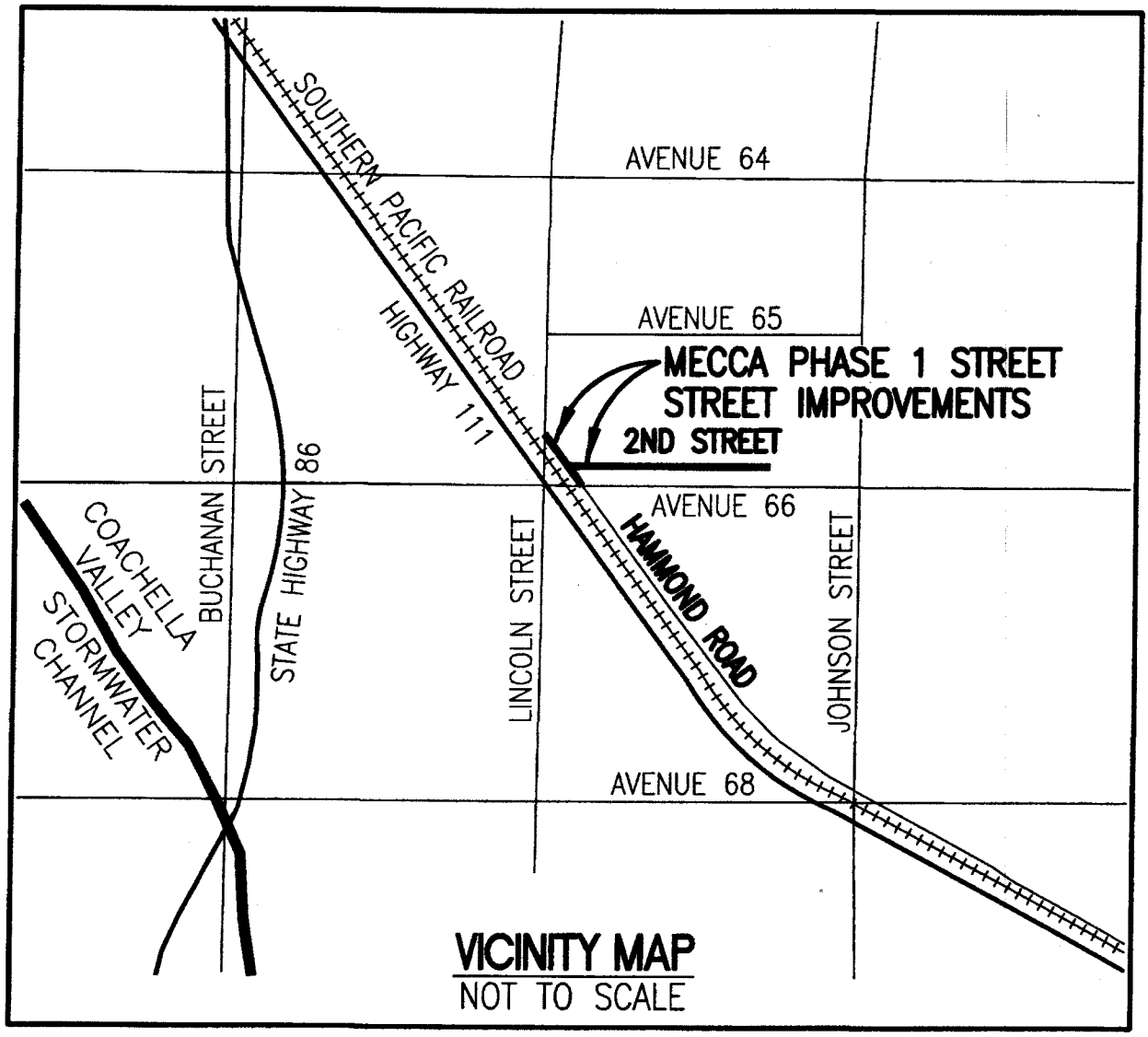
The proposed work on 2nd Street and Hammond Road will be funded by the Redevelopment Agency through a cooperative agreement that has been submitted to the Board of Supervisors for execution concurrent with the award of the construction contract.

The project is expected to finish within the proposed budget, as shown on Attachment "A" which was prepared in coordination with the cooperative agreement.

The contractor has executed the contract and has provided bonds and insurance certificate documents which meet the requirements of the contract.

The Contractor is qualified.

Project Number: X1002


SOUTHERN PACIFIC RAILROAD
HIGHWAY 111
AVENUE 64
AVENUE 65
MECCA PHASE 1 STREET
STREET IMPROVEMENTS
2ND STREET
AVENUE 66
HAMMOND ROAD
AVENUE 68
BUCHANAN STREET
STATE HIGHWAY 86
LINCOLN STREET
JOHNSON STREET
COACHELLA VALLEY STORMWATER CHANNEL
VICINITY MAP
NOT TO SCALE

Attachment "A"

Riverside County Transportation Department

Project: **Mecca Streets Revitalization Project - Phase 1 (2nd Street & Hammond Road)**

Project No.(s): **X1002**

10/13/2009

Project Costs and Budget

Activity		Incurred Costs	Projected Costs	Total Costs	Proposed Budget
Preliminary Survey					
Environmental		14,774	66,632	81,406	81,000
Design		88,813	291,962	380,775	383,000
Right-of-way					
Utilities					
Construction			1,731,371	1,731,371	
Construction Contingency	15.0%		259,706	259,706	1,991,000
Construction Engineering & Inspection	9.0%	17,051	162,146	179,197	180,000
Construction Survey	5.0%	11,595	87,959	99,554	100,000
	Totals:	**132,233**	**2,599,775**	**2,732,008**	**2,735,000**

Project Funding

Code	Name	Proposed Budget
332	Redevelopment Agency	2,735,000
	Totals	**2,735,000**

Comments

Notes:

1. This project number, X1002, includes engineering services for and construction of the Mecca Streets Revitalization Project - Phase 1 (2nd Street and Hammond Road) and certain general engineering and environmental work for Phases 1, 2, 3 and 4. Separate project numbers will be issued for Phases 2, 3 and 4.

2. Services for and construction of the Mecca Roundabout will be covered under a separate project number.

3. This project includes the removal of old and installation of new street lighting. Fees for engineering and construction that are payable directly to IID are to be paid by Riv. Co. EDA, and are not included in the costs above.

4. All necessary right-of-way engineering and acquisition of road easements and temporary construction easements are to be acquired by Riv. Co. EDA and are not included in the above costs.

Printed: October 13,09 2:52 PM

Form 11 Attachment

Contract/Lease/Purchase Summary Data

☒ Contract (for Services)
- Approval/Renewal
- Sole Source
- Personal Services
- Independent Contractor
- Other than Low Bid
- Change Order
- ☒ Public Works

Lease
- Approval/Renewal
- Multi-Year Lease
- Equipment
- Real Property
- Change Order

Purchase (for Materials)
- Sole Source
- Other than Low Bid
- Change Order

User Department:	**Transportation Department**

Selection Committee Member Names (RFPs Only)

N/A

Vendor/Lessor Name:	**Matich Corporation**
Vendor/Lessor Location:	**San Bernardino, CA**

Minority Status: ☐ M ☐ W ☐ DV ☒ None

Local Preference Applied: ☐ Yes ☐ No ☒ N/A

Local Preference Award Cost $
(5% maximum preference)

Local Preference FYTD: Cost $ # of Orders

Applicable Board Policy #

Comments:

RFQ/RFP Process:

Date Mailed:
Response Date:
# of Responses:
# of Qualified Responses:

Bidding Process:

Bid Range:	$ 1,731,371.00 to $ 2,166,000.00
Local Bid Range:	N/A
Responsive and Responsible Bid Range:	$ 1,731,371.00 to $ 2,166,000.00

Contract/Lease Renewals Only

Existing Agreement Items

1. Rates
2. Terms
3. Conditions
4. Legal Issues
5. Accountability
6. Utilities

Proposed Agreement Items

(Continue on blank sheet if necessary)

NOTE: COMPETITIVELY BID PUBLIC WORKS CONTRACT

Riverside County Contract No. 09-10-004

AGREEMENT

THIS AGREEMENT is entered into at Riverside, California as of the date set forth below is between County of Riverside hereafter called "County" and **Matich Corporation** hereafter called "Contractor".

W I T N E S S E T H

RECITALS:

1. Contractor has submitted to County his Contractor's Proposal for the construction of County Project, **Mecca, Streets Revitalization Project, Phase 1, (2nd Street and Hammond Road) Project No. X1-002**, in strict accordance with the Contract Documents identified below and County has accepted said Proposal.

2. Contractor states that he has reexamined his Contractor's Proposal and found it to be correct, has ascertained that his subcontractors are properly licensed and possess the requisite skill and forces, has reexamined the site and Contract Documents and is of the opinion that he can presently do the work in accordance with the Contract Documents for the money set forth in his Proposal to be paid as provided in the Contract Documents.

AGREEMENT:

IT IS AGREED BY THE PARTIES AS FOLLOWS:

1. Contract Documents. The entire contract consists of the following: (a) The Agreement. (b) The Notice Inviting Bids. (c) The Instruction to Bidders. (d) The Contractor's Proposal. (e) The Bid Bond. (f) The Payment Bond. (g) The Performance Bond. (h) The General Conditions. (i) The Special Provisions. (j) The Standard Specifications of the State of California Department of Transportation edition of May 2006 as modified in other portions of the Contract Documents. (k) The Standard Plans of the Department of Transportation identified on the plans or in the Special Provisions. (l) The Plans. (m) Addenda No. **one** (n) The Determination of Prevailing Wage Rates for Public Work. (o) Any Change Orders issued. (p) Any additional or supplemental specifications, notice, instructions and drawings issued in accordance with the provisions of the Contract Documents. All of said Documents presently in existence are by this reference incorporated herein with like effect as if here set forth in full and upon the proper issuance of other documents they shall likewise be deemed incorporated. The Bid Bond is exonerated upon execution of this Agreement and the Payment Bond and Faithful Performance Bond.

2. The Work. Contractor shall do all things necessary to construct the work generally described in Recital No. 1 in accordance with the Contract Documents.

3. Liquidated Damages and Time of Completion. Attention is directed to the provisions in Section 8-1.06, "Time of Completion", and in Section 8-1.07, "Liquidated Damages", of the Standard Specifications and these Special Provisions.

The Contractor shall begin work within 15 days of the date stated within the written "Notice to Proceed".

The Contractor shall notify the Engineer, in writing, of his intent to begin work at least 72 hours before work is begun. The notice shall be delivered to the Transportation Department's Construction Engineer and shall specify the date the Contractor intends to start. If the project has more than one location of work, a separate notice shall be given for each location.

Should the Contractor begin work in advance of receiving a written "Notice to Proceed", any work performed by him in advance of the date stated in the "Notice to Proceed" shall be considered as having been done by him at his own risk and as a volunteer and subject to the following:

(1) The Contractor shall, on commencing operations, take all precautions required for public safety and shall observe all the provisions in the Specifications and the Special Provisions.

(2) All work done according to the contract prior to the issuance of the "Notice to Proceed", will be considered authorized work and will be paid for as provided in the contract.

(3) The Contractor shall not be entitled to any additional compensation or an extension of time for any delay, hindrance or interference caused by or attributable to commencement of work prior to the issuance of the "Notice to Proceed".

4. Compensation. Contractor shall be paid in the manner set forth in the Contract Documents the amount of his Proposal as accepted by County, the above rates, subject to additions and deductions as provided in the Contract Documents. Said Proposal is on file in the Office of the Clerk of the Board of Supervisors of County.

MECCA STREETS REVITALIZATION PROJECT - PHASE 1
2ND STREET AND HAMMOND ROAD

PROJECT NO. X1002

AGREEMENT

BASE BID:

ITEM NO.	ITEM CODE	ESTIMATED QUANTITY	UNIT	ITEM	ITEM PRICE (IN FIGURES)	TOTAL (IN FIGURES)
1	999990	1	LS	MOBILIZATION	125,301.00	125,301.00
2	066102	1	LS	DUST ABATEMENT	10,000.00	10,000.00
3	170101	1	LS	DEVELOP WATER SUPPLY	2,500.00	2,500.00
4	074020	1	LS	WATER POLLUTION CONTROL	3,500.00	3,500.00
5	120100	1	LS	TRAFFIC CONTROL SYSTEM	3,500.00	3,500.00
6	160101	1	LS	CLEARING AND GRUBBING	75,000.00	75,000.00
7	190101	10,500	CY	ROADWAY EXCAVATION	22.00	231,000.00
8	390130	3,700	TON	HOT MIX ASPHALT	69.50	257,150.00
9	260201	4,700	CY	CLASS 2 AGGREGATE BASE	27.50	129,250.00
10	017304	4,250	LF	MINOR CONCRETE (CURB AND GUTTER) (CRS 200)	15.75	66,937.50
11	017304	520	LF	MINOR CONCRETE (CURB AND GUTTER) (CRS 200) [MODIFIED]	28.00	14,560.00
12	013903	90	LF	PLACE ASPHALT CONCRETE DIKE (CRS 212) (6")	23.00	2,070.00
13	017305	190	LF	MINOR CONCRETE (CURB AND GUTTER) (CRS 201)	49.00	9,310.00
14	731521	28,000	SQFT	MINOR CONCRETE (SIDEWALK) [CRS 401]	4.50	126,000.00
15	017315	20	EA	MINOR CONCRETE (CURB RAMP) (CRS 403 - CASE A)	2,500.00	50,000.00
16	017302	4,600	SQFT	MINOR CONCRETE (CROSS-GUTTER) (CRS 209)	6.75	31,050.00
17	017302	3,500	SQFT	MINOR CONCRETE (CROSS-GUTTER) (CRS 209) [MODIFIED]	9.00	31,500.00
18	731517	2,600	SQFT	MINOR CONCRETE (GUTTER) [LOW WATER CROSSING GUTTER WITH GRATED LINE DRAIN]	10.75	27,950.00
19	731516	35	EA	MINOR CONCRETE (DRIVEWAY APPROACH) (CRS 207)	1,000.00	35,000.00
20	731519	4,900	SQFT	MINOR CONCRETE (STAMPED CONCRETE) [DECORATIVE COLORED CONCRETE CROSSWALK]	9.25	45,325.00
21	000003	4,900	SQFT	DRIVEWAY TIE-IN (0.33' PCC)	5.50	26,950.00

ITEM NO.	ITEM CODE	ESTIMATED QUANTITY	UNIT	ITEM	ITEM PRICE (IN FIGURES)	TOTAL (IN FIGURES)
22	___	___	___	[ITEM DELETED BY ADDENDUM]	____	____
23	000003	1,050	LF	REMOVE EXISTING FENCE/REPLACE WITH TUBULAR STEEL FENCE	60.00	63,000.00
24	000003	390	LF	REMOVE REPLACE EXISTING FENCE/WALL	170.00	66,300.00
25	198200	7,500	SQYD	SUBGRADE ENHACEMENT TREATMENT	8.10	60,750.00
26	840656	4,400	LF	PAINT TRAFFIC STRIPE (2-COAT)	0.35	1,540.00
27	840519	1,850	SQFT	THERMOPLASTIC CROSSWALK AND PAVEMENT MARKING	3.00	5,550.00
28	566011	13	EA	ROADSIDE SIGN – ONE POST	155.00	2,015.00
29	152390	16	EA	RELOCATE ROADSIDE SIGN	155.00	2,480.00
30	850102	75	EA	PAVEMENT MARKER (REFLECTIVE)	5.10	382.50
31	000003	1	FA	MISCELLANEOUS DIRECTED WORK	100,000.00	100,000.00
32	860401	1	LS	LIGHTING [RESIDENTIAL STREET LIGHT SYSTEM]	102,000.00	102,000.00
33	721501	10	CY	CONCRETED-ROCK SLOPE PROTECTION [COBBLE, METHOD A)	700.00	7,000.00
34	017312	11	EA	MINOR CONCRETE (COMMERCIAL DRIVEWAY APPROACH) (CRS 207A)	1,500.00	16,500.00

PROJECT TOTAL
ITEMS 1-34

One million, seven hundred thirty one thousand, three hundred seventy one dollars and zero cents $ 1,731,371.00
"WORDS"

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date set forth below.

COUNTY OF RIVERSIDE

BY _____
Chairman, Board of Supervisors

Dated _____

ATTEST:

Kecia Harper-Ihem, Clerk of the Board

BY _____
Deputy

BY _____
"County"
(Seal)

MATICH CORPORATION

BY Eugene Boisvert
Eugene P. Boisvert Vice President

TITLE: Vice President
(If Corporation, Affix Seal)

ATTEST: Megan Nadalet
Megan Nadalet Notary Public

TITLE: Notary Public

_____
"Corporation"
(Seal)

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR 10/14/09 DATE

CORPORATE RESOLUTION

At a meeting of the Board of Directors of MATICH CORPORATION, a California Corporation duly called and held on the 28th day of April, 2008, a quorum being present, the following RESOLUTION was adopted:

"Resolved, the Corporate Officers for Matich Corporation are

PRESIDENT	Stephen A. Matich
VICE PRESIDENT & TREASURER	Randall S. Valadez
VICE PRESIDENT & CORPORATE SECRETARY	Patrick A. Matich
VICE PRESIDENT – ENGINEERING	Robert M. Matich
VICE PRESIDENT – ESTIMATING	Eugene P. Boisvert
VICE PRESIDENT – CONSTRUCTION MANAGEMENT	Wayne R. Hendrix

FURTHER RESOLVED, that the above listed Corporate Officers are duly authorized to sign documents (bids, contracts, etc.) as may be necessary on behalf of MATICH CORPORATION

I, Patrick A. Matich, Secretary of MATICH CORPORATION have compared the foregoing RESOLUTION with original thereof, as it appears on the records of the Board of Directors of said company, and do so certify that the same is a true and correct transcript there from, and of the whole said original RESOLUTION.

I further certify that said RESOLUTION has not been amended or revoked and is still in full force and effect.

IN WITNESS THEREOF, I have hereunto set my hand as such Secretary this 28th day of April, 2008.

Patrick A. Matich, Secretary

PERFORMANCE BOND

Recitals:

1. **Matich Corporation** (Contractor) has entered into an Agreement dated _____ with COUNTY OF RIVERSIDE (County) for construction of public work known as **Mecca, Streets Revitalization Project, Phase 1, (2nd Street and Hammond Road) Project No. X1-002**

2. _____, a _____ corporation (Surety), is the Surety under this Bond.

Agreement:

We, Contractor, as Principal, and Surety, as Surety, jointly and severally agree, state, and are bound unto County, as obligee, as follows:

1. The amount of the obligation of this Bond is 100% of the estimated contract price for the Project of $ **1,731,371.00 (One million, seven hundred thirty-one thousands, three hundred seventy-one dollars and zero cents),** and inures to the benefit of County.

2. This Bond is exonerated by Contractor doing all things to be kept and performed by it in strict conformance with the Contract Documents for the Project, otherwise it remains in full force and effect for the recovery of loss, damage and expense of County resulting from failure of Contractor to so act. All of said Contract Documents are incorporated herein.

3. This obligation is binding on our successors and assigns.

4. For value received, Surety stipulates and agrees that no change, time extension, prepayment to Contractor, alteration or addition to the terms and requirements of the Contract Documents or the work to be performed thereunder shall affect its obligations hereunder and waives notice as to such matters, except the total contract price cannot be increased by more than 10% without approval of Surety.

THIS BOND is executed as of _____.

By _____ By _____

By _____ Type Name _____

Its Attorney in Fact

"Surety"

Title _____

"Contractor"

(Corporate Seal) **(Corporate Seal)**

NOTE: This Bond must be executed by both parties with corporate seal affixed for each party. All signatures must be acknowledged. (Attach acknowledgements).

PAYMENT BOND

(Public Work - Civil Code 3247 et seq.)

The makers of this Bond are **Matich Corporation**, as Principal and Original Contractor and _____, a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract dated _____, between Principal and COUNTY OF RIVERSIDE a public entity, as Owner, for $ **1,731,371.00 (One million, seven hundred thirty-one thousands, three hundred seventy-one dollars and zero cents),** the total amount payable. THE AMOUNT OF THIS BOND IS ONE HUNDRED PERCENT OF SAID SUM. Said contract is for public work generally consisting of **Mecca, Streets Revitalization Project, Phase 1, (2nd Street and Hammond Road), Project No. X1-002**

The beneficiaries of this Bond are as is stated in 3248 of the Civil Code and requirements and conditions of this Bond are as is set forth in 3248, 3249, 3250 and 3252 of said code. Without notice, Surety consents to extension of time for performance, change in requirements, amount of compensation, or prepayment under said contract.

DATED: _____

_____
Original Contractor - Principal

_____
Surety

By _____

By _____
Its Attorney In Fact

Title _____

(If corporation, affix seal)

(Corporate Seal)

(Corporate Seal)

STATE OF CALIFORNIA
COUNTY OF _____ } ss. SURETY'S ACKNOWLEDGEMENT

On _____ before me, _____ personally appeared, _____, known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacities, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

_____
Signature of Notary Public

Notary Public (Seal)

Note: This Bond must be executed by both parties with corporate seal affixed for each party. All signatures must be notarized.

executed in five counterparts

Bond No. 6639701
Premium: $11,433.00

PERFORMANCE BOND

Recitals:

1. **Matich Corporation** (Contractor) has entered into an Agreement dated _____ with COUNTY OF RIVERSIDE (County) for construction of public work known as **Mecca, Streets Revitalization Project, Phase 1, (2nd Street and Hammond Road) Project No. X1-002**

2. **Safeco Insurance Company of America**, a **Washington** corporation (Surety), is the Surety under this Bond.

Agreement:

We, Contractor, as Principal, and Surety, as Surety, jointly and severally agree, state, and are bound unto County, as obligee, as follows:

1. The amount of the obligation of this Bond is 100% of the estimated contract price for the Project of $ **1,731,371.00 (One million, seven hundred thirty-one thousands, three hundred seventy-one dollars and zero cents)**, and inures to the benefit of County.

2. This Bond is exonerated by Contractor doing all things to be kept and performed by it in strict conformance with the Contract Documents for the Project, otherwise it remains in full force and effect for the recovery of loss, damage and expense of County resulting from failure of Contractor to so act. All of said Contract Documents are incorporated herein.

3. This obligation is binding on our successors and assigns.

4. For value received, Surety stipulates and agrees that no change, time extension, prepayment to Contractor, alteration or addition to the terms and requirements of the Contract Documents or the work to be performed thereunder shall affect its obligations hereunder and waives notice as to such matters, except the total contract price cannot be increased by more than 10% without approval of Surety.

THIS BOND is executed as of **August 26, 2009**.

Matich Corporation

By _____
Eugene P. Boisvert, Vice President

By _____

Title **Vice President**
"Contractor"

(Corporate Seal)

Safeco Insurance Company of America

By _____

Type Name **Jane Kepner**
Its Attorney in Fact
"Surety"

(Corporate Seal)

NOTE: This Bond must be executed by both parties with corporate seal affixed for each party. All signatures must be acknowledged. (Attach acknowledgements).

ACKNOWLEDGMENT

State of California
County of San Bernardino)

On August 27, 2009 before me, Megan Nadalet, Notary Public
(insert name and title of the officer)

personally appeared Eugene P. Boisvert ,
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 _____ **(Seal)**

CRS6 MEGAN NADALET
COMM. #1771699
NOTARY PUBLIC-CALIFORNIA
SAN BERNARDINO COUNTY
My Comm. Expires Oct. 5, 2011 CRS6

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On AUG 26 2009 before me, K. Luu, Notary Public
(Here insert name and title of the officer)

personally appeared Jane Kepner

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

(Notary Seal)

K. LUU
Commission # 1778641
Notary Public - California
Orange County
My Comm. Expires Nov 6, 2011

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer

(Title)

- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ❖ Indicate title or type of attached document, number of pages and date.
  - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

executed in five counterparts

Bond No. 6639701
premium included in Performance Bond

PAYMENT BOND

(Public Work - Civil Code 3247 et seq.)

The makers of this Bond are **Matich Corporation**, as Principal and Original Contractor and **Safeco Insurance Company of America**, a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract dated _____, between Principal and COUNTY OF RIVERSIDE a public entity, as Owner, for **$ 1,731,371.00 (One million, seven hundred thirty-one thousands, three hundred seventy-one dollars and zero cents)**, the total amount payable. THE AMOUNT OF THIS BOND IS ONE HUNDRED PERCENT OF SAID SUM. Said contract is for public work generally consisting of **Mecca, Streets Revitalization Project, Phase 1, (2nd Street and Hammond Road), Project No. X1-002**

The beneficiaries of this Bond are as is stated in 3248 of the Civil Code and requirements and conditions of this Bond are as is set forth in 3248, 3249, 3250 and 3252 of said code. Without notice, Surety consents to extension of time for performance, change in requirements, amount of compensation, or prepayment under said contract.

DATED: **August 26, 2009**

Matich Corporation
Original Contractor - Principal

By _____
Eugene P. Boisvert Vice President

Safeco Insurance Company of America
Surety

By _____
Jane Kepner, Its Attorney In Fact

Title **Vice President**

(If corporation, affix seal)

(Corporate Seal)

(Corporate Seal)

SEE NOTARY ACKNOWLEDGEMENT ATTACHED

STATE OF CALIFORNIA
COUNTY OF _____ } ss. SURETY'S ACKNOWLEDGEMENT

On _____ before me, _____ personally appeared, _____, known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacities, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

_____
Signature of Notary Public

Notary Public (Seal)

Note: This Bond must be executed by both parties with corporate seal affixed for each party. All signatures must be notarized.

ACKNOWLEDGMENT

State of California
County of San Bernardino)

On August 27, 2009 before me, Megan Nadalet, Notary Public
(insert name and title of the officer)

personally appeared Eugene P. Boisvert,
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 Megan Nadalet (Seal)

CRS6 MEGAN NADALET
COMM. #1771699
NOTARY PUBLIC-CALIFORNIA
SAN BERNARDINO COUNTY
My Comm. Expires Oct. 5, 2011 CRS6

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On AUG 26 2009 before me, K. Luu, Notary Public
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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

(Notary Seal)

K. LUU
Commission # 1778641
Notary Public - California
Orange County
My Comm. Expires Nov 6, 2011

ADDITIONAL OPTIONAL INFORMATION

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(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer

(Title)

- ☐ Partner(s)
- ☒ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

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- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

Liberty Mutual.

POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

KNOW ALL BY THESE PRESENTS: No. 9675

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

RHONDA C. ABEL; JERI APODACA; LISA K. CRAIL; LINDA ENRIGHT; JANE KEPNER; NANETTE MARIELLA-MYERS; MIKE PARIZINO; RACHELLE RHEAULT; JAMES A. SCHALLER; Irvine, California********

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 21st day of March, 2009

Dexter R. Legg

Dexter R. Legg, Secretary

T A Mikolajewski

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA:**

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

(i) *The provisions of Article V, Section 13 of the By-Laws, and*
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this AUG 26 2009 day of

SAFECO INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1953 STATE OF WASHINGTON

GENERAL INSURANCE COMPANY OF AMERICA CORPORATE SEAL 1923 State of Washington

Dexter R. Legg

Dexter R. Legg, Secretary

Company Profile

SAFECO INSURANCE COMPANY OF AMERICA

175 BERKELEY STREET
BOSTON, MA 02116
617635769500

Former Names for Company

Old Name: SELECTIVE AUTO & F INS CO AMER **Effective Date:** 11-02-1953

Agent for Service of Process
KAREN HARRIS, 2730 GATEWAY OAKS DRIVE SUITE 100 SACRAMENTO, CA 95833
Unable to Locate the Agent for Service of Process?

Reference Information

NAIC #:	24740
NAIC Group #:	0111
California Company ID #:	1442-3
Date authorized in California:	October 07, 1953
License Status:	UNLIMITED-NORMAL
Company Type:	Property & Casualty
State of Domicile:	WASHINGTON

Lines of Insurance Authorized to Transact

The company is authorized to transact business within these lines of insurance. For an explanation of any of these terms, please refer to the glossary.

AIRCRAFT
AUTOMOBILE
BOILER AND MACHINERY
BURGLARY
COMMON CARRIER LIABILITY
CREDIT
FIRE
LIABILITY
MARINE
MISCELLANEOUS
PLATE GLASS
SPRINKLER
SURETY
TEAM AND VEHICLE
WORKERS' COMPENSATION

Company Complaint Information

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 09/08/2009

PRODUCER
Aon Risk Insurance Services West, Inc.
fka Aon Risk Services, Inc. of S CA
1901 Main Street
Suite 300
Irvine CA 92614 USA

PHONE (949) 608-6300 FAX (949) 608-6451

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Old Republic General Ins Corp	24139
INSURER B:	Great American Insurance Co.	16691
INSURER C:		
INSURER D:		
INSURER E:		

INSURED
Matich Corporation
P.O. Box 50000
San Bernardino CA 92412 USA

Holder Identifier :

Certificate No : 570036025379

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LIMITS SHOWN ARE AS REQUESTED

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MM/DD/YYYY)	POLICY EXPIRATION DATE(MM/DD/YYYY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [X] LOC	A1CG43920907 General Liability	07/01/2009	07/01/2010	EACH OCCURRENCE	$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
						MED EXP (Any one person)	$5,000
						PERSONAL & ADV INJURY	$1,000,000
						GENERAL AGGREGATE	$2,000,000
						PRODUCTS - COMP/OP AGG	$2,000,000
A		AUTOMOBILE LIABILITY [X] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [X] HIRED AUTOS [X] NON OWNED AUTOS [X] Comp Ded. $1,000 [X] Coll. Ded. $1000	A1CA43920907 Automobile	07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
						BODILY INJURY (Per person)	
						BODILY INJURY (Per accident)	
						PROPERTY DAMAGE (Per accident)	
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT	
						OTHER THAN AUTO ONLY: EA ACC	
						AGG	
B		EXCESS / UMBRELLA LIABILITY [X] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION	TUE4057257	07/01/2009	07/01/2010	EACH OCCURRENCE	$25,000,000
						AGGREGATE	$25,000,000
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	A1CW43920907 WORKERS' COMPENSATION	07/01/2009	07/01/2010	[X] WC STATU-TORY LIMITS [ ] OTH-ER	
						E.L. EACH ACCIDENT	$1,000,000
						E.L. DISEASE-EA EMPLOYEE	$1,000,000
						E.L. DISEASE-POLICY LIMIT	$1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents and representatives, Economic Development Agency, its officers, directors, agents and employees, Coachella Valley Water District, its officers, directors, agents and employees, Imperial Irrigation District, its officers,

CERTIFICATE HOLDER

County of Riverside
Transportation Department
4080 Lemon Street
8th Floor
Riverside CA 92501 USA

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.~~

AUTHORIZED REPRESENTATIVE

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The ACORD name and logo are registered marks of ACORD

Company: Old Republic General Insurance Company

Policy Period 7/1/09 TO 7/1/10

ATTACHED TO AND FORMING PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)			INSURED Matich Corporation
A1CA43920907	Month/Day/Year 7/1/09	12:01 A.M. (x)	NOON	PRODUCER AND CODE CPG/SPEC. RISK RESOURCES INS AGCY, INC.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUSINESS AUTO COVERAGE FORM

The following is added to Section II – Liability Coverage, A. – Coverage, 1. Who is An Insured:

d. Any person or organization to whom you become obligated to include as an additional insured under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability arising out of your operations or premises owned by or rented to you. However, the insurance provided will not exceed the lesser of:

1. The coverage or limits of this policy, or

2. The coverage or limits required by said contract or agreement.

Schedule

Name of Person or Organization:

County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents and representatives, Economic Development Agency, its officers, directors, agents and employees, Coachella Valley Water District, its officers, directors, agents and employees, Imperial Irrigation District, its officers, directors, agents and employees, Redevelopment Agency for the County of Riverside, its officers, directors, agents and employees

RE: Mecca Streets Revitalization Project, Phase 1

Aon Risk Insurance Services West, Inc.
AUTHORIZED REPRESENTATIVE

See certificate
DATE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents and representatives, Economic Development Agency, its officers, directors, agents and employees, Coachella Valley Water District, its officers, directors, agents and employees, Imperial Irrigation District, its officers, directors, agents and employees, Redevelopment Agency for the County of Riverside, its officers, directors, agents and employees

RE: Mecca Streets Revitalization Project, Phase 1

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

Copyright, ISO Properties, Inc., 2004

Company: Old Republic General Insurance Company

Policy Period 7/1/09 TO 7/1/10

ATTACHED TO AND FORMING PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)			INSURED Matich Corporation
A1CA43920907	Month/Day/Year 7/1/09	12:01 A.M. (x)	NOON	PRODUCER AND CODE CPG/SPEC. RISK RESOURCES INS AGCY, INC.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUSINESS AUTO COVERAGE FORM

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

The following is added to Section IV – Business auto Conditions, A. – Loss Conditions, 5. – Transfer of Rights of Recovery Against Others to Us:

However, we will waive any right of recovery we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if::

(1) The "accident" or "loss" is due to operations undertaken in accordance with a written contract existing between you and such person or organization; and

(2) The contract or agreement was entered into prior to any "accident" or "loss"

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights of lien to be reimbursed for any recovery funds obtained by any injured employee.

Schedule

Name of Person or Organization:

Aon Risk Insurance Services West, Inc.
AUTHORIZED REPRESENTATIVE

See certificate
DATE

CA CPG 5 (3/02)

GREAT AMERICAN. INSURANCE GROUP
Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

SCHEDULE A - SCHEDULE OF UNDERLYING INSURANCE

Carrier, Policy Number and Period	Type of Coverage	Limits of Insurance
a) OLD REPUBLIC GENERAL INSURANCE COMPANY POLICY: A1CW43920907 7/1/09 TO 7/1/10	Employers Liability	Bodily Injury By Accident $ 1,000,000. each accident Bodily Injury By Disease $ 1,000,000. policy limit $ 1,000,000. each employee

b) OLD REPUBLIC GENERAL INSURANCE COMPANY POLICY: A1CA43920907 7/1/09 TO 7/1/10	Automobile/Garage
	(X) Any Automobile
	( ) Owned Automobile Only
	( ) Specifically Designated Automobile
	( ) Hired Automobile
	( ) Non-owned Automobile
	( ) Garage Liability
	(X) DEFENSE OUTSIDE THE LIMIT
		( ) Split Limit
		Bodily Injury Liability
		$ each person
		$ each accident
		Property Damage Liability
		$ each accident
		(X) Combined Single Limit
		$ 1,000,000. each accident
		( ) Garage Operations
		$ Auto only each accident
		$ Other than auto each accident
		$ Other than auto aggregate

	( ) Garagekeepers Liability	$ each location

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CG 24 04 10 93

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 7/1/09 12:01 A.M. standard time	**Policy No.:** A1CG43920907
Named Insured: Matich Corporation	*Aon Risk Insurance Services West, Inc.* (Authorized Representative)

Schedule

Name of Person or Organization:

County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents and representatives, Economic Development Agency, its officers, directors, agents and employees, Coachella Valley Water District, its officers, directors, agents and employees, Imperial Irrigation District, its officers, directors, agents and employees, Redevelopment Agency for the County of Riverside, its officers, directors, agents and employees

RE: Mecca Streets Revitalization Project, Phase 1

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV–COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

Copyright, Insurance Services Office, Inc., 1992

Company Profile

OLD REPUBLIC GENERAL INSURANCE CORPORATION

307 N MICHIGAN AVE 17TH FL
CHICAGO, IL 60601-5382
800-331-5554

Former Names for Company

Old Name: INTERNATIONAL BUSINESS & MERCANTILE REASSURANCE COMPANY **Effective Date:** 12-14-2006
Old Name: MOTORISTS BENEFICIAL INSURANCE COMPANY **Effective Date:** 04-21-1982

Agent for Service of Process
KAREN HARRIS, 2730 GATEWAY OAKS DRIVE SUITE 100 SACRAMENTO, CA 95833
Unable to Locate the Agent for Service of Process?

Reference Information

NAIC #:	24139
NAIC Group #:	0150
California Company ID #:	1800-2
Date authorized in California:	June 30, 1965
License Status:	UNLIMITED-NORMAL
Company Type:	Property & Casualty
State of Domicile:	ILLINOIS

Lines of Insurance Authorized to Transact

The company is authorized to transact business within these lines of insurance. For an explanation of any of these terms, please refer to the glossary.

AUTOMOBILE
BOILER AND MACHINERY
BURGLARY
COMMON CARRIER LIABILITY
DISABILITY
FIRE
LIABILITY
MARINE
MISCELLANEOUS
PLATE GLASS
SPRINKLER
SURETY
TEAM AND VEHICLE
WORKERS' COMPENSATION

Company Complaint Information

COUNTY OF RIVERSIDE

STATE OF CALIFORNIA

COUNTY EXECUTIVE OFFICER'S

FY 2009-10 FIRST-QUARTER BUDGET REPORT

November 3, 2009

Presented by

Bill Luna
County Executive Officer

3.51

Bill Luna
County Executive Officer

Jay E. Orr
Assistant County Executive Officer

Executive Office, County of Riverside

October 27, 2009

Honorable Board of Supervisors
County of Riverside
Robert T. Andersen Administrative Center
4080 Lemon Street, 5th Floor
Riverside, CA 92501-3651

SUBJECT: FY 09/10 First-Quarter Budget Report

Board members:

As of the first quarter, the local economic deterioration continues and revenue has declined below anticipated levels. Projections of general-fund discretionary revenue included in the approved budget, led by property and sales tax declines, now needs to be reduced another $20.2 million. We should draw down contingency to backfill these revenue losses in order to stabilize current-year budgets. These mounting revenue losses have pushed the budget deficit to over $70 million. We will need every dollar in county reserves if we hope to manage multiple years of budget cuts that otherwise would decimate general-fund services. While using reserves mitigates immediate issues, it does nothing to address our growing structural deficit and it further erodes our fiscal safety net. This stabilizing action, therefore, must anticipate more assertive budget control measures as we look to the next fiscal year.

The credit market has noticed our challenges and passed judgment by modifying our ratings. During the first quarter we already had difficulty placing short-term notes with investors despite having the highest short-term ratings. This past month, Moody's Investor Services and Standard & Poor's affirmed our high long-term ratings but changed their outlook on the county from stable to negative; Fitch simply lowered its rating. All three agencies believe the county is in a weakened financial condition, as shown by two years of budgeted deficits. Although they have acknowledged our effort to "soft land" in the face of necessary budget reductions, the agencies believe that the county must take more drastic and certain measures to reduce expenditures and control costs.

As previously presented to the Board, we can achieve fiscal balance if we reduce our net-county-cost budget targets and permanently cut ongoing general-fund expenditures. Our problems are complicated when adopted budget targets are not met, and projected revenues underperform estimates.

Our multi-year strategy to correct the imbalance is consistent with overall Board policy goals but still presents difficult choices in formulating the upcoming budget. However, we can achieve structural balance in two years if we continue to apply conservative discipline in budget formulation.

In order to develop and present our fiscal position and strategy, review long-term budget solutions and receive direction on the FY 10/11 budget formulation with the Board, I propose budget workshops to confirm the actions we must take. The first workshop will be on the afternoon of Nov. 24, 2009. The Board's direction will be affirmed in budget instructions in the midyear budget report, tentatively scheduled for Feb. 2, 2010. The formal FY 10/11 budget hearings commence in mid June.

The importance of estimating fund balance is now unprecedented. What was previously an enhancement to budget planning is now a critical element of our budget targets and fiscal solvency. In that regard, I do have some good news to report; my staff and the Auditor Controller have determined that the FY 09/10 beginning general fund balance is $44 million more than budgeted. It is the result of departments executing direction to cut costs, and efforts to earn revenue. This should not be treated as "found" money. I recommend we reallocate $3 million to general-fund departments to partially offset current-year internal support costs. Next, I recommend we allocate $4 million into the reserve for our new property tax system, currently in development. I also recommend that we set aside $3.2 million for needs identified by EDA and that the remaining $33.8 million go into the reserve for economic uncertainty.

The recent passage of Senate Bill 67, which allows securitization of Prop. 1A repayments from the state, eliminated this year's need to draw down the reserve for economic uncertainty. Instead, that $45 million in reserve has been incorporated into our multi-year budget plan.

A handful of departments have communicated budget overruns and revenue shortfalls. The most serious departmental losses involve declines in Prop. 172 public-safety sales tax revenue. This revenue is not included for reporting purposes as discretionary general-fund revenue. The Board's commitment to public safety has transformed that lost "departmental" revenue to a general-fund liability, decreased reserves and increased the structural deficit. We will need to confirm future Board policy in this regard.

Finding the right formula to achieve labor savings remains a challenge. In the three months since implementing furloughs, we have modified work schedules and reformed daily operations. Most departments appear to have made the adjustment smoothly. However, evidence now shows that furloughs are problematic in the 24/7 operations where, without readily available staff to fill in behind furlough hours, they drive up costs and create staffing challenges. It has become clear that in order to preserve service levels in key health and safety operations, modifying our furlough program is warranted. I recommend giving Human Resources the authority to open discussions with affected unions to explore adjusting or eliminating furloughs for health and safety personnel, including hospital and

public health staff, sheriff dispatchers, and child protective services workers, among others. Our goal is to give managers the flexibility to optimize resources, while preserving core services.

Budget adjustments are included to draw down contingency but only for essential, unavoidable overruns and discretionary revenue losses. All departments must use other means to meet their budget targets. A summary of current draws on contingency is on page 14. The net effect of recent and recommended activity on contingency is summarized below.

Millions	
$30.0	Beginning balance
(0.05)	First-quarter activity
(23.2)	Aggregate of actions recommended in this report
$6.8	Interim balance

Included attachments:
ATTACHMENT A Recommended budget adjustment summary
ATTACHMENT B Resolution 440-8824 authorizing new positions
ATTACHMENT C Human Resource's recruitment and vacancy report
ATTACHMENT D Auditor-Controller's internal audit plan update
ATTACHMENT E Countywide overtime update
ATTACHMENT F Countywide early retirement update
ATTACHMENT G General fund internal-support cost relief
ATTACHMENT H Sales and Use Tax update

IT IS RECOMMENDED that the Board of Supervisors: 1) receive and file this report and all its attachments, 2) approve the recommendations and associated budget adjustments in Attachment A; and 3) approve Attachment B, Resolution 440-8824 authorizing new positions .

Respectfully submitted,

Bill Luna
County Executive Officer

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY Tanya S. Harris
TANYA S. HARRIS

COUNTY OF RIVERSIDE
EXECUTIVE OFFICE
FY 09/10
FIRST-QUARTER BUDGET REPORT
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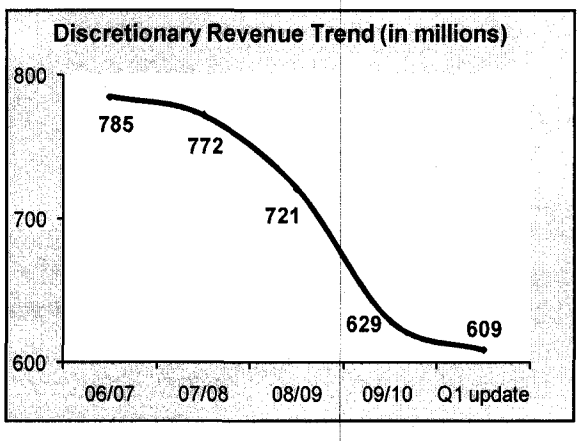
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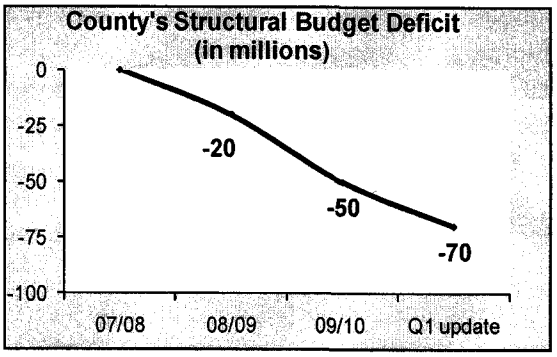
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A. EXECUTIVE HIGHLIGHTS

The national economy seems to be stabilizing. The Dow is up, the Fed Funds rate is low and inflation is close to zero. Locally, the economic plunge has slowed but the recovery will be tepid at best, impaired by reduced consumer spending and continued uncertainty over the major fiscal and policy issues facing California.

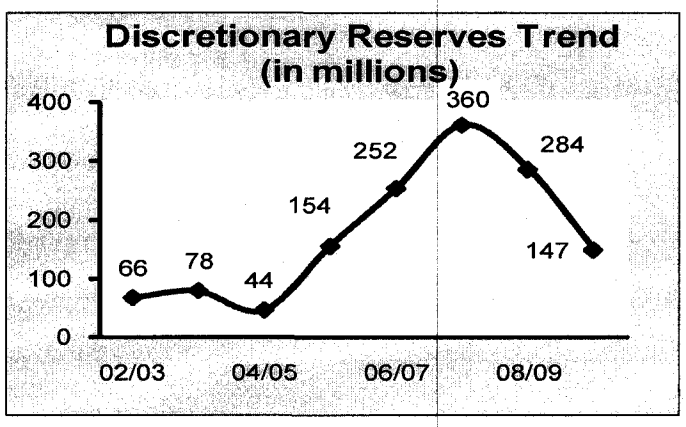
We have constructed a workable FY 09/10 budget, but only by relying heavily upon reserves. Our efforts to reduce costs include countywide budget cuts, a freeze on merit increases and furloughs. Revenue is not expected to increase substantially over the next couple of years so new reserves alone are not sufficient to bridge the gap. Current-year revenue estimates on property and sales taxes need to be adjusted downward. Discretionary revenue might decline further this year and certainly the next, requiring additional spending cuts or draws on reserves.



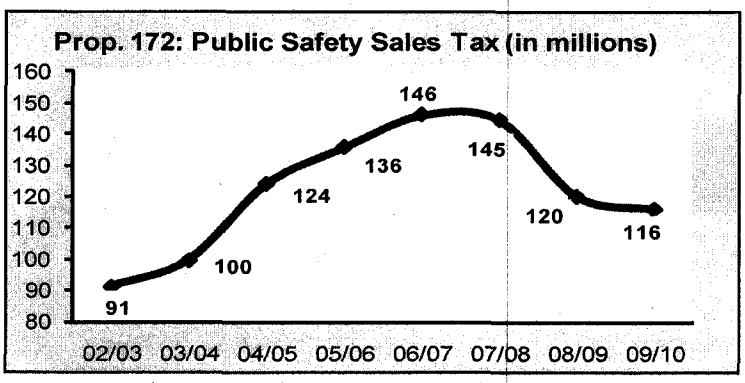


When expenses exceed revenue, it places a constant strain on the county's finances, drains the county's savings, and reduces the county's options to react to unexpected needs. Ongoing costs are currently budgeted at $680 million and the new ongoing revenue estimate is $609 million. This difference yields the structural deficit of $71 million. The county's original general fund budget plan incorporated a $106.7 million drawdown in reserves to finance various operations. About $50 million was budgeted for ongoing operations and represents the county's original budget deficit.

County reserves were built up during years of prosperity and are now being drawn down to fill gaps between expenses and falling revenue, and to fund specific Board commitments that do not require ongoing general fund financing. Over the past two years, discretionary reserves have been drawn down about $138 million. In the current year, discretionary reserves are being drawn down another $92 million. Upon adoption of this report, discretionary reserves will total $147 million. The largest component of these reserves is earmarked for economic uncertainty and will be used in the coming years to help defer budget cuts.



Public safety sales tax is tied to local taxable sales, is a dedicated funding source for many safety departments, and has become an important component of public-safety budgets. Actual revenue fell 13 percent last year. To ease the effects on safety departments, which had been directed to reduce general-fund costs by 10 percent, the Board backfilled this revenue this year by $21 million. New projections indicate safety sales tax revenue could fall an additional $10 million this year. If the Board decides to backfill these losses, the reserve for economic uncertainty will decrease about $10 million and the structural deficit will increase about $10 million.



The rating agencies are closely monitoring our financial condition. Moody's Investors Services and Standard & Poor's affirmed the county's general-obligation ratings, but changed their outlook from stable to negative. Fitch lowered the county's rating. All three agencies believe the county is in a weakened financial condition, a view derived from two years of budgeted deficits and concerns that the county cannot adequately control costs.

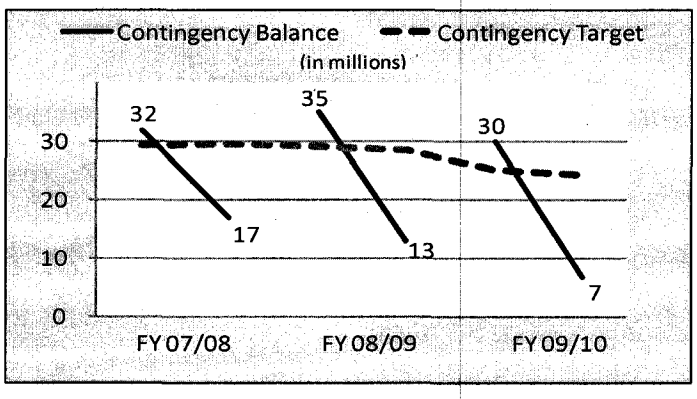
Riverside County's Budget Health Benchmarks

	Target	06/07	07/08	08/09	Now
REU	15%	15%	15%	14%	16%
Contingency	4%	5%	4%	4%	1%
Deficit	0%	0%	0%	0%	11%
General Ratings	AA+	AA-	AA	AA	AA-

	Moody's	S&P	Fitch
Best Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade	A1	A+	A+

The county's inability in recent years to hit budget targets, combined with falling reserves, suggests strongly to these agencies that the county will not be able to maintain a financial position consistent with its current rating. To retain high credit ratings and maintain strong financial controls, the county must develop plans to restore reserve levels and structural balance. We have already seen the financial impact of credit concerns in the form of a higher cost to finance our ongoing working capital needs.

This report recommends drawing down $20.2 in contingency to cover current-year revenue losses and $3 million to cover unanticipated court related costs. When budget cuts are difficult to implement during the year, contingency funds are our first safeguard against emergencies and unforeseeable revenue losses. If the Board accepts that recommendation, funds remaining in contingency will be below the Board's benchmark level (four percent of discretionary revenue) and could be inadequate to cover other likely liabilities through year-end. The chart to the right reflects the county's continued reliance on these funds, which consistently have been established above the Board's target yet are significantly drawn down by year's end.



B. ECONOMIC OUTLOOK

There are indications that the national economic downturn might have hit bottom this past quarter. Gross domestic product (GDP) is expected to be modestly positive in 2010 and it appears the Great Recession of 2008-2009 will officially end when third quarter 2009 numbers are released. Stocks are improving and the housing market shows signs it is stabilizing, perhaps improving. The deep freeze in credit markets continues to thaw and global financial markets have responded in kind.

But unemployment and the large inventory of unsold and foreclosed homes are continuing trouble signs. Little change is expected in the national job picture during 2010. The Obama administration's stated position is that there will be no more bailouts. Finally, the passage of another stimulus package may be problematic. Of the world's largest highly industrialized economies, the United States has the single highest unemployment rate (9.8 percent) and forecasts suggest it will climb even higher. Some 15 million are out of work, another nine million are working part time because they can't find a full-time job, and another two million have recently given up looking for a job.

In California and here locally, the economy was hit much harder. California's unemployment rate has climbed to 12 percent, ranging from 8 percent in Marin County to 15 percent in Riverside County, and up to 30 percent in Imperial County. Real estate markets are showing signs that the downturn has bottomed out, but due to the lag effect in the residential market and serious signs of trouble in the commercial real estate market, further drops in property-tax revenue remain on the horizon.

C. STATE BUDGET UPDATE

California's dismal fiscal outlook continues, with state revenue down, unemployment rising and the housing market showing only feeble signs of improvement.

State general fund revenue is down $1.1 billion from anticipated levels for the first three months of the current fiscal year. Personal income tax revenue fell $934 million (-17.3 percent), corporate tax revenue dropped by $183 million (-10.5 percent), and sales tax revenue dipped $99.8 million (-4.5 percent). In addition, general fund revenue from vehicle license fees is down $66 million.

By mid-October, the county had recovered all money due as the result of state IOUs, but the prospect of deferrals and local program cuts reinforces the state's present budgetary uncertainties.

The state began the fiscal year with a cash deficit of $11.9 billion, which had grown to $16.2 billion by Sept. 30.

D. COUNTY OUTLOOK

1. PROPOSITION 172

Public Safety Sales Tax (Prop 172)

Public safety sales tax is largely tied to local taxable sales and is a dedicated funding source for most safety departments. Over time it has become an important component of public-safety budgets. This revenue source has fallen again. It has dropped from a high of about $146 million in FY 06/07 to the $126 million in this year's budget. The most current

projection is based on unexpectedly large sales losses and yields a drop of about $10 million, requiring one of two actions: cover it either by cutting public safety spending or by drawing upon reserves.

Past Board practice has been to backfill this revenue source with reserves so as to eliminate the negative effects on safety departments. Over the last two years, the Board chose to use over $30 million of reserves for this purpose.

Given the fiscal challenges facing the county, we recommend that safety departments be protected only to their currently-budgeted Proposition 172 amounts. Further, we recommend that future Proposition 172 surpluses be used first to reimburse the general fund.

Recommended Motion: *That the Board approve and 1) Direct the Executive Office to monitor Proposition 172 receipts and return at midyear with a plan to compensate for projected losses; 2) That safety departments be protected from Proposition 172 losses up to the currently-budgeted levels; and 3) That future Proposition 172 revenue above currently-budgeted levels first be used to reimburse the general fund for all losses.*

2. OPERATIONAL TRENDS

Locally, the financial turmoil of the last year has left Riverside County largely at the epicenter of the real estate and construction industry meltdown. The County Assessor has responded by reducing the assessed value of the 2009-2010 roll by an unprecedented 10.5 percent, or $25 billion.

Locally, economic signals were mixed during the first quarter of FY 09/10. The Recorder has recorded approximately seven percent more deeds, confirming that documentary transfer tax revenue is on target. Adversely, the Assessor has noted a slow decline in single-family home values along with declining commercial rents and an increase in vacancy rates.

Since the building boom of May 2005, building permits have declined 87 percent, from 5,423 total permits issued in May 2005 to 721 permits filed in September 2009. Building permits for the first quarter of this fiscal year are down 29 percent from the same period last year, but the decline appears to be leveling; declines exceeded 40 percent in the two preceding quarters. Total planning applications for the first quarter are down 52 percent from the same quarter last year and major planning applications are down 45 percent.

3. REVENUE TRENDS

Property Taxes

Property tax revenue was budgeted based on a forecasted 10 percent drop in assessed values; the actual loss came in at 10.5 percent. Also, the original estimate did not adequately account for redistributions to the newly incorporated cities of Menifee and Wildomar, the first cities formed in Riverside County since 1991. Based on the actual current secured tax roll, revenue of $178.4 million is now projected for FY 09/10, a $9.4 million revenue shortfall.

Current supplemental property tax revenue has become hard for the Auditor-Controller to predict due to the trend of refunds being generated as properties sell for less than their

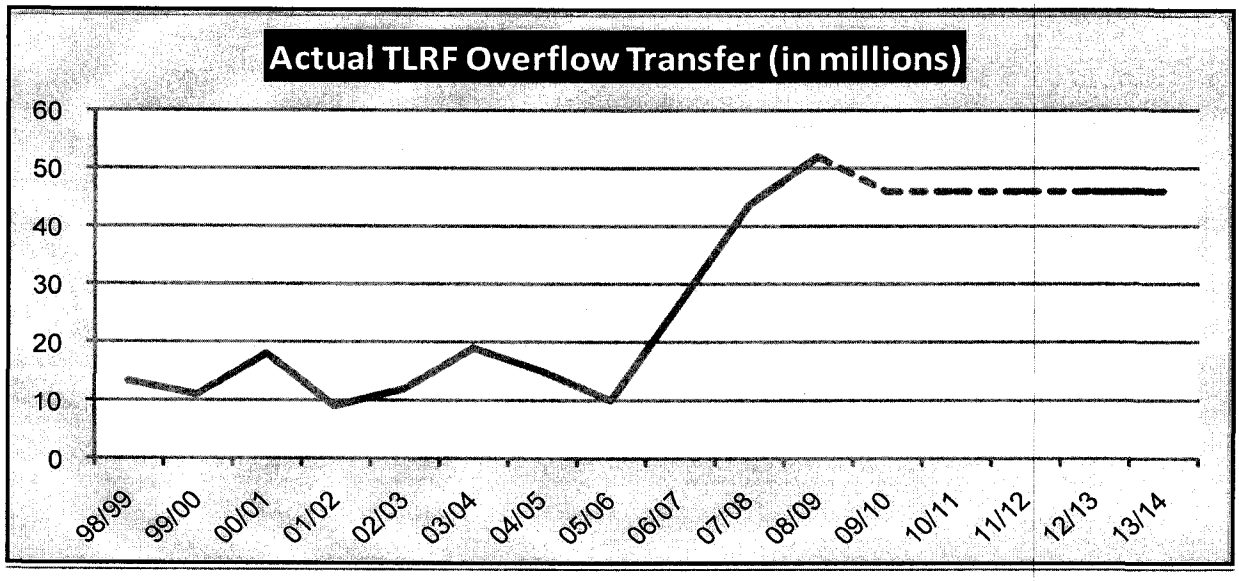
enrolled value. In FY 08/09, refunds exceeded $46 million, and the FY 09/10 projection is $50 million. Such refunds averaged $3.6 million per year over the previous five year period. At some point the refunds will begin to slow, however we cannot project exactly when. The Executive Office and Auditor-Controller will continue to closely monitor this revenue source, especially refunds, and make a recommendation when conditions justify.

The newest information on supplemental property tax revenue projects revenue of $5 million, down from the $8 million expected and built into the budget. Better projections should be available at midyear and we will offer recommendations when conditions justify.

Tax Loss Reserve Fund-Overflow (Teeter)

The Teeter Plan has become the county's third largest source of discretionary general fund revenue. Generally, the Teeter Plan provides for a procedure by which delinquent secured roll taxes are advanced to taxing agencies within the county (including cities, schools, special districts, and others.) Agencies are included in the Teeter Plan and paid an amount based on the tax levy, rather than on actual tax collections. The county then receives all future delinquent tax payments plus penalties and interest. Penalties and interest cover the cost of financing and tax loss set asides, and any excess is released to the general fund.

The resulting general fund revenue rises and falls based on various factors including changes to the size of the roll, delinquencies, subsequent collections and county financing costs. Last year's revenue of $52 million was the highest on record. The low point of $9 million was seen in FY 01/02, following successive years of low delinquency rates. The Treasurer has developed, and continues to refine, a model to forecast Teeter revenue. It currently shows baseline revenue of approximately $46 million a year over the next four fiscal years. The chart that follows shows both the historical and projected revenue from this source.



Sales and Use Taxes

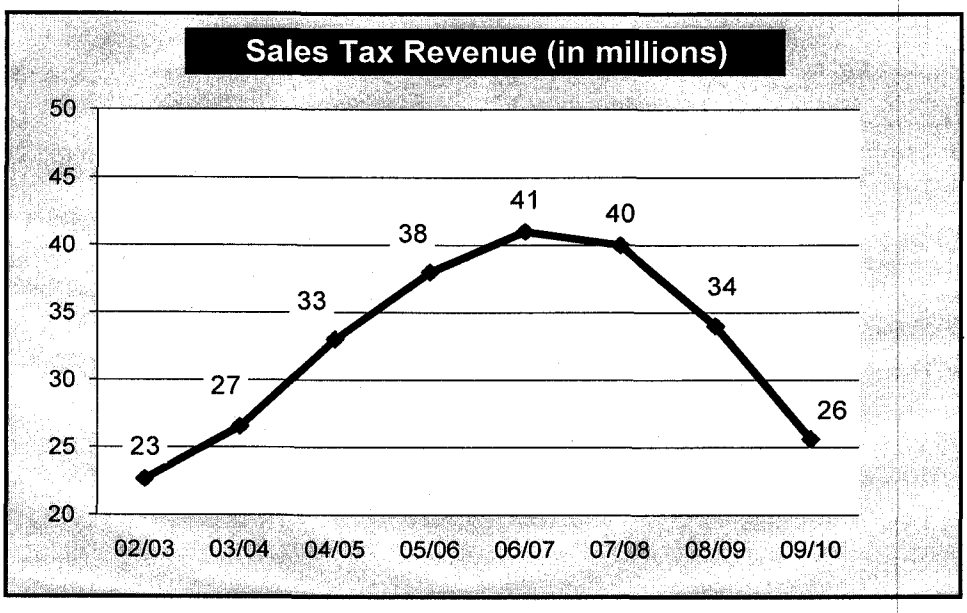
The state's Department of Finance expects that statewide sales and use tax receipts for FY 09/10 will be down six percent. Exacerbating the general decline, the state is lowering sales tax backfill payments to counties related to the Triple Flip by 27.6 percent in order to make

up for payments made last year based on optimistic projections and to "smooth" future true-up calculations. All counties can expect lower allocations this year.
Hinderliter de Llamas & Associates (HdL), the county's sales tax consultant, reports that total receipts for all jurisdictions in Riverside County from April through June (the most recent quarter available) are down 21 percent from the same period a year ago. This is comparable to declines reported for other counties in the region. HdL reports that the county's own sales tax receipts fared worse, down 30.2 percent over the same quarter a year ago. HdL anticipates one more quarter of double-digit declines in sales tax in the county, with the decline possibly slowing into single digits the following quarter and bottoming out sometime in mid-2010. In the attached report, HdL concludes:

> Unemployment is projected to increase through the first quarter of 2010 and remain weak for several quarters after. Incomes are flat, household wealth has been exhausted, inflation is in decline, and the drops in property values are not over. Lenders are less risk tolerant and previously excessive borrowers have become disciplined savers.
>
> The California Budget Project recently concluded that it took six years for the average household to fully rebound from the jobless recovery following the recession of 2001. New consumer frugality, tight credit, and moderate job growth may result in an equally slow recovery from this recession.

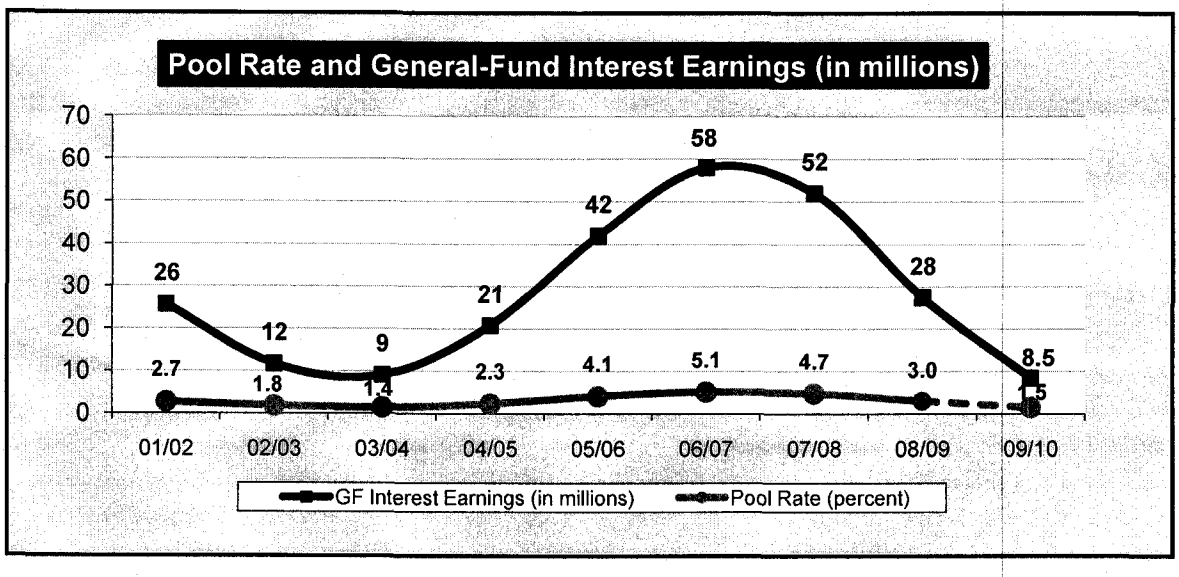
Sales taxes in the FY 09/10 final budget were estimated at $34.8 million, but the Auditor-Controller now projects $25.6 million will be received, a $9.2 million shortfall. The Auditor's estimate is in line with HdL's current estimate of $26.4 million.

The following chart reflects the trend in sales-tax revenue from FY 02/03. In addition to losses associated with the recession, a portion of the county's sales-tax receipts shifted this year to the newly incorporated cities of Menifee and Wildomar, a factor not originally considered by the Auditor-Controller in calculating the budgeted estimate. The Executive Office recommends reducing estimated sales-tax revenue to the $25.6 million level currently projected by the Auditor-Controller.



Interest Earnings

Taking into account current interest rates and the expectation that the Federal Reserve will try to keep rates low as long as possible, the Treasurer's estimate for FY 09/10 is on target at $8.5 million. The following graph illustrates the relationship between the pool rate and interest revenue earnings, and depicts the fall in interest earnings. The Treasurer will re-evaluate at midyear as more data becomes available. Likely revisions will result if the Federal Reserve increases rates in response to rising inflation. Going forward, it is important to recognize that fund balances in the pool are shrinking. Even with a return to higher rates, interest income will not increase to the peak level seen in previous years until these balances increase.



4. MULTIPLE-YEAR BUDGET PLANNING

For advance fiscal planning, the county projects expenditures and revenue four years ahead. The goal is to match expenditure growth to revenue when resources are expanding and to quantify necessary cuts when resources are diminishing. The discretionary revenue forecast is based on economic data gathered from local economists as well as county departments and is a core component of our budget analyses. County discretionary revenue has been waning since FY 06/07 and the cumulative loss totals over $176 million. The long-range projection has revenue leveling next year; modest growth is expected to begin in FY 11/12.

In lieu of cutting expenditures immediately to match this precipitous drop in revenue, the Board has chosen to use general fund reserves. This practice is assumed to continue on a limited basis in the multi-year projection since reserves must not be completely depleted. Without any reserves, midcourse cuts become the only means to maintain a lawfully-required, balanced budget. Our budget deficit now stands at $71 million.

Absent a reserve cushion, the county could be forced to make very unpalatable budget cuts simply to avoid bankruptcy should expenditures exceed the adopted budget. A severe winter storm, an earthquake or a disease outbreak (e.g., H1N1 virus) could result in substantial additional costs. These contingencies must be considered in our planning.

Recent cuts to general fund departments are manifested in two ways: direct cuts to departments and labor savings from furloughs. Without additional and ongoing labor concessions, further direct cuts would be needed to avoid premature draws on reserves. For FY 10/11, the multi-year plan incorporates direct cuts of $35 million, new labor savings of $15 million (in addition to the $18 million carried over from FY 09/10 furloughs).

Should the reserve for economic uncertainty fall below the Board's target levels, we will need to reestablish it in order to protect against future unexpected economic shock and to help prevent further rating downgrades.

General Fund Multiple-year Projection (in millions)

	Adopted Budget	PROJECTED ACTUAL				
	09/10	09/10	10/11	11/12	12/13	13/14
RESOURCES:						
Adjusted fund balance	25	70	7	20	20	20
Ongoing discretionary revenue	629	609	613	629	645	664
Use of reserves (to balance budget)	50	50	47	0	0	0
Other one-time revenue and reserves	57	57	0	0	0	0
	761	786	667	649	665	684
APPROPRIATIONS:						
Misc. ongoing NCC	721	723	683	658	643	650
Cost Adjustments						
Contingency funding	30	7	20	20	20	20
Misc. one-time costs	88	89	0	0	0	0
New jail staffing (Sheriff, MH, DH)	0	0	0	0	0	0
Public safety COLA's	10	10	10	0	0	0
800 MHz debt service	0	0	0	7	0	0
Assumed labor savings (furloughs)	(18)	(18)	(15)	(10)	0	0
Budget cuts	(74)	(74)	(35)	(30)	0	0
Added to reserves	4	49	4	4	2	14
	761	786	667	649	665	684
Available for budget needs	0	0	0	0	0	0
Reserve for economic uncertainty	75	115	68	68	71	83
Other discretionary reserves	106	151	71	72	73	97

Notes: Departments to absorb retirement benefit costs and cost-of-living allowances.
Retirement costs are expected to spike in FY 11/12.
Hub jail staffing plan is subject to change with the construction schedule and available financing.

Pension Costs

County pension rates are expected to increase in FY 11/12 by 4.3 percent for miscellaneous employees and 6.6 percent for public safety employees. The primary cause is the substantial investment losses CalPERS and most other public pension plans suffered. Those increases have not been included in the multi-year forecast for a number of reasons: the increases are not locked in yet, the general fund only picks up a portion of the costs, and our budgetary approach for years has relied upon most departments to absorb the

county's share of such cost increases. Also, California public employee pension benefits could shift to a lower-cost formula for new employees, e.g. a "two-tier" system, in the coming years. Two of our neighboring counties have already moved in that direction and there appears to be growing momentum for statewide "pension reform". The county's Pension Advisory Review Committee is closely following these developments, analyzing alternatives, and will bring recommendations forward in the coming months.

American Recovery and Reinvestment Act Funding

The American Recovery and Reinvestment Act of 2009 (ARRA), is the economic stimulus package enacted in February 2009. Nationwide, the measures are nominally worth $787 billion. The act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending in education, health care, and infrastructure, including the energy sector.

To date the county has been awarded $149,620,994.

A significant portion of the funds coming to Riverside County has had the intended effect of offsetting existing expenditures, as in the case of funds received by DPSS, or of helping to avoid layoffs, as in the case of grants recently received by RSO. Board Policy A-30 states that grant funded positions will be eliminated when outside funding goes away. Other than the funding of "maintenance of effort" positions in the Sheriff's Department, there is no county commitment to meet maintenance of effort funding levels. As the various ARRA programs are completed, there may be requests to continue or restore funding with new general-fund dollars. That choice will be challenging in an environment of shrinking resources.

Best Practices/Business Process Review

Over the course of the past year, numerous topics have been discussed within the context of creating a more responsive, cost-efficient operation. Some of these items came forward under the "SCRAPE" program, some arose in the framework of labor negotiations, and others in response to public discussion regarding specific operations. A brief summary of these topics follows.

Early Retirement Incentive: The early retirement incentive offered to employees has reduced the workforce. The report included as Attachment F concludes that while early retirement is an effective cost reducing strategy, savings is directly related by the county's ability to continue to control personnel costs by keeping vacated positions unoccupied and restructuring county operations.

Internal Service Fees:

A task force has been assembled to reform the county's approach to internal service charges. Its goal is to keep fees low while providing sufficient resources to the service providers and transparency and accountability to user departments and the public. This effort will take some time to meet the goals, but we have already instructed departments to prepare next year's rates according to new guidelines which should help to meet the objectives. It is anticipated that an overhaul of the current Board Policy B-4 Rates Charged for Current Services, along with detailed operational guidelines will be presented to the Board during the budget process. We will be attempting to further drive ISF rates downward.

Personnel Costs: The county's employees are its greatest asset and also its single largest expense. Pension costs are expected to increase between 4-7 percent in FY 11/12 as reported on page 15. Discussions with all represented groups are ongoing, but we have achieved cost reductions through furloughs and other labor MOU changes affecting the Management, SEIU and DDAA groups. The attached Overtime Report (Attachment E) identifies some of the early successes and challenges identified in the first few months since furloughs went into effect.

It is becoming apparent that a more nuanced approach will be needed to achieve labor savings. We must preserve key service levels in the most cost effective manner, while still coming close to the goal of maintaining equity amongst and within the various labor groups and across all county organizations. Therefore, the recommendation is to give Human Resources the authority to open discussions with affected unions to explore exempting the county hospital's and community health's medical personnel from furloughs.

Restructuring/Reorganizing Government: The potential exists to reduce the costs of providing services by reorganizing its manner of delivery. The Executive Office formed the ITGC policy and steering committees in September; each committee has already met to discuss how best to identify and evaluate potential improvements to how the county provides information technology support. The committees expect to sponsor a series of initiatives before the Board, over the next year or more, beginning in November with the need for improved video conferencing capabilities.

5. FY 10/11 BUDGET OUTLOOK

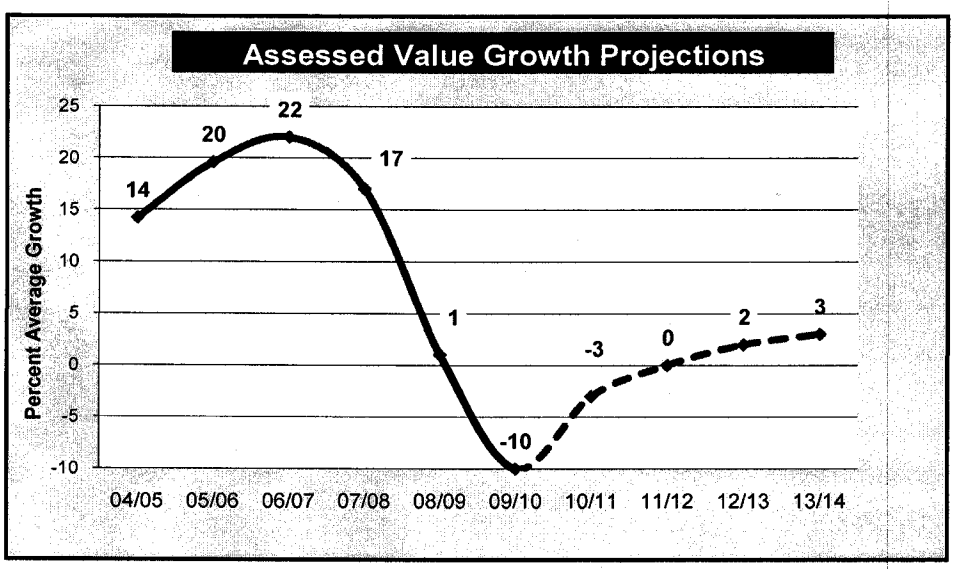
Assessed Value

The largest component of general-fund discretionary revenue is based upon assessed property values. Forecasting the coming year's property tax revenue is no easy task. Our projections become more precise the nearer we get to the next fiscal year. We are working closely with the Assessor to refine FY 10/11 projections and expect to update the Board in the coming months. For now, we are using the June 2009 "downside risk scenario" of about three percent from California State University Fullerton.

Recent sales data does seem to indicate that the single family residential component is stabilizing. The residential segment of the roll, by value, should not drop as precipitously as experienced in FY 09/10. Several more months of data will be helpful. In the same vein, final word from the Board of Equalization regarding the rate of increase allowable under Proposition 13 will address another unknown.

The roll's remainder primarily is composed of two segments (commercial and vacant land) which are more difficult to analyze than the single-family sector. Although the Assessor is moving forward to install new technology solutions, we expect that for the next couple of years, commercial and vacant-land revaluations will be driven more by appeals than by Assessor-initiated reductions. Therefore, that portion of the roll will take longer to adjust to current market conditions and should lag as the recovery occurs.

The chart below shows the unusual growth that began before FY 04/05 and the decline that started in FY 07/08. The expectation is that FY 9/10 will be the worst of the downturn, with smaller losses in FY 10/11. We expect some leveling in FY 11/12 as reductions and growth equalize, before modest growth resumes in FY 12/13.



FY 10/11 Budget Planning

Determining the proper mixture of departmental cuts and draws on reserves that assures long-term stability will no doubt be complicated and tedious. In order to sufficiently address capabilities as well as impacts, the Executive Office has scheduled three budget workshops before budget hearings. At each of the sessions, the Executive Office hopes to progressively define an acceptable cost-cutting plan that is consistent with the Board's expectations given our environment of diminishing resources.

At the third session, in May, the Board will receive the budget "tabulation." Upon receipt, the Board will be asked to further direct revisions before formally approving the tabulation, at which time the tabulation will constitute the proposed budget. After the proposed budget is approved, budget hearings can commence. After considering public testimony during budget hearings, the Board will decide what changes should be made to produce the Final Budget. The Executive Office will make the changes as directed by the Board, and will return with the Final Budget for formal adoption.

E. FIRST-QUARTER ACTIVITY

1. ADDITIONAL BEGINNING FUND BALANCE

The general fund's balance fluctuates all year and its exact, final value is not clear until three to four months after a fiscal year ends. The Executive Office must estimate final fund balance in April, approximately five months before an exact figure can be calculated. This estimate is made before departments' ending positions are known and before several hundred million dollars, including more than one-fourth of discretionary revenue, is received. Facing formidable unknowns, the Executive Office makes a conservative estimate at ending fund balance. Budgeting what is known minimizes the chance of a loss later on and increases the chance of having extra fund balance to report in the first quarter. Erring on the side of caution is far better than facing a large shortfall.

This year's beginning fund balance was estimated at $25 million. The Auditor-Controller reported in mid-October that fund balance began the year at $69 million. The additional $44 million is one-time money and therefore best used for one-time expenses. About $23 million can be traced to Board designations budgeted to DPSS but not needed. Another $10 million

came from additional discretionary revenue, primarily from the tax loss reserve fund. The remaining $11 million resulted from department savings.

As reported, current-year discretionary revenue continues to fall, and is now estimated at $609 million. The $20 million loss in property and sales tax revenue needs be covered from contingency, from designations, or with additional department cuts. Net county cost budgeted to general fund departments totals about $680 million. The $71 million gap between discretionary revenue and ongoing expenses is our structural deficit. We have not seen a credible projection that discretionary revenue will increase over the next 18 months, so our structural deficit has the potential to use up all the Board's designations in two years.

As departments face huge budget pressures, including implementing NCC cuts, and dealing with increasing ISF costs, the Board has the opportunity to use some of the additional fund balance to provide budget relief. The recommended budget relief would be funded with general fund balance and would go to departments proportional to their current NCC allocation.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to make $3 million in budget adjustments to general fund departments, per Attachment G to account 524740 (county support service).*

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:*

Increase designations:		
10000-1000100000-320141	DFB – property tax system	4,000,000
10000-1000100000-320109	DFB – capital projects	3,202,572
10000-1000100000-320110	DFB – economic uncertainty	$33,797,428
	Total	$41,000,000
Decrease fund balance:		
10000-1000100000-325100	Unreserved fund balance	$41,000,000

2. QUARTERLY DISCRETIONARY REVENUE SUMMARY

In summary, discretionary revenue should be adjusted down $20.2 million this quarter. Updated projections for property-tax related revenue reflect a loss of $11 million. Recent sales and use tax projections reflect a loss of $9.2 million. It is recommended that these revenue losses be backfilled with funds appropriated within contingency.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease estimated revenue:		
10000-1300100000-700020	Property tax current secured	$9,400,000
10000-1300100000-705000	Property tax prior supplemental	3,000,000
10000-1300100000-710020	Sales and use tax	9,200,000
10000-1300100000-750200	CA – motor vehicle in lieu	1,567,145
	Total	$23,167,145
Increase estimated revenue:		
10000-1300100000-781000	Contract redevelopment	$3,000,000

Decrease appropriations:

10000-1109000000-581000	Appropriations for contingency	$20,167,145

Following is a chart summarizing the cumulative change in county's discretionary revenue.

Summary of FY 09/10 General-Fund Discretionary Revenue (in millions)

	Original Budget Estimate	First-Quarter Upate	Variance from Budget
Property Taxes	283.9	274.5	(9.4)
Motor Vehicle In Lieu	199.5	197.9	(1.6)
Tax Loss Reserve Fund-Overflow	46.0	46.0	0.0
Sales Tax *	34.8	25.6	(9.2)
Fines and Penalties	26.1	26.1	0.0
Documentary Transfer Tax	9.2	9.2	0.0
Interest	8.5	8.5	0.0
Franchise Tax	8.0	8.0	0.0
Misc. Federal and State	6.0	6.0	0.0
Other (Prior Year & Miscellaneous)	5.6	5.6	0.0
Transient Occupancy Tax	1.6	1.6	0.0
TOTALS	629.2	609.0	(20.2)

** Does not include public safety sales tax revenue*

3. BOARD DISCRETIONARY RESERVES

The county has restricted funds in a variety of accounts which are limited in their use in one fashion or another. Based on recommendations in this report, the following table lists the $149 million in Board-established general fund discretionary reserves. About $116 million remains set aside in the multi-year plan to be systematically drawn down over the next couple of years to allow for phased budget cuts as we strive for budgetary equilibrium. Another $15 million is earmarked for public social services to protect against the state's tendency to fund service increases in arrears. The Board has set aside $13.6 million for a new property tax system. The remaining $6.5 million is earmarked for community improvement and to offset state-mandated reimbursements that are not received in the year the expenses occur. These last two reserves will likely be exhausted by year's end.

Discretionary Reserves (in millions)

	FY 08/09 Ending Balances	Draw Downs for Budget Use	FY 09/10 Beginning Balances	First-Quarter Adjustments	Balance Upon Approval
Economic uncertainty	97.7	(23.0)	74.7	33.8	108.5
Capital projects	38.3	(38.3)	0.0	3.2	3.2
PSEC - 800 MHz	27.1	(27.1)	0.0		0.0
Property tax system	9.6		9.6	4.0	13.6
SB90 deferred state revenue	3.6		3.6		3.6
DPSS - CalWorks incentive	8.2		8.2		8.2
DPSS - realignment growth	6.9		6.9		6.9
Probation	2.3	(2.3)	0.0		0.0
Community improvement	0.0		3.4		2.9
CAC maintenance	1.2	(1.2)	0.0		0.0
TOTAL	194.9	(91.9)	106.4	41.0	146.9

4. APPROPRIATIONS FOR CONTINGENCY

Funds allocated into contingency are appropriated for unforeseeable events. These funds are at the Board's discretion and have historically been used to backfill discretionary-revenue shortfalls, to finance unforeseen expenditures and to cover uncorrectable departmental budget overruns. The Board-approved contingency target is four percent of ongoing discretionary revenue. After lowering contingency to cover projected revenue losses, contingency funding will be just over one percent of discretionary revenue, well below the Board's target.

The Executive Office has empowered departments and given them authority to implement all cost-cutting measures to meet budget targets. If layoffs are the only feasible option, departments have been directed to exercise that option. The Executive Office can apply further control of general fund departments if warranted. Elected officials' budgets have been evaluated and discussed with their staff. They are responsible for the outcome of their budgetary decisions.

Normally, funds remaining in contingency at year-end are used to re-establish contingency in the following year. It could be necessary to draw down reserves to replenish contingency next fiscal year to an adequate level.

FY 09/10 USE OF CONTINGENCY

	Cost Adjustment	Revenue Adjustment	Total Adjustment	Contingency Status
Beginning Balance:				**$30,000,000**
First-quarter adjustments:				
Item 3.12 on 7/14/09 Cash Overage/Shortage	$52	$0	($52)	$29,999,948
Actions recommended in this report:				
First-quarter discretionary revenue losses	$20,167,145	$0	($20,167,145)	$9,832,803
Court Facilities (page 24)	$1,157,592	$0	($1,157,592)	$8,675,211
Court Transcripts (page 24)	$1,400,000	$0	($1,400,000)	$7,275,211
Confidential Court Orders (page 24)	$450,000	$0	($450,000)	$6,825,211
	$0	$0	$0	$6,825,211
Contingency balance upon approval of this report =				**$6,825,211**

5. FIRST QUARTER EXPENDITURE STRESS TEST

We performed a follow up to the stress test reported to the Board on Sept. 9, 2009 (Item 3.9) to identify concerns in various departments. With some additional data, we still see some areas of concern. Budget data from this first quarter provides an early indication of expenditure trends. Personnel costs, in particular, can reasonably be extrapolated to a full year as these costs are stabilizing. Some consideration should be given to departments in which an early retirement incentive is still available. For these public-safety departments, it will be difficult to project full-year costs until we know the final retiree count. On the other hand, revenue projections based upon three months are especially unreliable because the county typically receives little revenue in the first quarter.

Maximum on Target =	19.5%	25.0%
Department	**Salaries**	**Total Expense**
Executive Office	20.3%	20.6%
NPDES	20.8%	15.6%
County Clerk-Recorder	21.6%	18.5%
Auditor-Controller	21.3%	23.9%
County Counsel	19.0%	26.5%
District Attorney	21.8%	21.6%
Public Defender	21.3%	20.6%
Sheriff Administration	32.1%	30.1%
Sheriff Support	20.1%	21.7%
Sheriff Court Services	20.6%	19.9%
Mental Health - Detention	22.0%	17.5%
Med Indigent Services	22.4%	15.7%

KEY	
	On target
	Borderline
	Over target

Three months of expenses were examined for all general-fund departments. Total expenses were assumed to represent 25 percent of this year's costs. Personnel expenses were for 5.1 pay periods of the full year's 26.1 pay periods, or 19.5 percent. Therefore, departments that spent less than 19.5 percent of their personnel allocations and less than 25 percent of their total allocations show no early, obvious signs of budget distress.

Twelve departments failed this simple stress test, for the most part because personnel expenses are above target. Departments are listed above underlined (Executive Office and Sheriff Support) if they are marginally off target. Budget units are shown in bold (NPDES, County Clerk-Recorder, Auditor-Controller, County Counsel, District Attorney, Public Defender, Sheriff Administration, Sheriff Court Services, Mental Health-Detention, and Medically Indigent Services) if they are significantly off target. Those in bold require close scrutiny and those department heads must correct course so that further general-fund support is not needed by year's end.

F. FY 09/10 DEPARTMENTAL STATUS

1. INTERDEPARTMENTAL AND CAPITAL PROJECTS

a) Public Safety Enterprise Communications (PSEC) 800 MHz

As reported to the Board on March 31, 2009 (Item 3.33) with the detail design for the PSEC radio system, the county is able to purchase network routers and switches at a greater discount than Motorola could provide. The department requests the budget adjustment listed below to complete this cost saving transaction.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

33500-7400300000-546060	Equipment – communications	$625,257

Increase estimated revenue:

33500-7400300000-790600	Contribution from other county funds	$625,257

2. GENERAL GOVERNMENT

a) Auditor Controller

On September 29, 2009 (Item 3.9) the Executive Office reported on departmental fiscal positions. Preliminary analysis forecasted that the Auditor-Controller salaries would exceed the Board-approved budget. Updated projections completed by the Executive Office (stress test on page 14) continue to indicate that without corrective action, the department might still exceed the Board-approved budget target by year's end. Close monitoring is needed to avoid a repeat of last year's overrun.

The department reports that by incorporating savings assumed from furloughs and other cost-cutting efforts that their budget will come in below the current cost target.

Internal Audit Unit

The Board requested quarterly updates on the status of the Auditor-Controller's audit work plan. A summary of the full report (Attachment C) follows:

Reports issued = 1	Reports in process = 9	Audits in process = 13
Audits scheduled = 29	Audits deferred = 0	Audits cancelled = 0

The Internal Audit Division has 12 positions filled. To date, audit work is complete for 10 audit projects. Final reports have been issued for one of those audits with nine additional reports pending issuance.

Recommended Motion: *That the Board direct the Auditor-Controller to continue providing audit plan updates, but only on an annual basis.*

b) Clerk of the Board

Two 10-year-old photocopiers that are critical for operations, including production of the Board's agenda, are beyond their useful life. The reliability of the machines is declining and maintenance costs likely exceed replacement cost. The Clerk of the Board requests permission to purchase two new copiers.

Recommended Motion: *That the Board of Supervisors: 1) approve the purchase of two new copiers; and 2) approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:

10000-1000100000-546160	Equipment office	$50,000

Decrease appropriations:

10000-1000100000-523600	Audio visual expense	$50,000

The youth protection and intervention program serves and supports young people in all five districts by providing retreats, the Youth in Government Day, the annual youth summit,

ongoing meetings and community support. Approval of the annual budget will allow these worthwhile programs to continue. No new general funds are required.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1000100000-523230	Miscellaneous expense	$6,000
10000-1000100000-523700	Office supplies	2,000
10000-1000100000-523760	Postage and mailing	1,000
10000-1000100000-525440	Professional services	2,000
10000-1000100000-527180	Operational supplies	10,000
10000-1000100000-528920	Car pool expense	6,000
10000-1000100000-528980	Meals	30,000
	Total	$57,000
Expected offset:		
11072-1000100000-320120	DFB-Youth protection	$57,000

c) County Counsel

An unexpected payout due to a resignation in the first quarter has caused County Counsel to be identified as significantly off target. The department reports that salary savings from furloughs and from a delay in filling the vacated position coupled with improved billing procedures will put the department back on target before the end of the year.

d) Economic Development Agency (EDA)

Palm Springs Multi-Service Center (Roy's Place)

EDA is currently working on Palm Springs Multi-Service Center, also known as Roy's Place, and is in the process of formatting space for a homeless shelter within the center. A budget adjustment is requested for the project to cover kitchen equipment, office furnishings and other equipment. Funding will come from DPSS and will be transferred upon invoicing from EDA.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
30100-7200800000-542040	Buildings – capital projects	$500,000
Increase estimated revenue:		
30100-7200800000-778370	Interfund – project costs	$500,000

Deferred Maintenance Projects

There is a need for additional funding for deferred maintenance projects that have been identified after the approval of the FY 09/10 budget. Each of these items is a one-time project, except for underground tank monitoring, which requires ongoing support. The department requests the use of beginning fund balance toward the critical projects described below in the amount of $1,424,550.

- Robert Presley Detention Center – There is a need to etch the windows of the detention center to prevent a clear view from inside the building. Illicit communication by inmates with the outside public through the clear windows has created a security problem for law enforcement personnel. The cost for this project is $99,550.
- Third and Park Street Parking Lot – The county-owned lot by Third and Park Street has been identified as a location to place county-owned vehicles. There is a need to create a new secure parking lot to house cars no longer being retained overnight. This project will create 161 more spaces at a fraction of the cost for a new parking structure downtown. The cost for this project is $600,000. Savings will accrue to those departments whose vehicle costs decrease.
- Criminal Justice Building Elevators – The elevators within the Criminal Justice Building are in dire need of replacement. The cost for this project is $425,000.
- Underground Monitoring and Repairs – EDA's Design and Construction division is responsible for compliance of underground monitoring and repairs due to water quality issues. Non-compliance in this area can reach fines of up to $10,000 per day per site. The total cost for compliance and monitoring for FY 09/10 is $300,000.

Recommended Motion: *That the Board of Supervisors: 1) approve the use of* $1,424,550 *of beginning fund balance towards the items listed above for FY 09/10 only; 2) direct EDA to identify ongoing funding for underground storage tanks and bring a recommendation to the Executive Office during construction of the FY 10/11 budget; and 3) approve and direct the Auditor-Controller to make the following budget adjustments:*

Increase appropriations:		
10000-1101000000-551000	Operating transfers-out	$1,424,550
Expected offset:		
10000-1000100000-325100	Unreserved fund balance	$1,424,550

EDA Special Projects

Some of EDA's unique contributions towards the county include sponsorship of critical economic and public outreach events, support of various senior centers, funding for special positions, graffiti abatement, landscaping of road medians, and others. A partial list of the different items that EDA supports is below. All of the listed needs are ongoing. The department requests the use of beginning fund balance toward these critical efforts in the amount of $1,778,022.

Activity	Cost	District
Economic Development Memberships	$ 500,000	ALL
Community/Senior Centers - countywide	$ 500,000	ALL
Economic Development Outreach	$ 500,000	ALL
Graffiti Abatement in non-RDA areas	$ 180,000	ALL
Weed abatement for vacant county-owned land	$ 43,000	ALL
Annex Food Court	$ 20,022	ALL
Edward Dean Museum (ED Contribution)	$ 20,000	ALL
Community Outreach	$ 15,000	ALL
Grand Total:	**$ 1,778,022**	

Recommended Motion: *That the Board of Supervisors: 1) Approve the use of* $1,778,022 *of beginning fund balance towards the countywide items listed above for FY 09/10 only; 2) Direct EDA to identify ongoing funding for these items and its other commitments not included in the list above, and bring a recommendation to the Executive Office during construction of the FY 10/11 budget; and 3) Approve and direct the Auditor-Controller to make the following budget adjustments:*

Increase appropriations:		
10000-1101000000-551000	Operating transfers-out	$1,778,022
Expected offset:		
10000-1000100000-325100	Unreserved fund balance	$1,778,022

Administration

The department requests a budget adjustment to reflect receipt and allow the use of American Recovery and Reinvestment Act grant funds for an energy efficiency and conservation program.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
21100-1900500000-536200	Contributions – non-county agencies	$6,000,000
Increase estimated revenue:		
21100-1900500000-767430	Federal ARRA funds	$6,000,000

Aviation Administration

A budget adjustment is requested to cover increased marketing costs for the Jacqueline Cochran Airshow and to backfill the loss of California Aid to Airports Program (CAAP) revenue. The increased costs will be offset by increased sponsor contributions and unreserved fund balance will backfill the lost CAAP funds.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22100-1910700000-527660	Operational marketing	$75,000
Increase estimated revenue:		
22100-1910700000-778200	Interfund miscellaneous	$25,000
Expected offset:		
22100-1910700000-325100	Unreserved fund balance	$50,000

Chiriaco Summit Construction and Land Acquisition

A state grant was approved for capital improvement projects at the Chiriaco Summit Airport. The grant match is being transferred from Desert Center aviation construction unreserved

funds. A budget adjustment is needed for the construction-related expenses and the transfer of matching funds.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22350-1910400000-537180	Interfund expense – salary reimb.	$2,000
22350-1910400000-542040	Buildings – capital projects	188,000
	Total	$190,000
Increase estimated revenue:		
22350-1910400000-751230	CA – state match	$130,000
22350-1910400000-790500	Operating transfer in	60,000
	Total	$190,000

Desert Center Construction and Land Acquisition

A budget adjustment is requested to transfer aviation construction unreserved funds to Chiriaco Summit. These funds will be used to match state grant funds awarded for capital-improvement projects.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
22350-1910500000-551100	Contributions to other county funds	$60,000
Expected offset:		
22350-1910500000-325100	Unreserved fund balance	$60,000

Desert Expocenter

A budget adjustment is requested to fund an Americans with Disabilities Act compliant pavement construction project.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22200-1920100000-542120	Improvements – infrastructure	$577,092
Increase estimated revenue:		
22200-1920100000-781540	Contributions from other funds	$275,000
Expected offset:		
22200-1920100000-325100	Unreserved fund balance	$302,092

Energy Management

The energy division requests a budget adjustment to reflect increased expenses and revenue approved by the Board on June 30, 2009 (Items 3.23 and 3.24) for DPSS and Fire

Department lease amendments. The following budget adjustment request is a consolidation of the items.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-7200600000-529540	Utilities	$27,480
10000-7200600000-573800	Intrafund – utilities	(27,480)
	Total	$0

French Valley Construction and Land Acquisition

A federal grant was awarded for capital improvement projects at the French Valley Airport. Redevelopment is providing grant matching funds. A budget adjustment is needed for construction related expenses and matching funds.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22350-1910600000-542040	Buildings – capital projects	$1,730,000
22350-1910600000-537180	Interfund – salary reimbursements	50,000
	Total	$1,780,000
Increase estimated revenue:		
22350-1910600000-767060	Federal – airports improvements	$1,730,000
22350-1910600000-778200	Interfund miscellaneous	50,000
	Total	$1,780,000

Real Estate

On June 30, 2009, the Board approved three agenda items deferring required budget adjustments to the first-quarter report (Items 3.23, 3.24 and 3.34): DPSS and Fire Department lease amendments and a legal services agreement amendment. The following budget adjustment request is a consolidation of the above items.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-7200400000-526700	Rent/lease – buildings	$204,158
10000-7200400000-525440	Professional services	335,000
10000-7200400000-572500	Intrafund leases	(204,158)
	Total	$335,000
Increase estimated revenue:		
10000-7200400000-777520	Reimbursement for services	$335,000

Workforce Development

Workforce Development requests a budget adjustment to reflect increased federal Workforce Investment Act revenue, including American Recovery and Reinvestment Act stimulus grants, which will be used for training and equipment.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
21550-1900300000-523680	Office equipment – non-fixed assets	$1,405,000
21550-1900300000-525440	Professional services	310,000
21550-1900300000-530300	Training provider	5,550,000
21550-1900300000-530440	Client services	2,275,000
21550-1900300000-530460	Support services	125,000
	Total	$9,665,000
Increase estimated revenue:		
21550-1900300000-765000	Fed-WIA	$9,665,000

e) Human Resources

Human Resources foresees possible revenue shortfalls in several of its business units, because of a significant reduction in recruiting activity, training and pre-employment physicals. Other shortfalls could occur if the county personnel count continues to decline. Human Resources expects to offset the shortfalls with savings from mandated furloughs.

Human Resources acknowledges current economic strains on the general fund and the inaccessibility of this funding source for budget shortfalls. The department will take steps to ensure expenditures do not exceed revenue and available fund reserves.

Exclusive Care Health Insurance for TAP Employee Dependents

In 2001, the Board approved a health insurance benefit for the children of TAP employees, and has supported this program with annual funding. This alternative, no-cost health care plan for minor dependent children provides Exclusive Care Health Insurance when the dependants have no other health insurance. Since 2001, there have been as many as 90 children covered per month. With the decline in the use of TAP employees, the department now covers an average of 30-40 children per month. Currently, the FY 2009-10 funding need is estimated at about $150,000. Information and enrollment material is presented and made available to each TAP employee when they attend the new employee orientation meeting.

There is adequate funding in the "Contribution to Other Funds" budget unit, so that no adjustment is needed.

Recommended Motion: *That the Board of Supervisors approve continued funding of this program in FY 09/10, to be paid out of the general fund.*

f) Registrar of Voters (ROV)

The Registrar of Voters expects to end the fiscal year within net county cost targets, despite reduced departmental revenue. Revenue is estimated at $290,000 less than budgeted due to jurisdictions (12 districts, two school districts and one college district) having insufficient nominees to go to election in November 2009.

To improve efficiency and reduce costs, the Registrar of Voters requests permission to implement an ICR/OCR module within its election information management system. Prior to

each election, up to 40 temporary data-entry operators are hired to key in data from the onslaught of voter registration cards. The ICR/OCR module recognizes and translates written characters from scanned voter registration cards and records the information in the system. Subscribing to this module streamlines data entry and reduces temporary help costs. The cost to purchase the server needed to accommodate this transition before the June 2010 election is $10,000.

The Registrar of Voters also requests permission to purchase two Opex Model 51 mail extractors. With this equipment the number of temporary personnel needed to open and remove returned ballots from their envelopes will drop from 60 to 10. Each mail extractor costs approximately $25,000.

Recommended Motion: *That the Board of Supervisors approve the purchase of an ICR/OCR module and two mail extractors; and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1700100000-546080	Equipment/Computer	$10,000
10000-1700100000-546160	Equipment Other	50,000
	Total	$60,000
Decrease appropriations:		
10000-1700100000-527380	Elections	$60,000

3. PUBLIC PROTECTION

a) Animal Services – Community Health Agency

To reduce revenue, the department implemented additional layoffs in the first quarter and continues to operate under a self-imposed hiring freeze. Animal Services reports that standby pay has increased because of mandatory furloughs. The department requests a budget adjustment to better reflect reduced revenue related to contract negotiations with the City of Riverside. The department continues to review city contracts and will bring budget adjustments forward as new agreements are negotiated.

The department was the beneficiary of $186,000 from an anonymous donor who requested that the funds be used to care for animals sheltered by Riverside County in the Coachella Valley.

The department reports that although construction of the Northwest, San Jacinto and Blythe animal shelters is expected to be completed in the third quarter, there is no capacity in the FY 09/10 budget to absorb the additional fixed and operational costs associated with these expanded and new facilities.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-4200600000-518100	Budgeted benefits	$128,981
10000-4200600000-523700	Office supplies	8,010
10000-4200600000-536260	Support & care of animals	266,325

10000-4200600000-528920	Carpool expense	142,873
	Total	$546,189
Decrease appropriations:		
10000-4200600000-510040	Regular salaries	$35,798
10000-4200600000-510420	Overtime	100,000
10000-4200600000-520115	Uniforms – replacement clothes	20,000
10000-4200600000-520820	Janitorial services	170,000
10000-4200600000-522310	Maintenance – buildings	92,462
10000-4200600000-523250	Refunds	18,000
10000-4200600000-524500	Administrative support direct	20,000
10000-4200600000-528140	Conference and registration fees	33,000
10000-4200600000-528900	Air transportation	2,500
10000-4200600000-528940	Travel – fuel	2,500
10000-4200600000-528960	Lodging	5,000
	Total	$499,260
Increase estimated revenue:		
10000-4200600000-773220	City bills-field services	$334,402
Decrease estimated revenue:		
10000-4200600000-720000	County animal licenses	$200,000
10000-4200600000-773220	City bills-field services	44,847
10000-4200600000-781220	Contributions & donations	33,643
10000-4200600000-781480	Program revenue	53,830
	Total	$332,320

b) Court Funding

The Superior Court of Riverside County and Economic Development Agency entered into a memorandum of understanding (Item 3.15, Dec. 23, 2008) to complete various projects at the Hall of Justice and the Larson Justice Center. The projects were to be charged against the night court sub-fund, a fund required to be used for projects such as those completed by EDA. The requested adjustment would reimburse EDA now that the projects are finished.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1100100000-528500	Project costs	$780,850
Expected offset:		
11034-1100100000-325100	Unreserved fund balance	$780,850

Court Facilities

EDA completed maintenance projects at the law libraries in Indio and Riverside and at the historic courthouse in Riverside. Additionally the exterior of the historic courthouse was painted. EDA also requests that $125,000 in debt service on the Blythe courthouse be transferred for payment. None of these costs was anticipated when the court facilities budget was prepared.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1103900000-528500	Project costs	$1,157, 592
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$1,157,592

Court Reporter Transcripts

California Government Code Section 69952 specifies that the court may direct the making of a verbatim record of proceedings and that payment shall be from the county treasury on order of the court for criminal cases, juvenile proceedings, cases in which a minor is declared free from custody and proceedings under the Lanterman-Petris-Short Act of the Welfare and Institutions Code, or in any other matter as provided by law. The court does not direct the county to pay any matters considered pursuant to civil procedure. Prior to this fiscal year the Superior Court of Riverside County has paid the court reporters. Following review by counsel the county began paying reporters in late August, retroactive to invoices submitted by reporters beginning July 1, 2009. The anticipated costs were not included in the proposed budget as amounts could not be determined. With one quarter of expenditures posted in the amount of $350,000, it is now estimated that the FY 09/10 cost will be $1,400,000. There are no court fees that provide revenue for these costs.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1104300000-525440	Professional services	$1,400,000
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$1,400,000

Confidential Court Orders

These funds support confidential investigations, medical evaluations and laboratory services in death-penalty cases. Historically the fund has been underutilized, however last fiscal year an additional $45,000 was needed during the third quarter. During the first quarter of FY 09/10 expenses exceeded 50 percent of the budget and it is unlikely that sufficient funds are available to cover bills for the remaining three quarters. Although provided by the county per state statute, the confidential fund is managed by the Superior Court of Riverside County.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1103300000-525440	Professional services	$450,000
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$450,000

c) District Attorney's Office

At this time the District Attorney reports being on track to meet the approved FY 09/10 budget targets, and does not request any budget adjustments. The District Attorney's Office will continue to monitor its budget to determine the full impact of the county's early retirement and furlough programs along with other cost-saving measures that have been put in place. The department has obtained an estimated $2.2 million in revenue from new grants and restricted funds.

Results of the stress test on page 14 indicate that, without corrective action, the District Attorney might exceed the Board-approved budget target by year's end. Close monitoring is needed to avoid a repeat of last year's overrun.

d) Fire Department

The department has continued to maintain cost-saving measures put in place during the previous fiscal year and is on target to meet this year's budget goals. During the recent California fires, the department incurred some unplanned overtime expenses. These will be reimbursed by other agencies. The final costs are still being determined and the necessary adjustments to appropriations and revenue will be made in the second quarter.

The department has several grants (homeland security, Indian gaming and state fire assistance) that have associated expenses and revenue that are being rolled forward into FY 09/10. Necessary budget adjustments are being requested below.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and revenue as follows:*

Increase appropriations:		
10000-2700200000-527780	Special programs expense	$1,584,441
10000-2700200000-546120	Equipment – fire	25,000
10000-2700200000-546300	Vehicles/buses/heavy trucks	119,821
	Total	$1,729,262
Increase estimated revenue:		
10000-2700200000-767220	Federal – other grants	$1,701,266
10000-2700200000-755740	CA – Indian gaming grants	27,996
	Total	$1,729,262

e) Probation Department

The Probation Department anticipates being within budget targets for this fiscal year, however a series of factors could affect the budget in the coming months. These include: 1) The RSA/Probation bargaining unit has yet to reach a contract settlement; 2) In November, the department will move to the Regency Tower, however the current lease at the Metro Centre is in place until January 2011; 3) Lease costs for the Metro Centre and Arabia Street (Indio) offices are tracking higher than expected; and 4) Forty-four employees are expected to retire during the second quarter, with an estimated payout of $1.8 million.

Since 1995 when the courts were part of the Riverside County Superior Court, Enhanced Collections Division has been ordered to determine restitution. However state statutes and rules of the court now make this a county function, so the program is being transferred to

the Probation Department effective November 1, 2009. The department and the Superior Court have met several times to expedite a smooth transfer. The Superior Court is willing to transfer funding to support the cost of hiring two staff, a revenue and recovery supervisor and a revenue and recovery technician. Funds will be provided on a continuing basis and there will be no net county cost for these positions.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-2600200000-510040	Regular salaries	$84,200
10000-2600200000-518100	Budgeted benefits	34,061
	Total	$118,261
Increase estimated revenue:		
10000-2600200000-755680	CA – other grants	$118,261

The Probation Department applied for and received a continuing Edward Byrne Memorial Justice Grant (JAG). Funding in the amount of $62,565 is designated for a supervising probation officer who will work with the National Institute of Corrections to evaluate countywide implementation of evidence based probation practices to reduce recidivism.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-2600200000-510040	Regular salaries	$42,756
10000-2600200000-518100	Budgeted benefits	19,809
	Total	$62,565
Increase estimated revenue:		
10000-2600200000-767200	Federal – block grants	$62,565

As of July 1, 2009 the Department of Public Social Services assumed responsibility for processing payments for juvenile group-home placement. The institutional placement and corresponding Intra-DPSS account was budgeted based on two quarters of actual FY 08/09 expenditures and estimated expenditures for two additional quarters. The Probation Department will continue to be responsible for SSI/SSA benefit payments to group homes. The department requests an adjustment for the institutional payments and a comparable offset adjustment.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Decrease appropriations:		
10000-2600400000-530100	Institutional placement	$8,759,109
10000-2600400000-572000	Intrafund – DPSS	(8,759,109)
	Total	$0

The Probation Department will continue to monitor revenue and expenditures monthly. The Executive Office will work with Probation and will make recommendations in the midyear report as warranted.

f) Public Defender

On September 29, 2009 (Item 3.9) the Executive Office reported on departmental fiscal positions. Preliminary analysis forecasted that the Public Defender's salaries would exceed the Board-approved budget. Updated projections completed by the Executive Office (stress test on page 14) continue to indicate that without corrective action, the department might still exceed the Board-approved budget target by year's end. Close monitoring is needed to avoid a repeat of last year's overrun.

The Law Offices of the Public Defender is currently in an overload status due to unfilled vacancies trailing through FY 08/09. From an attorney cadre of 149 there are now 132 attorneys; of the 45 authorized investigator positions, only 32 are filled. Managing attorney positions show five vacancies and nine support jobs are unfilled. Salary savings was achieved, however the overload situation requires that the county secure counsel for indigent clients from the conflict panels. These panels cost more than representation by public defenders. Early in the first quarter the Executive Office relaxed the hiring freeze for the Law Offices of the Public Defender, which is in the process of hiring four attorneys and six investigators. The department expects to emerge from overload status shortly.

Department revenues are lagging due to the suspension of the state prison legal reimbursement program. The Public Defender continues to provide representation as required, however, given the state budget crisis, it is impossible to know when the program will again reimburse counties for defense services. Additionally, reimbursement mandated by SB 90 continues to trail; the state is two years behind in payments to counties. The Public Defender will continue to bill for services rendered, particularly for sexually violent predators, and full cost recovery is expected when the state resumes payments. The Executive Office will work with the Public Defender to monitor these revenue streams and will update the Board at midyear.

The department's Indian gaming grant award for FY 08/09 has been extended into FY 09/10. A budget adjustment is needed to cover first-quarter expenses.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-2400100000-510040	Budgeted salaries	$16,561
10000-2400100000-518100	Budgeted benefits	6,689
	Total	$23,250
Expected offset:		
11123-2400100000-308101	Restricted program money	$23,250

g) Sheriff's Department

The department's budget outlook for the first quarter projects a deficit of approximately $2.7 million. This deficit is being driven by unplanned overtime, leave buyouts for early

retirements, unfunded capital projects, and the department's decision to exempt certain support employees from the county furlough plan, therefore driving up expenses.

In its first-quarter report to the Executive Office, the department has requested additional funding to resolve some of these issues. Considering the current and future economic uncertainty facing the county, we do not feel it is prudent to add additional appropriations to the budget. We recommend the Sheriff's Department manage within its approved budget.

Additionally, the department requests the following appropriation transfers between budget units. Allowing these transfers will ensure that adequate funding is available across all line items and does not represent any increase to the net county cost. We recommend approval. We also recommend the Sheriff's Department manage within its approved budget, to avoid a repeat of last year's overrun.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-2500100000-510040	Regular salaries	$291,264
10000-2500100000-518100	Budgeted benefits	26,549
10000-2500200000-510040	Regular salaries	581,519
10000-2500200000-518100	Budgeted benefits	234,854
10000-2500400000-518100	Budgeted benefits	69,596
10000-2500500000-510040	Regular salaries	6,995
10000-2500600000-510040	Regular salaries	14
	Total	$1,210,791
Decrease appropriations		
10000-2500300000-510040	Regular salaries	$191,636
10000-2500300000-518100	Budgeted benefits	97,681
10000-2500400000-510040	Regular salaries	27,608
10000-2500500000-518100	Budgeted benefits	7,618
10000-2500600000-518100	Budgeted benefits	14
10000-2500700000-510040	Regular salaries	429,788
10000-2500700000-518100	Budgeted benefits	185,676
10000-2501000000-510040	Regular salaries	197,671
10000-2501000000-518100	Budgeted benefits	36,930
10000-2501100000-510040	Regular salaries	21,992
10000-2501100000-518100	Budgeted benefits	14,177
	Total	$1,210,791

4. PUBLIC WAYS AND FACILITIES

Nothing to report.

5. HEALTH AND SANITATION

a) Community Health Agency (CHA)

The agency projects salaries and benefits costs will be less than budgeted due to furloughs. Grants are being reviewed and where possible, personnel costs are directly applied to various grants rather than included as overhead costs. The agency anticipates salary

savings and requests an appropriation transfer to better reflect expenses. In addition, the agency requests an adjustment to funded positions. At this time, the department requests permission to delete a vacant CHA maintenance project planner and add two housekeeping positions.

Recommended Motion: *That the Board of Supervisors approve Resolution 440-8824, deleting one CHA Maintenance Project Planner and adding two Housekeepers; and approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-4200300000-520260	Computer lines	$522,311
10000-4200300000-521640	Maintenance – software	15,000
	Total	$537,311
Decrease appropriations:		
10000-4200300000-510040	Regular salaries	$375,742
10000-4200300000-518100	Budgeted benefits	161,569
	Total	$537,311

Public Health

The department continues to require adjustments as the effects of state cuts are further refined. The department requests a budget adjustment to better reflect current revenue and expenditure expectations.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-4200100000-523640	Computer equip. – non-fixed assets	$295,000
Decrease appropriations:		
10000-4200100000-510040	Regular salaries	$1,109,375
10000-4200100000-518100	Budgeted benefits	477,031
10000-4200100000-522310	Maintenance – building	8,114
10000-4200100000-523100	Memberships	54
10000-4200100000-523680	Office equip. – non-fixed assets	833
10000-4200100000-523700	Office supplies	16,655
10000-4200100000-523720	Photocopying	2,212
10000-4200100000-523760	Postage and mailing	1,828
10000-4200100000-523800	Printing and binding	8,011
10000-4200100000-524760	Data processing services	19,328
10000-4200100000-526700	Rent and lease of buildings	63,657
10000-4200100000-527780	Special program expense	30,694
10000-4200100000-527840	Training and education tuition	2,201
10000-4200100000-528140	Conference and registration fees	2,583
10000-4200100000-528900	Air transportation	1,490
10000-4200100000-528920	Car pool expense	39,785
10000-4200100000-528960	Lodging	533
10000-4200100000-528980	Meals	440
10000-4200100000-529000	Misc. travel expense	83

10000-4200100000-529040	Private mileage reimbursement	42,351
10000-4200100000-529060	Public service transportation	46
10000-4200100000-529540	Utilities	8,464
10000-4200100000-532640	Capital leases	300,000
10000-4200100000-537000	Interfund expense - leases	5,368
10000-4200100000-572800	Intrafund - miscellaneous	215,000
	Total	$2,356,136
Increase estimated revenue:		
10000-4200100000-774520	Capitated – Medi-Cal	$51,962
10000-4200100000-774760	Reimburse for health services	546
10000-4200100000-774900	Other third parties	27,412
10000-4200100000-774950	CHDP patients	401
10000-4200100000-776260	Medicare patients	39,157
10000-4200100000-776270	Medi-Cal patients	326,357
10000-4200100000-776310	Private patients	145,821
	Total	$591,656
Decrease estimated revenue:		
10000-4200100000-751250	CA – family planning	$153,657
10000-4200100000-776290	MIA	4,161
10000-4200100000-767220	Fed – other operating grants	433,838
10000-4200100000-751680	CA – grant revenue	2,061,136
	Total	$2,652,792

California Children's Services (CCS)

The department anticipates that furloughs will generate salary savings but will also reduce state and federal revenue and may potentially reduce future-year base funding. In addition, the state has chosen to withhold payments to CCS providers which may reduce the number of providers and possibly affect service delivery to patients. The department continues to monitor the situation and will report back at midyear.

b) Detention Health Services (DHS) – RCRMC

At this time, the department reports it could exceed net county cost by $1.5 million. However, it is possible that the recent implementation of the 340b program will significantly decrease pharmaceutical costs, partially offsetting the need for additional general funds. In addition, in order to further reduce the reliance on general fund support, the department will no longer reimburse pre-booking fees submitted for payment by other hospitals. The department will continue to monitor the situation and will report back at midyear.

c) Medically Indigent Services Program (MISP) – RCRMC

The department reports that due to a significant increase in enrollment and an anticipated reduction in realignment revenue, additional general-fund support of $1.9 million may be needed by year-end. The department continues to work with the Community Health Agency to implement new pharmacy protocols to reduce costs. These cost savings may partially offset the need for general funds. The department will continue to monitor the situation and will report back at midyear.

d) Mental Health

Revenue from sales tax and vehicle license fees, known as realignment, continues to decline. Although various mental health programs receive realignment funds, only the Office of the Public Guardian anticipates that additional general funds of $266,000 will be needed to make up for the shortfall. The department continues to monitor expenses and revenue receipts, and will report back to the Board at midyear.

Mental Health Detention

The decline in realignment will impact funding available for mental health services to inmates in the county jail system. At this time, the department estimates that $49,000 in additional general-fund support will be necessary to offset the revenue decrease. The department continues to monitor expenses and revenue receipts, and will report back to the Board at midyear.

6. PUBLIC ASSISTANCE

a) Department of Public Social Services (DPSS)

The state continues to distribute final program allocation letters and the department requests budget adjustments as necessary. The final Child Welfare Services (CWS) program allocation was $3 million less than anticipated. The department is questioning the distribution of the funding and has requested that the state reconsider the allocation methodology.

In-Home Supportive Services (IHSS)

State participation in IHSS individual provider wages was reduced to $9.50 per hour; however the reduction is still under legal review. The department is currently paying providers at the hourly rate of $10.25 which was the rate in effect at the time the state implemented the rate reduction. This is 50 cents less than the negotiated hourly rate that was set to increase on July 1, 2009. Budget adjustments may be necessary, depending on the outcome of the current litigation. If this wage rate remains in effect for the full fiscal year, the department estimates that net county cost (NCC) savings of $1.3 million may be realized.

In addition, there are numerous policy changes to IHSS that result in new mandated responsibilities including background checks and training for providers, fingerprinting of consumers, expanded quality assurance activities and fraud investigation. It is also likely that some existing consumers no longer will be eligible for services based on the new state eligibility thresholds. DPSS is identifying affected consumers and taking steps to implement the new regulations slated to take effect November 1, 2009.

The state budget included various CalWORKs program changes that are being further defined and implemented. The changes will affect program eligibility and may create savings. As these elements are clarified, the department will assess and report the budget implications at midyear.

Apart from the state's policy changes, components of the Temporary Assistance to Needy Families emergency contingency funding (ECF) continue to be implemented. In August, the subsidized time limited employment program (STEP) was implemented, and has grown quickly. As of October 1, 2009 204 CalWORKs customers were referred for screening, 136 job orders were received and 95 individuals were placed in job assignments. DPSS recently

responded to a state survey regarding planned uses for short term, non-recurring benefits, which is another component of ECF. The funding request submitted to the state is approximately $29 million, which will be issued to CalWORKs families and other low-income families.

DPSS cost containment contributed to significant budget savings in the prior fiscal year. The FY 09/10 budget was developed in anticipation of continued cost savings from these efforts, which include reduced facility projects, overtime, temporary services, operating costs, information technology and training.

Mandatory furloughs will result in required NCC savings; however, they will also reduce state and federal funding claims. Furlough savings are estimated at nearly $9 million, resulting in $8.5 million in unclaimed state and federal funding. The net savings is estimated to be $0.5 million.
In recognition of caseload growth, the department recently received increased funding in Medi-Cal, Food Stamps and CalWORKs. The prior year's hiring freeze and current year hiring restrictions have reduced staffing below funded levels and the increased funding supports hiring even more staff. As a result, the department is processing various position recruitments to provide caseload relief.

Mandated Client Services
The FY 09/10 budget included an 11.5 percent increase in federal medical assistance percentage (FMAP) funding for IHSS individual provider and contracted services expenditures. The county's share of the budgeted increase in federal funding for FY 09/10 is $9.6 million. Because the FMAP increase is scheduled to sunset in 2010, additional county contribution will be necessary to sustain the current service levels in future years.

Categorical Aid
Adoption assistance continues to demonstrate caseload growth in line with projections, while foster-care caseloads continue to decline. If foster-care placements continue at current levels, net county cost (NCC) savings of $4.3 million are anticipated.

During the development of the FY 09/10 budget, the FMAP increases for foster care and adoption assistance were not confirmed and therefore, not included. Savings of $1.8 million for the increased FMAP federal participation are anticipated in this budget year. Because the FMAP increase is scheduled to sunset in December 2010, additional county contribution will be necessary in future budget years to cover the required county match.

In addition, the state budget reduced group home and foster family agency placement rates by 10 percent. This reduction is anticipated to result in budget year NCC savings of $1.9 million. The department will continue to monitor the programs and provide an update at midyear.

The department is projecting annualized caseload growth of 17 percent in the CalWORKs program. This is consistent with the current economic conditions that have increased the need for cash assistance for families.

Homeless

The department's FY 09/10 budget utilizes $753,108 from the homeless fund balance to support the program's current operating expenditure level. It is anticipated that the fund balance will not be sufficient to support the required county share for FY 10/11. A contribution from other funds will be required to support the operations at that time.

In-Home Supportive Services – Public Authority (PA)

During the state budget process, the state participation for the PA budget was reduced. Based on the recent allocation letter received from the state, Riverside will be able to maintain prior-year expenditure levels within the new allocation amounts. The department will continue to monitor the situation and provide an update in the midyear budget report. Any necessary budget adjustments will be provided at that time.

Riverside County Children and Families Commission (RCCFC)

The department indicates that a budget adjustment might be necessary at midyear due to anticipated salary savings resulting from mandatory furloughs. The department will continue to monitor the situation and will request the budget adjustment, if necessary.

At the end of FY 08/09, RCCFC transferred monies from fund balance in anticipation of making available new funding opportunities in the community due to budget cuts in other programs affecting families eligible for First 5 funded services. During the first quarter, the commission designated the following for FY09/10 through FY10/11:

Area	Period	Description	Amount
ECE	10/09-6/11	Scholarships for RCOE CEL	$8,000,000
ECE	11/09-6/11	Expansion of current contracts for additional spaces and/or scholarships	$4,000,000
ECE	01/10-6/11	New capacity for high need – capital and/or operations	$3,000,000
Health	01/10-6/11	Expansion of current Health contracts	$1,500,000
Health	10/09-6/11	Healthy Families/other health access services	$4,000,000
Health	09/09-6/11	Maintain other health services reduced by economic issues	$2,933,333
All	07/09-6/11	Emergency Fund (Anticipated 1/3 Health and 2/3 Child Care/ECE)	$1,238,231
All	07/09-6/11	Community Response Fund (Anticipated 1/3 Health and Child Care/ECE)	$1,500,000
Grand Total			**$26,171,564**

Currently, contracts have been issued for only a portion of the new funding. RCCFC will continue to monitor and report back at midyear. No budget adjustment is requested at this time however, RCCFC anticipates requesting commission approval for a midyear budget modification based on new contracts that will be issued during the fiscal year.

b) Community Action Partnership (CAP)

The department has received nearly $3.4 million in additional federal funds for the Community Services Block Grant (CSBG) through the American Recovery and Reinvestment Act (ARRA). ARRA creates sustainable economic resources in communities. The Board of Supervisors, on June 9, 2009 (Item 3.20), approved CAP's local plan to administer funds expeditiously by expanding existing programs and partnering with organizations where CAP has had formal or informal partnerships. At this time, CAP requests a budget adjustment to reflect the revenue and expenses associated with the additional funds.

Recommended Motion: *That the Board of Supervisors approve the purchase of two vehicles, and approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
21050-5200300000-520200	Communication services	$10,000
21050-5200300000-523100	Memberships	10,000
21050-5200300000-523620	Books and publications	5,588
21050-5200300000-523680	Office equipment – non-fixed assets	15,862
21050-5200300000-523700	Office supplies	24,000
21050-5200300000-523760	Postage and mailing	3,471
21050-5200300000-523780	Printed forms	32,385
21050-5200300000-524840	Fingerprinting services	1,920
21050-5200300000-525500	Salary and benefit reimbursement	46,050
21050-5200300000-526420	Advertising	5,000
21050-5200300000-527320	Client education services	5,691
21050-5200300000-527780	Special program expense	13,359
21050-5200300000-528140	Conference and registration fees	800
21050-5200300000-528920	Carpool expense	5,177
21050-5200300000-529000	Misc travel expense	2,950
21050-5200300000-529040	Private mileage reimbursement	18,080
21050-5200300000-525080	Temp assist pool services	425,943
21050-5200300000-536240	Other contract agencies	2,717,637
21050-5200300000-546320	Vehicles – cars/light trucks	50,893
21050-5200300000-546380	Vehicles other	10,000
	Total	$3,404,806
Increase estimated revenue:		
21050-5200300000-767430	Federal ARRA	$3,394,806
21050-5200300000-790600	Contributions from other county funds	10,000
	Total	$3,404,806

7. EDUCATION, RECREATION, AND CULTURE

a) Edward Dean Museum

A budget adjustment is requested to reflect greater than anticipated revenue and expenses for the Fifth Annual Autumn Gala. The Fifth District's community improvement designation funds and sponsor contributions account for the increased event revenue.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-1930100000-528500	Project cost expense	$50,000
Increase estimated revenue:		
10000-1930100000-776770	Edward Dean Museum	$25,000
10000-1930100000-790600	Contributions from other county funds	25,000
	Total	$50,000

8. ENTERPRISE FUNDS

a) Riverside County Regional Medical Center (RCRMC)

RCRMC reports that expenditures and revenue are in line with projections through the first quarter. RCRMC reports that an increase in the maximum fill rate of 200 positions is warranted to allow greater flexibility, better use of resources, and to decrease the use of

overtime and expensive registry services. A budget adjustment is not needed as the increase in salaries would be offset by a decrease in overtime and registry service costs. At this time, the department has approximately 130 vacant inactivate positions. The Executive Office supports the hospital's request and will be working with Human Resources to make the 130 positions available.

9. INTERNAL SERVICE FUNDS (ISF)

a) Fleet Services

As an ISF, Fleet Services develops rates to recover the cost of services. The cost of maintaining Fleet Services' vehicles is recovered through a monthly maintenance standby charges plus an amount for each mile driven. These charges cover the cost of all vehicle maintenance. The shop labor rate covers requests for optional work or unusual situations. Maintenance for non fleet vehicles is charged on a work-order basis using a higher rate. The hourly shop rate was developed to fairly charge for work on vehicles that are not part of the Fleet Services fleet.

On February 3, 2009 (Item 3.31) the Board of Supervisors established ISF rates for Fleet Services. As a follow-up to that action, Fleet Services requests approval to change the language describing shop labor rates reflected in that item's Attachment A, so that there is no ambiguity between the attachment and the Form 11. The language is to be amended to match what was used in the background section of the Form 11. Specifically, shop labor rate descriptions will be changed from "Shop Labor Rate – County Vehicles" and "Shop Labor Rate – Non County Vehicles" to "Shop Labor Rate – Fleet Services Vehicles" and "Shop Labor Rate – Non Fleet Services Vehicles." No change to approved hourly rates is requested.

Recommended Motion: *That the Board of Supervisors approve language changes to Fleet Services rate structure as follows*:

Change descriptions from "Shop Labor Rate – County Vehicles" and "Shop Labor Rate – Non County Vehicles" to "Shop Labor Rate – Fleet Services Vehicles" and "Shop Labor Rate – Non Fleet Services Vehicles."

b) Information Technology (RCIT)

Due to service demands and project interruptions, various communications infrastructure, microwave, and facilities projects that were scheduled to be completed in FY 08/09 need to be carried over into the new fiscal year. In order to complete these projects, the department requests the budget adjustment listed below. Sufficient fund balance exists to offset requested appropriation increases.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:

45500-7400100000-520220	County radio systems	$550,000
45500-7400100000-522310	Maintenance – buildings	550,000
45500-7400100000-525440	Professional services	500,000
45500-7400100000-540040	Land	700,000

45500-7400100000-546060	Equipment – communications	280,000
	Total	$2,580,000
Expected offset:		
45500-7400100000-380100	Unrestricted net assets	$2,580,000

c) Online Administrative Services Information System (OASIS)

OASIS began an upgrade to the Human Resources Management System last fiscal year that requires consultant services. The project is ongoing, but appropriations for consulting were not budgeted in the current fiscal year. In addition, a correcting entry to the budget adjustment is required for equipment amortization in conjunction with the acquisition of the fixed assets approved on October 6, 2009 (Item 3.22.)

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
45420-1109300000-524680	Consultants – computer/programmer	$235,494
45420-1109300000-535510	Amortization – equipment	72,493
	Total	$307,987
Expected offset:		
45420-1109300000-380100	Unrestricted net assets	$307,987

10. SPECIAL DISTRICTS

a) Redevelopment Agency - EDA

Redevelopment Agency

A budget adjustment is requested to comply with ERAF, the state ordinance requiring that redevelopment agencies transfer funds to the educational revenue augmentation fund.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
37100-934001-535220	Taxes and assessments – ERAF	$27,800,000
Increase estimated revenue:		
37100-934001-781000	Contractual revenue – RDV	$3,675,800
Expected offset:		
37100-934001- 325100	Unreserved fund balance	$24,124,200

Redevelopment Agency Capital Projects

A budget adjustment is requested for the 2009 bond anticipation note (BAN) interest payments and additional project improvement costs.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
32700-934001-536280	Contributions – project costs	$16,592,996
32700-934001-537280	Interfund expense – miscellaneous	525,000
	Total	$17,117,996
Increase estimated revenue:		
32700-934001-778280	Interfund reimbursement	$2,117,996
32700-934001-790010	Other financing sources	15,000,000
	Total	$17,117,996

b) Flood Control and Water Conservation District

The requested budget adjustment will establish an appropriation for the operating transfers out within the Flood Control and Water Conservation District funds. This adjustment is required to record the reimbursement of overcharged revenue from the mapping services fund to the district zone funds. This was inadvertently omitted in the current year's budget. The amount transferred out will be allocated to the district zone 1 – 7 funds.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
48060-947300-551000	Operating transfers out	$281,000
Expected offset:		
48060-947300-380100	Unrestricted net assets	$281,000

c) Regional Parks and Open Space District

Parks needs an additional park ranger to enforce County Ordinance No. 328.1 at Hidden Valley, an equestrian staging area, and at the Santa Ana River. The position will not require an increase in appropriations due to existing salary and services savings. In addition, revenue continues to fluctuate and the department requests adjustments to modify its budget appropriately.

Recommended Motion: *That the Board of Supervisors approve adding one Park Ranger II; and approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease estimated revenue:		
25400-931104-700020	Property taxes – current secured	$233,516
25400-931104-704000	Property taxes – supplemental	100,000
25400-931104-740020	Interest from invested funds	15,000
	Total	$348,516
Increase estimated revenue:		
25400-931104-705000	Property taxes – prior supplemental	$20,000
25400-931104-781000	Contractual revenue	45,000
	Total	$65,000
Expected offset:		
25400-931104-320100	Designated fund balance	$283,516

West County Parks - DIF

Contracts for the Rancho Jurupa Park (RJU) expansion have fallen behind schedule from the prior-year completion date. Final billings are expected within the next two months. This change was not anticipated in the current budget. An appropriations increase to cover costs of Facility Management and the contractor hired to do the work are required to offset the schedule delays. Payments are recoverable from the developer impact fee commitments.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
33120-931122-536780	Interfund – capital projects	$100,000
33120-931122-540060	Improvements – land	1,813,924
	Total	$1,913,924
Increase estimated revenue:		
331120-931122-790500	Operating transfer in	$1,913,924

Trails West County Parks - DIF

FY 09/10 appropriations were not included as an ongoing project was expected to be complete in the previous year. Final invoices for the trails portion of the contract are anticipated within the next two months. An increase in appropriations for this portion is necessary along with an increase in revenue from developer impact fee reimbursement.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
33120-931122-540060	Improvements – land	$1,086,076
Increase estimated revenue:		
33120-931122-790500	Operating transfers in	$1,086,076

Various Parks Departments

Due to errors during the budget process, two district departments received appropriations and revenue intended for four separate budget units. The Executive Office and the Auditor-Controller's Office, working in conjunction with the district, have determined that budget adjustments to correctly post the budgets are warranted and require Board approval. The following adjustments have no impact on the general fund.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease appropriations:		
25400-931104-523800	Printing and binding	$10,000
Decrease estimated revenue:		
25400-931104-740020	Interest	450
25400-931104-781560	Contribution from non-county agency	100
	Total	$550

Expected offset:		
25400-931104-325100	Unreserved fund balance	$9,450

Historical Commission

Parks created this budget unit for the current fiscal year but it was not included with the formal budget documents. The commission requests budget adjustments to complete its mission.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25400-931111-523800	Printing and binding	$10,000
Increase estimated revenue:		
25400-931111-740020	Interest	$450
25400-931111-780180	Sale of books	100
	Total	$550
Expected offset:		
25400-931111-325100	Unreserved fund balance	$9,450

Recreation

Parks created this budget unit for the current fiscal year but it was not included with the formal budget documents. The district requests budget adjustments to complete its mission.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25420-931180-520115	Uniforms and replacement clothing	$2,800
25420-931180-520230	Cellular phone	60
25420-931180-520320	Telephone service	17,916
25420-931180-520330	Communication services	1,750
25420-931180-520705	Food	200
25420-931180-520800	Household expense	850
25420-931180-520845	Trash	3,000
25420-931180-520920	Insurance – fire	1,200
25420-931180-520930	Insurance – liability	504
25420-931180-520945	Insurance – property	5,251
25420-931180-521720	Maintenance – fire equipment	60
25420-931180-522310	Maintenance – buildings	1,100
25420-931180-522320	Maintenance – grounds	60,750
25420-931180-523660	Computer supplies	300
25420-931180-523700	Office supplies	3,300
25420-931180-523760	Postage and mailing	1,000
25420-931180-523800	Printing and binding	200
25420-931180-524560	Auditing and accounting	182
25420-931180-524680	Consultants – computer programming	2,500
25420-931180-525300	OASIS – processing financials	1,110

25420-931180-526940	Locks and keys	50
25420-931180-527660	Operational marketing	110,000
25420-931180-527700	Recreational supplies	19,332
25420-931180-527720	Safety and security supplies	11,550
25420-931180-529500	Electricity	31,200
25420-931180-529510	Heating fuel	1,200
25420-931180-529540	Utilities	7,400
25420-931180-537080	Interfund expense – miscellaneous.	1,000
25420-931180-537180	Interfund expense – salary reimb.	267,230
25420-931180-542060	Improvements – buildings	25,000
	Total	$577,995
Increase estimated revenue:		
25420-931180-776740	Recreation fees	$355,000
25420-931180-776760	Reservation fees	86,000
25420-931180-790600	Contribution from other county funds	140,000
	Total	$581,000
Expected offset:		
25420-931180-325100	Unreserved fund balance	$3,005

Arundo Removal SARR

Parks created this budget unit for the current fiscal year but it was not included within the budget program and now requests spending authority to complete its mission.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25520-931120-520010	Herbicide	$8,000
25520-931120-520115	Uniform and replacement clothing	350
25520-931120-520320	Telephone service	500
25520-931120-520845	Trash	1,000
25520-931120-520930	Insurance – liability	3,042
25520-931120-520945	Insurance – property	2,203
25520-931120-521420	Maintenance – field equipment	8,000
25520-931120-521500	Maintenance – motor vehicles	1,500
25520-931120-521720	Maintenance – fire equipment	100
25520-931120-521760	Maintenance – tires	1,250
25520-931120-523220	License and permits	1,116
25520-931120-523700	Office supplies	100
25520-931120-524560	Auditing and accounting	359
25520-931120-525080	Temporary assistance	20,000
25520-931120-525300	OASIS processing – financials	4,780
25520-931120-525310	OASIS processing – HRMS	790
25520-931120-525440	Professional services	105,000
25520-931120-526910	Field equipment – non-fixed asset	500
25520-931120-526940	Locks and keys	250
25520-931120-526960	Small tools and instruments	1,000
25520-931120-527100	Fuel	500
25520-931120-527140	Welding supplies	500
25520-931120-527680	Public signs	500

25520-931120-527720	Safety – security supplies	712
25520-931120-528920	Carpool expenses	59,097
25520-931120-529550	Water	1,453
25520-931120-536760	Interfund expense – audit and acct.	1,394
25520-931120-537180	Interfund expense – salary reimb.	28,173
	Total	$252,169
Increase estimated revenue:		
25520-931120-755320	CA – Misc. State Reimbursements	$223,997
Expected offset:		
25520-931120-325100	Unreserved fund balance	$28,172

Off-Road Vehicle Management

Parks created this budget unit for the current fiscal year but it was not included within the budget program. Budget adjustments are requested to establish appropriate spending authority.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25520-931160-551000	Operating transfers out	$149,842
Increase estimated revenue:		
25520-931160-740020	Interest	$2,044
25520-931160-755190	Off-highway vehicles	115,100
	Total	$117,144
Expected offset:		
25520-931160-325100	Unreserved fund balance	$32,698

Habitat and Open Space Management

Parks created this budget unit for the current fiscal year but it was not included within the budget program. Budget adjustments are requested to establish appropriate spending authority.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25520-931170-520010	Herbicide	$500
25520-931170-520115	Uniforms – replacement	1,400
25520-931170-520320	Telephone service	2,400
25520-931170-520330	Communication services	1,200
25520-931170-520845	Trash	1,500
25520-931170-520930	Insurance – liability	3,042
25520-931170-521420	Maintenance – field equipment	500
25520-931170-521500	Maintenance – motor vehicles	2,080
25520-931170-521760	Maintenance – tires	1,250
25520-931170-522320	Maintenance – grounds	80,000

25520-931170-523220	License and permits	315
25520-931170-523640	Computer equipment – non fixed asset	5,000
25520-931170-523700	Office supplies	350
25520-931170-523760	Postage	30
25520-931170-523840	Computer equipment – software	600
25520-931170-524560	Auditing and accounting	494
25520-931170-525300	OASIS processing – financials	1,528
25520-931170-525310	OASIS processing – HRMS	828
25520-931170-526910	Field equipment – non-fixed asset	1,500
25520-931170-526940	Locks and keys	150
25520-931170-526960	Small tools and instruments	500
25520-931170-527100	Fuel	600
25520-931170-527680	Public signs	1,200
25520-931170-527720	Safety – security supplies	600
25520-931170-527840	Training, education, tuition	500
25520-931170-527940	Weed abatement	8,000
25520-931170-528260	Field supplies	2,000
25520-931170-528920	Carpool expenses	43,200
25520-931170-536760	Interfund expense – audit and acct.	2,194
25520-931170-536840	Interfund expense – county support svcs.	2,244
25520-931170-537090	Interfund expense – personnel services	2,642
25520-931170-537180	Interfund expense – salary reimb.	274,483
	Total	$442,830

Increase estimated revenue:

25520-931170-740020	Interest	$5,000
25520-931170-790500	Operating transfers in	359,842
	Total	$364,842

Expected offset

25520-931170-325100	Unreserved fund balance	$77,988

Natural Resources Education

Parks created this budget unit for the current fiscal year but it was not included within the budget program. Budget adjustments are requested to establish appropriate spending authority.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

25535-931130-522310	Maintenance – building improvements	$5,000
25535-931130-522320	Maintenance – grounds	1,000
25535-931130-525300	OASIS processing – financials	500
25535-931130-525440	Professional services	6,650
25535-931130-527780	Special program expense	1,000
25535-931130-536760	Interfund expense – audit and acct.	500
25535-931130-537180	Interfund expense – salary reimb.	69,090
25535-931130-540060	Improvements – land	50,000
	Total	$133,740

Increase estimated revenue:

25535-931130-790500	Operating transfers in	$85,000
25535-931130-740020	Interest – invested funds	4,000
	Total	$89,000

Expected Offset:

25535-931130-325100	Unreserved fund balance	$44,740

Arundo Trust Fund

Parks created this budget unit for the current fiscal year but it was not included within the budget program. Budget adjustments are requested to establish appropriate spending authority.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease appropriations:

25520-931107-520010	Herbicide	$8,500
25520-931107-520115	Uniforms	1,750
25520-931107-520320	Telephone service	2,900
25520-931107-520330	Communication services	1,200
25520-931107-520845	Trash	2,500
25520-931107-520930	Insurance – liability	6,084
25520-931107-520945	Insurance – property	2,203
25520-931107-521420	Maintenance – field equipment	8,500
25520-931107-521500	Maintenance – motor vehicles	3,580
25520-931107-521720	Maintenance – fire equipment	100
25520-931107-521760	Maintenance – tires	2,500
25520-931107-522320	Maintenance – grounds	80,000
25520-931107-523220	License and permits	1,431
25520-931107-522840	Computer equipment – software	5,000
25520-931107-523700	Office supplies	450
25520-931107-523760	Postage	30
25520-931107-523840	Computer equipment – non-fixed asset	600
25520-931107-524560	Auditing and accounting	853
25520-931107-525080	Temporary assistance	20,000
25520-931107-525300	OASIS processing – financials	6,308
25520-931107-525310	OASIS processing – HRMS	1,618
25520-931107-525440	Professional services	105,000
25520-931107-526910	Field equipment – non asset	2,000
25520-931107-526940	Locks and keys	400
25520-931107-526960	Small tools and instruments	1,500
25520-931107-527100	Fuel	1,100
25520-931107-527140	Welding supplies	500
25520-931107-527680	Public signs	1,700
25520-931107-527720	Safety – security supplies	1,312
25520-931107-527840	Training, education, tuition	500
25520-931107-527940	Weed abatement	8,000
25520-931107-528260	Field supplies	2,000
25520-931107-528920	Carpool expenses	102,297

25520-931107-529550	Water	1,453
25520-931107-536760	Interfund expense – audit and acct.	3,588
25520-931107-536840	Interfund expense – county support svcs.	2,244
25520-931107-537090	Interfund expense – personnel services	2,642
25520-931107-537180	Interfund expense – salary reimb.	302,656
25520-931107-546160	Equipment – other	18,000
25520-931107-551000	Operating transfers out	149,842
	Total	$857,241
Decrease estimated revenue:		
25520-931107-740020	Interest	$7,044
25520-931107-755190	Off-highway vehicles	149,842
25520-931107-755320	CA – miscellaneous reimbursements	223,997
25520-931107-777520	Reimbursement for services	164,440
25520-931107-790500	Operating transfers in	359,842
	Total	$905,165
Expected offset:		
25520-931107-325100	Unreserved fund balance	$47,924

d) County Services Areas (CSA)

For a few county service areas, operating expenses are expected to exceed budget estimates due to the recent incorporations of Menifee and Wildomar. Budget adjustments are necessary to pay for services ending in June 2009, to transfer the balances of taxes collected and to establish services with the City of Menifee. No general-fund impact will result from these budget adjustments, which will be funded from operating reserves.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
24625-915201-527780	Special program expense	$250,000
24625-915201-537080	Interfund expense – miscellaneous	125,000
	Total	$375,000
Increase estimated revenue:		
24625-915201-781360	Other miscellaneous revenue	$375,000
Increase appropriations:		
24575-914501-529530	Streetlights	$35,000
24575-914501-536200	Contrib. to other non-county agency	15,000
	Total	$50,000
Increase estimated revenue:		
24575-914501-781360	Other miscellaneous revenue	$50,000
Increase appropriations:		
23875-908601-529530	Streetlights	$16,500
23875-908601-536200	Contrib. to other non-county agency	25,000
	Total	$41,500
Increase estimated revenue:		
23875-908601-781360	Other miscellaneous revenue	$41,500

Increase appropriations:		
24475-913801-529530	Streetlights	$500
Increase estimated revenue:		
24475-913801-781360	Other miscellaneous revenue	$500
Increase appropriations:		
23350-903301-527780	Special program expense	$3,500
Increase estimated revenue:		
23350-903301-781360	Other miscellaneous revenue	$3,500
Increase appropriations:		
24630-915201-527780	Special program expense	$2,000
24630-915201-536200	Contrib. to other non-county agency	5,000
	Total	$7,000
Increase estimated revenue:		
24630-915201-781360	Other miscellaneous revenue	$7,000

ATTACHMENT A: RECOMMENDATION SUMMARY

For convenience, this section repeats the recommendations contained in the main document. There is no new information in Attachment A.

Cover letter

IT IS RECOMMENDED that the Board of Supervisors: 1) receive and file this report and all its attachments, 2) approve the recommendations and associated budget adjustments in Attachment A; and 3) approve Attachment B, Resolution 440-8824 authorizing new positions .

Public Safety Sales Tax (Prop 172)

Recommended Motion: *That the Board approve and 1) Direct the Executive Office to monitor Proposition 172 receipts and return at midyear with a plan to compensate for projected losses; 2) That safety departments be protected from Proposition 172 losses up to the currently-budgeted levels; and 3) That future Proposition 172 revenue above currently-budgeted levels first be used to reimburse the general fund for all losses.*

Additional Beginning Fund Balance

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to make $3 million in budget adjustments to general fund departments, per Attachment G to account 524740 (county support service).*

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:*

Increase designations:		
10000-1000100000-320141	DFB – property tax system	4,000,000
10000-1000100000-320109	DFB – capital projects	3,202,572
10000-1000100000-320110	DFB – economic uncertainty	$33,797,428
	Total	$41,000,000
Decrease fund balance:		
10000-1000100000-325100	Unreserved fund balance	$41,000,000

Quarterly Discretionary Revenue Summary

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease estimated revenue:		
10000-1300100000-700020	Property tax current secured	$9,400,000
10000-1300100000-705000	Property tax prior supplemental	3,000,000
10000-1300100000-710020	Sales and use tax	9,200,000
10000-1300100000-750200	CA – motor vehicle in lieu	1,567,145
	Total	$23,167,145
Increase estimated revenue:		
10000-1300100000-781000	Contract redevelopment	$3,000,000
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$20,167,145

Public Safety Enterprise Communications (PSEC) 800 MHz

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
33500-7400300000-546060	Equipment – communications	$625,257
Increase estimated revenue:		
33500-7400300000-790600	Contribution from other county funds	$625,257

GENERAL GOVERNMENT

Auditor Controller - Internal Audit Unit

Recommended Motion: *that the Board direct the Auditor-Controller to continue providing internal audit plan updates, but only on an annual basis.*

Clerk of the Board

Recommended Motion: *That the Board of Supervisors: 1) approve the purchase of two new copiers; and 2) approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1000100000-546140	Equipment office	$50,000
Decrease appropriations:		
10000-1000100000-523600	Audio visual expense	$50,000

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1000100000-523230	Miscellaneous expense	$6,000
10000-1000100000-523700	Office supplies	2,000
10000-1000100000-523760	Postage and mailing	1,000
10000-1000100000-525440	Professional services	2,000
10000-1000100000-527180	Operational supplies	10,000
10000-1000100000-528920	Car pool expense	6,000
10000-1000100000-528980	Meals	30,000
	Total	$57,000
Expected offset:		
11072-1000100000-320120	DFB-Youth protection	$57,000

Economic Development Agency (EDA)

Palm Springs Multi-Service Center (Roy's Place)

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
30100-7200800000-542040	Buildings – capital projects	$500,000

Increase estimated revenue:

30100-7200800000-778370	Interfund – project costs	$500,000

EDA-Deferred Maintenance Projects

Recommended Motion:

That the Board of Supervisors: 1) approve the use of $1,424,550 of *beginning fund balance towards the items listed above for FY 09/10 only; 2) direct EDA to identify ongoing funding for underground storage tanks and bring a recommendation to the Executive Office during construction of the FY 10/11 budget; and 3) approve and direct the Auditor-Controller to make the following budget adjustments:*

Increase appropriations:

10000-1101000000-551000	Operating transfers-out	$1,424,550

Expected offset:

10000-1000100000-325100	Unreserved fund balance	$1,424,550

EDA-Special Projects

Recommended Motion: *That the Board of Supervisors: 1) Approve the use of* $1,778,022 of *beginning fund balance towards the countywide items listed above for FY 09/10 only; 2) Direct EDA to identify ongoing funding for these items and its other commitments not included in the list above, and bring a recommendation to the Executive Office during construction of the FY 10/11 budget; and 3) Approve and direct the Auditor-Controller to make the following budget adjustments:*

Increase appropriations:

10000-1101000000-551000	Operating transfers-out	$1,778,022

Expected offset:

10000-1000100000-325100	Unreserved fund balance	$1,778,022

EDA Administration

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

21100-1900500000-536200	Contributions – non-county agencies	$6,000,000

Increase estimated revenue:

21100-1900500000-767430	Federal ARRA funds	$6,000,000

Aviation Administration

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

22100-1910700000-527660	Operational marketing	$75,000

Increase estimated revenue:		
22100-1910700000-778200	Interfund miscellaneous	$25,000
Expected offset:		
22100-1910700000-325100	Unreserved fund balance	$50,000

Chiriaco Summit Construction and Land Acquisition

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22350-1910400000-537180	Interfund expense – salary reimb.	$2,000
22350-1910400000-542040	Buildings – capital projects	188,000
	Total	$190,000
Increase estimated revenue:		
22350-1910400000-751230	CA – state match	$130,000
22350-1910400000-790500	Operating transfer in	60,000
	Total	$190,000

Desert Center Construction and Land Acquisition

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
22350-1910500000-551100	Contributions to other county funds	$60,000
Expected offset:		
22350-1910500000-325100	Unreserved fund balance	$60,000

Desert Expocenter

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22200-1920100000-542120	Improvements – infrastructure	$577,092
Increase estimated revenue:		
22200-1920100000-781540	Contributions from other funds	$275,000
Expected offset:		
22200-1920100000-325100	Unreserved fund balance	$302,092

Energy Management

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-7200600000-529540	Utilities	$27,480
10000-7200600000-573800	Intrafund – utilities	(27,480)
	Total	$0

French Valley Construction and Land Acquisition

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
22350-1910600000-542040	Buildings – capital projects	$1,730,000
22350-1910600000-537180	Interfund – salary reimbursements	50,000
	Total	$1,780,000
Increase estimated revenue:		
22350-1910600000-767060	Federal – airports improvements	$1,730,000
22350-1910600000-778200	Interfund miscellaneous	50,000
	Total	$1,780,000

Real Estate

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-7200400000-526700	Rent/lease – buildings	$204,158
10000-7200400000-525440	Professional services	335,000
10000-7200400000-572500	Intrafund leases	(204,158)
	Total	$335,000
Increase estimated revenue:		
10000-7200400000-777520	Reimbursement for services	$335,000

Workforce Development

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
21550-1900300000-523680	Office equipment – non-fixed assets	$1,405,000
21550-1900300000-525440	Professional services	310,000
21550-1900300000-530300	Training provider	5,550,000
21550-1900300000-530440	Client services	2,275,000
21550-1900300000-530460	Support services	125,000
	Total	$9,665,000
Increase estimated revenue:		
21550-1900300000-765000	Fed-WIA	$9,665,000

Human Resources - Exclusive Care Health Insurance for TAP Employee Dependents

Recommended Motion: *That the Board of Supervisors approve continued funding of this program in FY 09/10, to be paid out of the general fund.*

Registrar of Voters (ROV)

Recommended Motion: *That the Board of Supervisors approve the purchase of an ICR/OCR module and two mail extractors; and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1700100000-546080	Equipment/Computer	$10,000
10000-1700100000-546140	Equipment Other	50,000
	Total	$60,000
Decrease appropriations:		
10000-1700100000-527380	Elections	$60,000

PUBLIC PROTECTION

Animal Services – Community Health Agency

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-4200600000-518100	Budgeted benefits	$128,981
10000-4200600000-523700	Office supplies	8,010
10000-4200600000-536260	Support & care of animals	266,325
10000-4200600000-528920	Carpool expense	142,873
	Total	$546,189
Decrease appropriations:		
10000-4200600000-510040	Regular salaries	$35,798
10000-4200600000-510420	Overtime	100,000
10000-4200600000-520115	Uniforms – replacement clothes	20,000
10000-4200600000-520820	Janitorial services	170,000
10000-4200600000-522310	Maintenance – buildings	92,462
10000-4200600000-523250	Refunds	18,000
10000-4200600000-524500	Administrative support direct	20,000
10000-4200600000-528140	Conference and registration fees	33,000
10000-4200600000-528900	Air transportation	2,500
10000-4200600000-528940	Travel – fuel	2,500
10000-4200600000-528960	Lodging	5,000
	Total	$499,260
Increase estimated revenue:		
10000-4200600000-773220	City bills-field services	$334,402
Decrease estimated revenue:		
10000-4200600000-720000	County animal licenses	$200,000
10000-4200600000-773220	City bills-field services	44,847
10000-4200600000-781220	Contributions & donations	33,643
10000-4200600000-781480	Program revenue	53,830
	Total	$332,320

Court Funding

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1100100000-528500	Project costs	$780,850
Expected offset:		
11034-1100100000-325100	Unreserved fund balance	$780,850

Court Facilities

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1103900000-528500	Project costs	$1,157, 592
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$1,157,592

Court Reporter Transcripts

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1104300000-525440	Professional services	$1,400,000
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$1,400,000

Confidential Court Orders

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-1103300000-525440	Professional services	$450,000
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingency	$450,000

Fire Department

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and revenue as follows:*

Increase appropriations:		
10000-2700200000-527780	Special programs expense	$1,584,441
10000-2700200000-546120	Equipment – fire	25,000
10000-2700200000-546300	Vehicles/buses/heavy trucks	119,821
	Total	$1,729,262
Increase estimated revenue:		
10000-2700200000-767220	Federal – other grants	$1,701,266
10000-2700200000-755740	CA – Indian gaming grants	27,996
	Total	$1,729,262

Probation Department

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-2600200000-510040	Regular salaries	$84,200
10000-2600200000-518100	Budgeted benefits	34,061
	Total	$118,261
Increase estimated revenue:		
10000-2600200000-755680	CA – other grants	$118,261

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-2600200000-510040	Regular salaries	$42,756
10000-2600200000-518100	Budgeted benefits	19,809
	Total	$62,565
Increase estimated revenue:		
10000-2600200000-767200	Federal – block grants	$62,565

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Decrease appropriations:		
10000-2600400000-530100	Institutional placement	$8,759,109
10000-2600400000-572000	Intrafund – DPSS	(8,759,109)
	Total	$0

Public Defender

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-2400100000-510040	Budgeted salaries	$16,561
10000-2400100000-518100	Budgeted benefits	6,689
	Total	$23,250
Expected offset:		
11123-2400100000-308101	Restricted program money	$23,250

Sheriff's Department

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-2500100000-510040	Regular salaries	$291,264
10000-2500100000-518100	Budgeted benefits	26,549
10000-2500200000-510040	Regular salaries	581,519
10000-2500200000-518100	Budgeted benefits	234,854
10000-2500400000-518100	Budgeted benefits	69,596

10000-2500500000-510040	Regular salaries	6,995
10000-2500600000-510040	Regular salaries	14
	Total	$1,210,791

Decrease appropriations

10000-2500300000-510040	Regular salaries	$191,636
10000-2500300000-518100	Budgeted benefits	97,681
10000-2500400000-510040	Regular salaries	27,608
10000-2500500000-518100	Budgeted benefits	7,618
10000-2500600000-518100	Budgeted benefits	14
10000-2500700000-510040	Regular salaries	429,788
10000-2500700000-518100	Budgeted benefits	185,676
10000-2501000000-510040	Regular salaries	197,671
10000-2501000000-518100	Budgeted benefits	36,930
10000-2501100000-510040	Regular salaries	21,992
10000-2501100000-518100	Budgeted benefits	14,177
	Total	$1,210,791

HEALTH AND SANITATION

Community Health Agency (CHA)

Recommended Motion: *That the Board of Supervisors approve resolution 440-8824, deleting one CHA Maintenance Project Planner and adding two Housekeepers; and approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:

10000-4200300000-520260	Computer lines	$522,311
10000-4200300000-521640	Maintenance – software	15,000
	Total	$537,311

Decrease appropriations:

10000-4200300000-510040	Regular salaries	$375,742
10000-4200300000-518100	Budgeted benefits	161,569
	Total	$537,311

Public Health

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

10000-4200100000-523640	Computer equip. – non-fixed assets	$295,000

Decrease appropriations:

10000-4200100000-510040	Regular salaries	$1,109,375
10000-4200100000-518100	Budgeted benefits	477,031
10000-4200100000-522310	Maintenance – building	8,114
10000-4200100000-523100	Memberships	54
10000-4200100000-523680	Office equip. – non-fixed assets	833
10000-4200100000-523700	Office supplies	16,655
10000-4200100000-523720	Photocopying	2,212
10000-4200100000-523760	Postage and mailing	1,828
10000-4200100000-523800	Printing and binding	8,011
10000-4200100000-524760	Data processing services	19,328

10000-4200100000-526700	Rent and lease of buildings	63,657
10000-4200100000-527780	Special program expense	30,694
10000-4200100000-527840	Training and education tuition	2,201
10000-4200100000-528140	Conference and registration fees	2,583
10000-4200100000-528900	Air transportation	1,490
10000-4200100000-528920	Car pool expense	39,785
10000-4200100000-528960	Lodging	533
10000-4200100000-528980	Meals	440
10000-4200100000-529000	Misc. travel expense	83
10000-4200100000-529040	Private mileage reimbursement	42,351
10000-4200100000-529060	Public service transportation	46
10000-4200100000-529540	Utilities	8,464
10000-4200100000-532640	Capital leases	300,000
10000-4200100000-537000	Interfund expense - leases	5,368
10000-4200100000-572800	Intrafund - miscellaneous	215,000
	Total	$2,356,136
Increase estimated revenue:		
10000-4200100000-774520	Capitated – Medi-Cal	$51,962
10000-4200100000-774760	Reimburse for health services	546
10000-4200100000-774900	Other third parties	27,412
10000-4200100000-774950	CHDP patients	401
10000-4200100000-776260	Medicare patients	39,157
10000-4200100000-776270	Medi-Cal patients	326,357
10000-4200100000-776310	Private patients	145,821
	Total	$591,656,
Decrease estimated revenue:		
10000-4200100000-751250	CA – family planning	$153,657
10000-4200100000-776290	MIA	4,161
10000-4200100000-767220	Fed – other operating grants	433,838
10000-4200100000-751680	CA – grant revenue	2,061,136
	Total	$2,652,792

PUBLIC ASSISTANCE

Community Action Partnership (CAP)

Recommended Motion: *That the Board of Supervisors approve the purchase of two vehicles, and approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
21050-5200300000-520200	Communication services	$10,000
21050-5200300000-523100	Memberships	10,000
21050-5200300000-523620	Books and publications	5,588
21050-5200300000-523680	Office equipment – non-fixed assets	15,862
21050-5200300000-523700	Office supplies	24,000
21050-5200300000-523760	Postage and mailing	3,471
21050-5200300000-523780	Printed forms	32,385
21050-5200300000-524840	Fingerprinting services	1,920
21050-5200300000-525500	Salary and benefit reimbursement	46,050
21050-5200300000-526420	Advertising	5,000
21050-5200300000-527320	Client education services	5,691

21050-5200300000-527780	Special program expense	13,359
21050-5200300000-528140	Conference and registration fees	800
21050-5200300000-528920	Carpool expense	5,177
21050-5200300000-529000	Misc travel expense	2,950
21050-5200300000-529040	Private mileage reimbursement	18,080
21050-5200300000-525080	Temp assist pool services	425,943
21050-5200300000-536240	Other contract agencies	2,717,637
21050-5200300000-546320	Vehicles – cars/light trucks	50,893
21050-5200300000-546380	Vehicles other	10,000
	Total	$3,404,806
Increase estimated revenue:		
21050-5200300000-767430	Federal ARRA	$3,394,806
21050-5200300000-790600	Contributions from other county funds	10,000
	Total	$3,404,806

EDUCATION, RECREATION, CULTURE

Edward Dean Museum

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-1930100000-528500	Project cost expense	$50,000
Increase estimated revenue:		
10000-1930100000-776770	Edward Dean Museum	$25,000
10000-1930100000-790600	Contributions from other county funds	25,000
	Total	$50,000

INTERNAL SERVICE FUNDS (ISF)

Fleet Services

Recommended Motion: *That the Board of Supervisors approve language changes to Fleet Services rate structure as follows*:

Change descriptions from "Shop Labor Rate – County Vehicles" and "Shop Labor Rate – Non County Vehicles" to "Shop Labor Rate – Fleet Services Vehicles" and "Shop Labor Rate – Non Fleet Services Vehicles."

Information Technology (RCIT)

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
45500-7400100000-520220	County radio systems	$550,000
45500-7400100000-522310	Maintenance – buildings	550,000
45500-7400100000-525440	Professional services	500,000
45500-7400100000-540040	Land	700,000
45500-7400100000-546060	Equipment – communications	280,000
	Total	$2,580,000

Expected offset:

45500-7400100000-380100	Unrestricted net assets	$2,580,000

Online Administrative Services Information System (OASIS)

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:

45420-1109300000-524680	Consultants – computer/programmer	$235,494
45420-1109300000-535510	Amortization – equipment	72,493
	Total	$307,987

Expected offset:

45420-1109300000-380100	Unrestricted net assets	$307,987

SPECIAL DISTRICTS

Redevelopment Agency - EDA

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

37100-934001-535220	Taxes and assessments – ERAF	$27,800,000

Increase estimated revenue:

37100-934001-781000	Contractual revenue – RDV	$3,675,800

Expected offset:

37100-934001- 325100	Unreserved fund balance	$24,124,200

Redevelopment Agency Capital Projects

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

32700-934001-536280	Contributions – project costs	$16,592,996
32700-934001-537280	Interfund expense – miscellaneous	525,000
	Total	$17,117,996

Increase estimated revenue:

32700-934001-778280	Interfund reimbursement	$2,117,996
32700-934001-790010	Other financing sources	15,000,000
	Total	$17,117,996

Flood Control and Water Conservation District

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:

48060-947300-551000	Operating transfers out	$281,000

Expected offset:		
48060-947300-380100	Unrestricted net assets	$281,000

Regional Parks and Open Space District

Recommended Motion: *That the Board of Supervisors approve adding one Park Ranger II; and approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease estimated revenue:		
25400-931104-700020	Property taxes – current secured	$233,516
25400-931104-704000	Property taxes – supplemental	100,000
25400-931104-740020	Interest from invested funds	15,000
	Total	$348,516
Increase estimated revenue:		
25400-931104-705000	Property taxes – prior supplemental	$20,000
25400-931104-781000	Contractual revenue	45,000
	Total	$65,000
Expected offset:		
25400-931104-320100	Designated fund balance	$283,516

West County Parks - DIF

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
33120-931122-536780	Interfund – capital projects	$100,000
33120-931122-540060	Improvements – land	1,813,924
	Total	$1,913,924
Increase estimated revenue:		
331120-931122-790500	Operating transfer in	$1,913,924

Trails West County Parks - DIF

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
33120-931122-540060	Improvements – land	$1,086,076
Increase estimated revenue:		
33120-931122-790500	Operating transfers in	$1,086,076

Various Parks Departments

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease appropriations:		
25400-931104-523800	Printing and binding	$10,000

Decrease estimated revenue:

25400-931104-740020	Interest	450
25400-931104-781560	Contribution from non-county agency	100
	Total	$550

Expected offset:

25400-931104-325100	Unreserved fund balance	$9,450

Historical Commission

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

25400-931111-523800	Printing and binding	$10,000

Increase estimated revenue:

25400-931111-740020	Interest	$450
25400-931111-780180	Sale of books	100
	Total	$550

Expected offset:

25400-931111-325100	Unreserved fund balance	$9,450

Recreation

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:

25420-931180-520115	Uniforms and replacement clothing	$2,800
25420-931180-520230	Cellular phone	60
25420-931180-520320	Telephone service	17,916
25420-931180-520330	Communication services	1,750
25420-931180-520705	Food	200
25420-931180-520800	Household expense	850
25420-931180-520845	Trash	3,000
25420-931180-520920	Insurance – fire	1,200
25420-931180-520930	Insurance – liability	504
25420-931180-520945	Insurance – property	5,251
25420-931180-521720	Maintenance – fire equipment	60
25420-931180-522310	Maintenance – buildings	1,100
25420-931180-522320	Maintenance – grounds	60,750
25420-931180-523660	Computer supplies	300
25420-931180-523700	Office supplies	3,300
25420-931180-523760	Postage and mailing	1,000
25420-931180-523800	Printing and binding	200
25420-931180-524560	Auditing and accounting	182
25420-931180-524680	Consultants – computer programming	2,500
25420-931180-525300	OASIS – processing financials	1,110
25420-931180-526940	Locks and keys	50
25420-931180-527660	Operational marketing	110,000
25420-931180-527700	Recreational supplies	19,332

25420-931180-527720	Safety and security supplies	11,550
25420-931180-529500	Electricity	31,200
25420-931180-529510	Heating fuel	1,200
25420-931180-529540	Utilities	7,400
25420-931180-537080	Interfund expense – miscellaneous.	1,000
25420-931180-537180	Interfund expense – salary reimb.	267,230
25420-931180-542060	Improvements – buildings	25,000
	Total	$577,995
Increase estimated revenue:		
25420-931180-776740	Recreation fees	$355,000
25420-931180-776760	Reservation fees	86,000
25420-931180-790600	Contribution from other county funds	140,000
	Total	$581,000
Expected offset:		
25420-931180-325100	Unreserved fund balance	($3,005)

Arundo Removal SARR

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25520-931120-520010	Herbicide	$8,000
25520-931120-520115	Uniform and replacement clothing	350
25520-931120-520320	Telephone service	500
25520-931120-520845	Trash	1,000
25520-931120-520930	Insurance – liability	3,042
25520-931120-520945	Insurance – property	2,203
25520-931120-521420	Maintenance – field equipment	8,000
25520-931120-521500	Maintenance – motor vehicles	1,500
25520-931120-521720	Maintenance – fire equipment	100
25520-931120-521760	Maintenance – tires	1,250
25520-931120-523220	License and permits	1,116
25520-931120-523700	Office supplies	100
25520-931120-524560	Auditing and accounting	359
25520-931120-525080	Temporary assistance	20,000
25520-931120-525300	OASIS processing – financials	4,780
25520-931120-525310	OASIS processing – HRMS	790
25520-931120-525440	Professional services	105,000
25520-931120-526910	Field equipment – non-fixed asset	500
25520-931120-526940	Locks and keys	250
25520-931120-526960	Small tools and instruments	1,000
25520-931120-527100	Fuel	500
25520-931120-527140	Welding supplies	500
25520-931120-527680	Public signs	500
25520-931120-527720	Safety – security supplies	712
25520-931120-528920	Carpool expenses	59,097
25520-931120-529550	Water	1,453
25520-931120-536760	Interfund expense – audit and acct.	1,394

25520-931120-537180	Interfund expense – salary reimb.	28,173
	Total	$252,169
Increase estimated revenue:		
25520-931120-755320	CA – Misc. State Reimbursements	$223,997
Expected offset:		
25520-931120-325100	Unreserved fund balance	$28,172

Off-Road Vehicle Management

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25520-931160-551000	Operating transfers out	$149,842
Increase estimated revenue:		
25520-931160-740020	Interest	$2,044
25520-931160-755190	Off-highway vehicles	115,100
	Total	$117,144
Expected offset:		
25520-931160-325100	Unreserved fund balance	$32,698

Habitat and Open Space Management

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25520-931170-520010	Herbicide	$500
25520-931170-520115	Uniforms – replacement	1,400
25520-931170-520320	Telephone service	2,400
25520-931170-520330	Communication services	1,200
25520-931170-520845	Trash	1,500
25520-931170-520930	Insurance – liability	3,042
25520-931170-521420	Maintenance – field equipment	500
25520-931170-521500	Maintenance – motor vehicles	2,080
25520-931170-521760	Maintenance – tires	1,250
25520-931170-522320	Maintenance – grounds	80,000
25520-931170-523220	License and permits	315
25520-931170-523640	Computer equipment – non fixed asset	5,000
25520-931170-523700	Office supplies	350
25520-931170-523760	Postage	30
25520-931170-523840	Computer equipment – software	600
25520-931170-524560	Auditing and accounting	494
25520-931170-525300	OASIS processing – financials	1,528
25520-931170-525310	OASIS processing – HRMS	828
25520-931170-526910	Field equipment – non-fixed asset	1,500
25520-931170-526940	Locks and keys	150
25520-931170-526960	Small tools and instruments	500
25520-931170-527100	Fuel	600

25520-931170-527680	Public signs	1,200
25520-931170-527720	Safety – security supplies	600
25520-931170-527840	Training, education, tuition	500
25520-931170-527940	Weed abatement	8,000
25520-931170-528260	Field supplies	2,000
25520-931170-528920	Carpool expenses	43,200
25520-931170-536760	Interfund expense – audit and acct.	2,194
25520-931170-536840	Interfund expense – county support svcs.	2,244
25520-931170-537090	Interfund expense – personnel services	2,642
25520-931170-537180	Interfund expense – salary reimb.	274,483
	Total	$442,830
Increase estimated revenue:		
25520-931170-740020	Interest	$5,000
25520-931170-790500	Operating transfers in	359,842
	Total	$364,842
Expected offset		
25520-931170-325100	Unreserved fund balance	$77,988

Natural Resources Education

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
25535-931130-522310	Maintenance – building improvements	$5,000
25535-931130-522320	Maintenance – grounds	1,000
25535-931130-525300	OASIS processing – financials	500
25535-931130-525440	Professional services	6,650
25535-931130-527780	Special program expense	1,000
25535-931130-536760	Interfund expense – audit and acct.	500
25535-931130-537180	Interfund expense – salary reimb.	69,090
25535-931130-540060	Improvements – land	50,000
	Total	$133,740
Increase estimated revenue:		
25535-931130-790500	Operating transfers in	$85,000
25535-931130-740020	Interest – invested funds	4,000
	Total	$89,000
Expected Offset:		
25535-931130-325100	Unreserved fund balance	$44,740

Arundo Trust Fund

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Decrease appropriations:		
25520-931107-520010	Herbicide	$8,500
25520-931107-520115	Uniforms	1,750
25520-931107-520320	Telephone service	2,900
25520-931107-520330	Communication services	1,200
25520-931107-520845	Trash	2,500

25520-931107-520930	Insurance – liability	6,084
25520-931107-520945	Insurance – property	2,203
25520-931107-521420	Maintenance – field equipment	8,500
25520-931107-521500	Maintenance – motor vehicles	3,580
25520-931107-521720	Maintenance – fire equipment	100
25520-931107-521760	Maintenance – tires	2,500
25520-931107-522320	Maintenance – grounds	80,000
25520-931107-523220	License and permits	1,431
25520-931107-522840	Computer equipment – software	5,000
25520-931107-523700	Office supplies	450
25520-931107-523760	Postage	30
25520-931107-523840	Computer equipment – non-fixed asset	600
25520-931107-524560	Auditing and accounting	853
25520-931107-525080	Temporary assistance	20,000
25520-931107-525300	OASIS processing – financials	6,308
25520-931107-525310	OASIS processing – HRMS	1,618
25520-931107-525440	Professional services	105,000
25520-931107-526910	Field equipment – non asset	2,000
25520-931107-526940	Locks and keys	400
25520-931107-526960	Small tools and instruments	1,500
25520-931107-527100	Fuel	1,100
25520-931107-527140	Welding supplies	500
25520-931107-527680	Public signs	1,700
25520-931107-527720	Safety – security supplies	1,312
25520-931107-527840	Training, education, tuition	500
25520-931107-527940	Weed abatement	8,000
25520-931107-528260	Field supplies	2,000
25520-931107-528920	Carpool expenses	102,297
25520-931107-529550	Water	1,453
25520-931107-536760	Interfund expense – audit and acct.	3,588
25520-931107-536840	Interfund expense – county support svcs.	2,244
25520-931107-537090	Interfund expense – personnel services	2,642
25520-931107-537180	Interfund expense – salary reimb.	302,656
25520-931107-546160	Equipment – other	18,000
25520-931107-551000	Operating transfers out	149,842
	Total	$857,241
Decrease estimated revenue:		
25520-931107-740020	Interest	$7,044
25520-931107-755190	Off-highway vehicles	149,842
25520-931107-755320	CA – miscellaneous reimbursements	223,997
25520-931107-777520	Reimbursement for services	164,440
25520-931107-790500	Operating transfers in	359,842
	Total	$905,165
Expected offset:		
25520-931107-325100	Unreserved fund balance	$47,924

County Services Areas (CSA)

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
24625-915201-527780	Special program expense	$250,000
24625-915201-537080	Interfund expense - miscellaneous	125,000
	Total	$375,000
Increase estimated revenue:		
24625-915201-781360	Other miscellaneous revenue	$375,000
Increase appropriations:		
24575-914501-529530	Streetlights	$35,000
24575-914501-536200	Contrib. to other non-county agency	15,000
	Total	$50,000
Increase estimated revenue:		
24575-914501-781360	Other miscellaneous revenue	$50,000
Increase appropriations:		
23875-908601-529530	Streetlights	$16,500
23875-908601-536200	Contrib. to other non-county agency	25,000
	Total	$41,500
Increase estimated revenue:		
23875-908601-781360	Other miscellaneous revenue	$41,500
Increase appropriations:		
24475-913801-529530	Streetlights	$500
Increase estimated revenue:		
24475-913801-781360	Other miscellaneous revenue	$500
Increase appropriations:		
23350-903301-527780	Special program expense	$3,500
Increase estimated revenue:		
23350-903301-781360	Other miscellaneous revenue	$3,500
Increase appropriations:		
24630-915201-527780	Special program expense	$2,000
24630-915201-536200	Contrib. to other non-county agency	5,000
	Total	$7,000
Increase estimated revenue:		
24630-915201-781360	Other miscellaneous revenue	$7,000

ATTACHMENT B: RESOLUTION 440-8824

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on November 3, 2009 that pursuant to Section 5.A. of Ordinance No. 440, the County Executive Officer is authorized to make the following listed change(s), operative on the date of approval, as follows:

Job code	+/-	Title	Department	
62341	+2	Housekeeper	4200300000	CHA
62762	-1	Maintenance Project Mgr.	4200300000	CHA
85029	+1	Park Ranger II	931104	Parks

FY 2009 – 2010
1st Quarter Budget Update
Vacancy Report

The economic downturn continues to have an impact on hiring activity throughout the County due to the hiring freeze and departments' requirements to stay within their required Maximum Fill Rate through the first quarter. However, due to the competitive healthcare market, mandated staffing ratios, and the demands of the patient population, RCRMC continued to have brisk hiring efforts with 76 new employees hired, 55 of those in nursing positions.

Looking forward into the second quarter, several departments anticipate hiring activity. For example, RCRMC anticipates continued staffing activity and currently has 65 requests to fill vacant positions in addition to Registered Nurse hiring. In order to reduce registry and overtime expenditures created by furloughs, RCRMC will be submitting requests to the Executive Office to add positions this quarter.

The Economic Development Agency also anticipates 62 hires related to additional economic stimulus funds. At the Department of Public Social Services, some recruiting is anticipated in support staff such as Eligibility Technicians, Office Assistants, and Accounting Assistants, and is attributed to the increase in caseloads due to the economic downturn. In the Sheriff's department, there will be an anticipated 30 hires to staff dispatch functions. Other county departments have reported that staffing activity has slowed, with most only staffing positions related to attrition.

At the end of the first quarter, the County's workforce was 19,193, a continued decline from the 19,880 regular, per diem, seasonal, and temporary employees we reported at the end of the third quarter. This decline is partially attributed to the success of the Early Retirement Service Credit offered to public safety personnel, resulting in 152 of the County's 186 retirements during the first quarter.

The Human Resources Department is pleased to report that its partnership with the Department of Public Social Services to provide subsidized employment opportunities to customers of DPSS has delivered promising results. The Subsidized Time-Limited Employment Program or "STEP" placed 74 candidates in subsidized employment primarily with DPSS in the first quarter. Fully funded by the American Recovery and Reinvestment Act, this program offers wage subsides to create employment opportunities. STEP was able to be quickly ramped up by capitalizing on the existing infrastructure of the HR Department's Temporary Assignment Program. By the close of the first quarter, the program expanded to offer STEP candidates to other County departments at no cost to the using department. STEP is enjoying interest from a variety of departments Countywide – anticipating over 100 placements in October - it offers temporary help to departments in lean times, and supports employment opportunities in our community where they might otherwise not exist.

The Human Resources Department remains committed to keeping pace with the County's hiring demands, and to positioning the County as a premier employer in our region for the future.

Vacancy Recruitment Report
FY 09/10 - 1st Quarter Budget Update

Budget Unit	Department Description	Reg/Temp/Seasonal/PD	MFR as of 09/29/09 (Item 3.90)	Positions as of 10/05/09	Difference	Vacancy %	Active/Anticipated Recruiting	Pending Start	Using TAP
1000100000	Board of Supervisors	R	55	51	4	7%	0	0	3
1000190000	Clerk of the Board	T	2	2	0	0%	0	0	1
1000200000	Assessment Appeals Board	R	7	7	0	0%	0	0	0
1100100000	Executive Office	R	29	27	2	7%	0	0	0
1101500000	County Free Library	R	1	0	1	100%	0	0	0
1105000000	Nat'l Pollutant Discharge Elmn Sys	R	2	2	0	0%	0	0	0
1109200000	OASIS Financials	R	43	40	3	7%	0	0	0
1109300000	OASIS HRMS	R	20	20	0	0%	0	0	0
1130100000	Human Resources	R	186	169	17	9%	2	0	0
1130300000	HR - Air Quality Division	R	3	3	0	0%	0	0	0
1130700000	HR - Property Insurance	R	1	1	0	0%	0	0	0
1130800000	HR - Workers Compensation	R	54	52	2	4%	1	0	0
1130900000	HR - Malpractice Insurance	R	2	2	0	0%	0	0	0
1131000000	HR - Liability Insurance	R	32	30	2	6%	0	0	0
1131200000	HR - STD Disability Insurance	R	1	1	0	0%	0	0	0
1131300000	HR - Safety Loss Control	R	19	17	2	11%	1	0	0
1131800000	HR - TAP - Temp Asst Pool	P	1308	603	705	54%	0	0	0
		R	117	21	96	82%	0	0	0
		T	2058	614	1444	70%	0	0	0
1132000000	HR - Exclusive Provider Option	R	35	32	3	9%	0	0	1
1132200000	HR - Employee Assistance Program	R	10	7	3	30%	0	0	1
1132900000	HR - Occupational Health & Wellness	R	24	19	5	21%	0	0	1
1150100000	CFD/Assessment Dist Admin	R	5	5	0	0%	0	0	0
1200100000	Assessor	R	223	205	18	8%	13	0	0
1200200000	County Clerk - Recorder	R	177	172	5	3%	3	0	0
1200300000	AC Recorder Center Div	R	24	25	-1	-4%	0	0	0
		T	2	0	2	100%	0	0	0
1200400000	Integrated Property Tax Management System	R	13	7	6	46%	0	0	0
1300100000	Auditor - Controller	R	94	91	3	3%	0	0	0
1300200000	Internal Audits	R	14	14	0	0%	0	0	0
1400100000	Treasurer -Tax Collector	R	113	108	5	4%	4	0	0
1500100000	County Counsel	R	71	69	2	3%	2	0	0
1700100000	Registrar of Voters	R	35	35	0	0%	0	0	0
		S	6	6	0	0%	0	0	0
1900100000	EDA Administration	R	201	166	35	17%	21	0	17
1900300000	EDA Workforce Development	R	168	124	44	26%	10	2	23
		T	60	8	52	87%	0	0	0
1900400000	EDA HOUSING AUTHORITY	R	116	95	21	18%	16	2	7
1910700000	County Airports	R	10	10	0	0%	0	0	0
1920100000	Fair & Nat'l Date Festival	R	12	10	2	17%	0	0	5
		T	9	9	0	0%	0	0	0
1930100000	Edward Dean Museum	R	3	2	1	33%	1	0	0
		T	1	1	0	0%	0	0	0
2200100000	District Attorney	R	843	807	36	4%	1	0	0
2300100000	Child Support Services	R	371	364	7	2%	4	0	0
		T	3	2	1	33%	2	0	0
2400100000	Public Defender	R	289	283	6	2%	6	0	1
2500100000	Sheriff - Administration	R	55	52	3	5%	0	0	2
2500200000	Sheriff - Support	R	370	342	28	8%	30	0	0
		T	2	1	1	50%	0	0	0
2500300000	Sheriff - Patrol	R	1927	1850	77	4%	11	0	0
		T	2	2	0	0%	0	0	0
2500400000	Sheriff - Corrections	R	1383	1324	59	4%	2	0	0
2500500000	Sheriff - Court Services	R	189	178	11	6%	0	0	0
		T	8	9	-1	-13%	0	0	0
2500600000	Sheriff - CAC Security	R	3	3	0	0%	0	0	0
2500700000	Sheriff - Ben Clark Training Center	R	65	57	8	12%	0	0	0
2500800000	Sheriff - RAID	R	1	1	0	0%	0	0	0
2501000000	Sheriff - Coroner	R	56	53	3	5%	0	0	0
2501100000	Public Administrator	R	17	16	1	6%	0	0	0
2505100000	Sheriff - Cal ID	R	30	28	2	7%	1	0	0

Vacancy Recruitment Report
FY 09/10 - 1st Quarter Budget Update

Budget Unit	Department Description	Reg/Temp/Seasonal/PD	MFR as of 09/29/09 (Item 3.90)	Positions as of 10/05/09	Difference	Vacancy %	Active/Anticipated Recruiting	Pending Start	Using TAP
2600100000	Probation - Juvenile Hall	R	427	415	12	3%	0	3	0
		T	43	37	6	14%	0	0	0
2600200000	Probation	R	370	362	8	2%	1	0	0
		T	20	18	2	10%	0	0	0
2600700000	Probation Administration	R	68	53	15	22%	0	0	0
		T	3	3	0	0%	0	1	1
2700200000	Fire Protection - Forest	R	176	166	10	6%	1	0	0
		T	2	2	0	0%	0	0	0
2700400000	Fire Protection - Contract Svc	R	21	22	-1	-5%	0	0	0
2800100000	Agricultural Commissioner	R	54	54	0	0%	0	0	0
3100100000	TLMA - GIS	R	22	19	3	14%	0	0	0
3100200000	TLMA - Administration	R	68	64	4	6%	0	0	0
3100300000	TLMA - Consolidated Counter Services	R	19	16	3	16%	0	0	0
3100500000	TLMA - Environmental Programs	R	15	15	0	0%	0	0	0
3110100000	TLMA - Building & Safety	R	52	47	5	10%	0	0	0
3120100000	TLMA - Planning	R	59	51	8	14%	0	0	0
3130100000	TLMA - Transportation	R	383	329	54	14%	0	0	0
		T	13	0	13	100%	0	0	0
3130200000	TLMA - Surveyor	R	41	36	5	12%	0	0	0
3130300000	TLMA - Crossing Guard	R	1	1	0	0%	0	0	0
		S	51	38	13	25%	4	0	0
3130700000	TLMA - Transportation Equipment ISF	R	29	26	3	10%	0	0	0
3130800000	TLMA ALUC	R	0	2	-2	#DIV/0!	0	0	0
3140100000	TLMA - Code Enforcement	R	137	132	5	4%	0	0	0
4100100000	Mental Health - Public Guardian	R	33	33	0	0%	0	0	0
4100200000	Mental Health - Treatment	P	57	46	11	19%	2	5	1
		R	655	576	79	12%	16	10	3
4100300000	Mental Helath - Detention	P	9	8	1	11%	1	0	0
		R	46	46	0	0%	0	0	0
4100400000	Mental Health - Administration	P	3	2	1	33%	0	0	0
		R	195	169	26	13%	5	2	2
4100500000	Mental Health - Substance Abuse	R	124	108	16	13%	0	0	6
		T	7	5	2	29%	0	0	0
4200100000	Public Health	R	730	656	74	10%	31	4	2
		T	4	2	2	50%	2	2	2
4200200000	CHA - CA Childrens's Services	R	153	150	3	2%	0	0	1
4200300000	CHA - Admin	R	171	163	8	5%	1	0	4
4200400000	CHA - Environmental Health	R	175	162	13	7%	7	1	9
4200600000	CHA - Animal Control	R	206	199	7	3%	2	0	2
4300100000	RCRMC	R	2252	2233	19	1%	11	8	0
4300200000	RCRMC - Med Indigent Services Program	R	32	28	4	13%	1	3	0
4300300000	RCRMC - Detention Health Systems	R	98	95	3	3%	0	3	0
4500100000	Waste Management	R	308	205	103	33%	0	0	0
		T	1	0	1	100%	0	0	0
5100100000	DPSS Administration	R	3323	3093	230	7%	67	60	8
		T	9	6	3	33%	0	0	0
5200100000	Local Initiative Admin DCA	R	24	22	2	8%	2	0	0
5200200000	DCA - Local Initiative Program	R	15	15	0	0%	0	0	0
5200300000	DCA - Other Programs	R	1	1	0	0%	0	0	0
5300100000	Office On Aging - Title III	R	64	62	2	3%	2	0	0
		T	87	98	-11	-13%	0	0	0
5400100000	Veterans Services	R	12	12	0	0%	0	0	0
6300100000	Cooperative Extension	R	5	5	0	0%	0	0	0
7200100000	Facilities Management - Administration	R	65	59	6	9%	4	0	0
7200200000	Facilities Management - Custodial	R	212	203	9	4%	21	0	0
7200300000	Facilities Management - Maintenance	R	167	161	6	4%	18	0	0
7200400000	Facilities Management - Real Estate	R	24	22	2	8%	1	0	0
7200500000	Facilities Management - Design & Construction	R	30	28	2	7%	1	0	0
7200600000	Facilities Management - Energy Management	R	1	1	0	0%	0	0	0
7200700000	Facilities Management - Parking	R	21	20	1	5%	0	0	0
7201100000	Facilities Management - Project Group	R	12	12	0	0%	0	0	0
7300100000	Purchasing	R	24	22	2	8%	0	0	0
7300300000	Purchasing - Printing Services - ISF	R	23	22	1	4%	0	0	0
7300400000	Purchasing - Supply Services	R	15	16	-1	-7%	0	0	0
7300500000	Fleet Services	R	63	61	2	3%	0	0	0

Vacancy Recruitment Report
FY 09/10 - 1st Quarter Budget Update

Budget Unit	Department Description	Reg/Temp/Seasonal/PD	MFR as of 09/29/09 (Item 3.90)	Positions as of 10/05/09	Difference	Vacancy %	Active/Anticipated Recruiting	Pending Start	Using TAP
7300600000	Central Mail Services	R	10	10	0	0%	0	0	0
7400100000	Information Technology	R	188	183	5	3%	0	0	0
7400300000	Information Technology - PSEC - 800 MHz Radio Project	R	13	11	2	15%	0	0	0
915201	CSA 152 NPDES	R	27	22	5	19%	0	0	0
		T	2	2	0	0%	0	0	0
931104	Regional Parks & Open-Space Dist	R	103	90	13	13%	8	5	10
		S	25	17	8	32%	6	2	5
		T	3	2	1	33%	1	0	0
943001	WRMD Operating	R	49	42	7	14%	0	0	0
947200	Flood Control	R	303	231	72	24%	7	1	0
985101	Public Authority - Admin	R	29	3	26	90%	0	0	0
Grand Total			**23262**	**19602**	**3660**	**16%**	**354**	**114**	**118**

Internal Audit - Workplan Status Report

ATTACHMENT D

Audit Assignment Number	Audit Project	Notes	Status as of September 30, 2009
✓ = Complete	↺ = In Process	→ = Scheduled	■ = Not Scheduled
× = Cancelled	▲ = Deferred		
2008-017	Vehicle Fleet	Audit completed, Final report issued, Agenda 7/14/09	✓
2009-302	Credit Card - Follow-up	Audit work completed, draft report in review process	↺
2009-006.001	DPSS - Foster Care	Audit work completed, draft report in review process	↺
2009-304	DPSS - Foster Care - Follow-up	Audit work completed, draft report in review process	↺
2009-305	Facilities Mgt. - Follow-up	Audit work completed, draft report in review process	↺
2009-027.002	Fire Dept. Contract Rates	Audit work completed, draft report in review process	↺
2008-022	Human Resources - Short Term Disability	Audit work completed, draft report in review process	↺
2008-018	Human Resource - Rate Review	Audit work completed, draft report in review process	↺
2009-013	Public Defender	Audit work completed, draft report in review process	↺
2009-027.001	Sheriff - Contract Rates	Audit work completed, draft report in review process	↺
2010-001	CHA - Animal Control	In Progress	↺
2010-006	CHA - Public Health	In Progress	↺
2009-301	Fire Dept. - Follow-up	In progress	↺
2009-030	Purchasing Group Purchasing Org. Contracts	In progress	↺
2008-025	Mental Health - Western Region	In progress	↺
2010-003	Fleet Services - Fuel	In Progress	↺
2010-004	Sheriff - Vehicle Fleet	In Progress	↺
2009-502	Sheriff Athletic Fed.	In progress	↺
2010-101	Treasurer-Tax Collector 1Q '10	In Progress	↺
2009-104	Treasurer-Tax Collector 4Q '09	In Progress	↺
2010-501	Wildomar and Elsinore Cemetery Districts	In Progress	↺
2009-601	Quality Assurance and Improvement Program	In Progress	↺
2010-000	Fraud, Waste and Abuse Prevention Program	In Progress - Program in place and working	↺
2010-005	Agricultural Commissioner	Not Started	→
2010-301	CHA - Environmental Health - Follow-up	Not Started	→
2010-007	Community Action Partnership	Not Started	→
2010-017	County Counsel	Not Started	→
2010-009	Countywide - Overtime	Not Started	→
2010-302	District Attorney - Follow-up	Not Started	→
2010-303	Economic and Facility Development - Follow-up	Not Started	→
2010.002	Fire - Vehicle Fleet	Not Started	→
2010-010	Human Resources - Worker's Compensation	Not Started	→
2010-011	Human Resources -TAP	Not Started	→
2010-012	Information Technology	Not Started	→
2010-304	Mental Health - Follow-up	Not Started	→
2010-013	Office on Aging	Not Started	→
2010-014	Probation - Detention and Correction	Not Started	→
2010-305	Public Defender - Follow-up	Not Started	→

Audit Assignment Number	Audit Project	Notes	Status as of September 30, 2009
	✓ = Complete = ↺ = In Process → = Scheduled ■ = Not Scheduled × = Cancelled ▲ = Deferred		
2010-015	Public Social Services	Not Started	→
2010-306	Public Social Services - Follow-up	Not Started	→
2010-016	Public Social Services (Foster Agencies/ Homes)	Not Started	→
2010-307	RCRMC - Computer Disposal - Follow-up	Not Started	→
2010-308	RCRMC - Purchasing - Follow-up	Not Started	→
2010-008	Registrar of Voters	Not Started	→
2010-309	Sheriff - Ben Clark Training Center - Follow-up	Not Started	→
2010-018	TLMA - Code Enforcement	Not Started	→
2010-310	TLMA - Transportation Garage - Follow-up	Not Started	→
2010-102	Treasurer-Tax Collector 2Q '10	Not Started	→
2010-103	Treasurer-Tax Collector 3Q '10	Not Started	→
2010-104	Treasurer-Tax Collector 4Q '09	Not Started	→
2010-019	Veterans Services	Not Started	→
2010-020	Waste Management	Not Started	→

ATTACHMENT E

Countywide Overtime Update

Riverside County Executive Office
with assistance from Human Resources

November 3, 2009

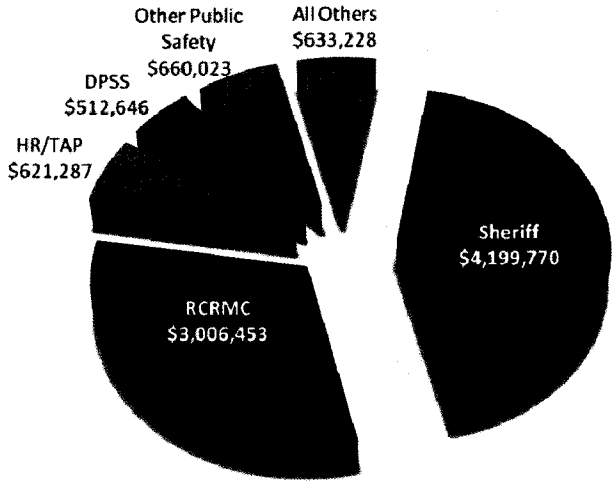
Background

On September 15, 2009 (Item 3.6) the Board approved the Safeguard County of Riverside Against Preventable Expenses (SCRAPE) program update and directed that the Executive Office give a quarterly update on county overtime use. This report provides an analysis of overtime use for the first quarter of fiscal year 2009-2010.

Results

Based on an analysis of first quarter county payroll records*, costs related to overtime and compensatory time totaled more than $9.6 million.

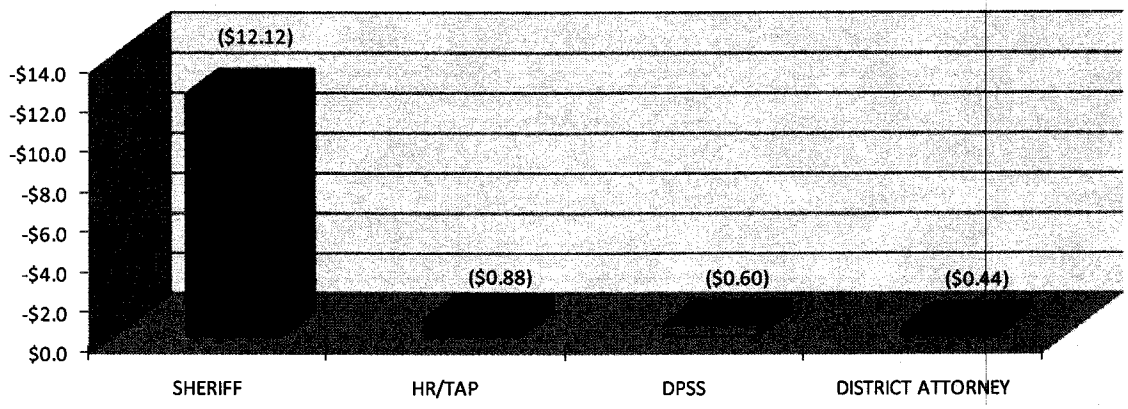
First Quarter Overtime and Compensatory Time Payments



Annual totals for overtime and compensatory time costs will be reduced by $13.7 million or 28% if current trends continue. The largest reduction in overtime and compensatory time costs will be realized by the Sheriff's Department, Human Resources (Temporary Assistance Pool), Department of Public Social Services, and the District Attorney's Office:

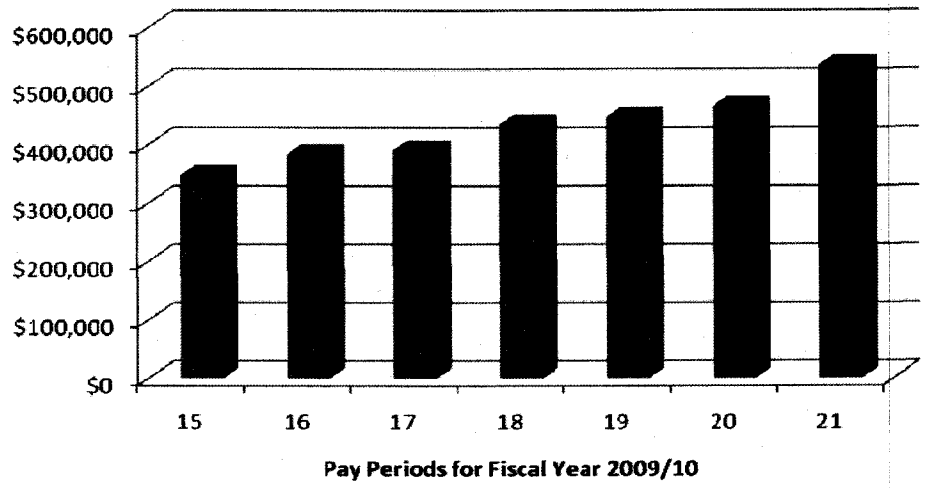
Highest Reduction in Overtime and Compensatory Time

(Annualized First Quarter Data, in millions)



* Includes overtime/compensatory time earning codes data from July 2, 2009 through October 7, 2009 (Pay Periods 15 – 21).

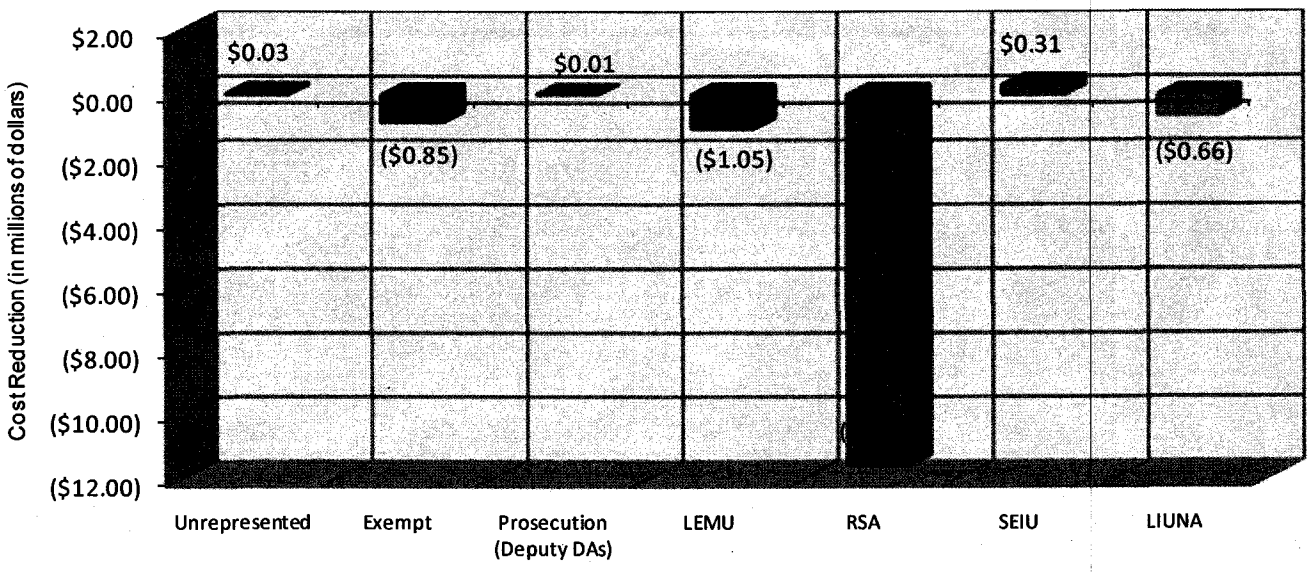
While most departments experienced an overall decrease in overtime and compensatory time payments, the Riverside County Regional Medical Center's (RCRMC) payments increased by approximately 14% when compared to the last fiscal year.



The department reports that it is required to comply with state mandated personnel-to-patient ratios. Consequently, the department has attributed the increased overtime and use of registry staff to increased workload and a reduction in available labor hours. Human Resources reports approximately $400,000 of increased overtime in RCRMC is attributable to negotiated overtime changes for nurses who worked in excess of 80 hours within a pay period.

Reviewing annualized overtime and compensatory time payment data by union category provides more specific information about where cost savings will be realized:

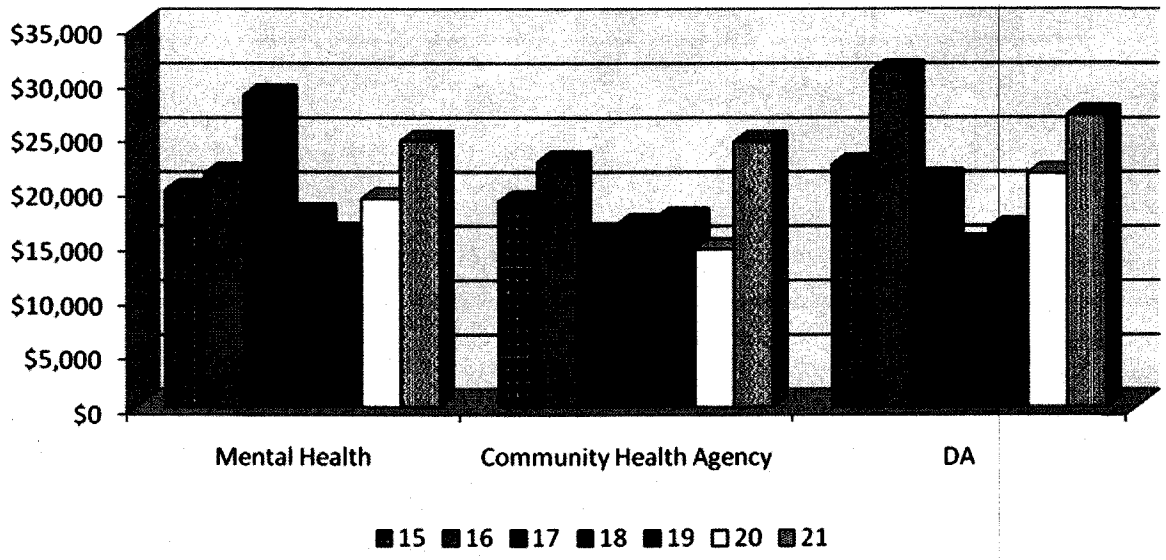
Changes to Overtime and Compensatory Time Payments by Union Category[†]



[†] Union categories with no overtime or compensatory time are not listed.

The increase in payments to the SEIU union category was primarily due to an $870,000 or 19% expected increase in payments to SEIU Registered Nurses. As noted above, approximately $400,000 of increased overtime is attributable to negotiated overtime changes for nurses who worked in excess of 80 hours within a pay period. The majority of other classifications within this union category experienced reductions in overtime and compensatory time payments. Attachment 1 of this report provides more detail about overtime and compensatory payments by union.

Although there was an overall decrease in overtime and compensatory costs when compared to the previous year, it should also be noted that there have been several department that have experienced an upward trend in these costs per period since the implementation of mandatory furloughs (first impact pay period 19):



Departments must continue to effectively manage overtime and compensatory time. The Executive Office will continue to work closely with Human Resources and county departments to help ensure that overtime use is reasonable and remains within budget constraints.

ATTACHMENT 1

Comparison of Overtime and Compensatory Time Payment by Union

Union Title	FY 08-09 Employee Count	FY 08-09 Actual Annual Overtime & Comp Time	FY 09-10 Actual* YTD Overtime & Comp Time	FY 09-10 Annualized Overtime & Comp Time	Anticipated Change in Payments increase/(decrease)
Confidential	273	$31,822	$3,060	$11,366	($20,456.21)
Management (General)	464	$17,805	$13,066	$48,529	$30,724.43
Law Enforcement Exec Staff	30	-	-	-	$0.00
Parks Management Unit	6	-	-	-	$0.00
Waste Management Unit	23	-	$154	$572	$572.17
Unrep Mgmt Attorneys Group 7	178	-	-	-	$0.00
Unrepresented Confidential	232	$759	$339	$1,258	$498.90
Unrepresented Management	326	$465,754	$130,118	$483,296	$17,541.83
Unrep Total	**1,530**	**$516,139**	**$146,736**	**$545,020**	**$28,881.12**
Exempt	1,445	$3,162,063	$623,539	$2,316,001	($846,061.37)
Exempt Total	**1,445**	**$3,162,063**	**$623,539**	**$2,316,001**	**($846,061.37)**
Prosecution (Deputy DAs)	241	$134,358	$38,680	$143,670	$9,311.47
Prosecution Total	**241**	**$134,358**	**$38,680**	**$143,670**	**$9,311.47**
Law Enforcement Management	409	$2,984,397	$520,927	$1,934,870	($1,049,527.47)
LEMU Total	**409**	**$2,984,397**	**$520,927**	**$1,934,870**	**($1,049,527.47)**
RSA Law Enforcement	2,637	$23,027,664	$3,114,255	$11,567,235	($11,460,429.92)
RSA Public Safety	639	$919,894	$228,579	$849,009	($70,884.50)
RSA Total	**3,275**	**$23,947,558**	**$3,342,835**	**$12,416,244**	**($11,531,314.42)**
SEIU Professional	2,658	$2,234,035	$538,370	$1,999,659	($234,376.32)
SEIU Registered Nurses	893	$4,524,951	$1,450,515	$5,387,629	$862,678.13
SEIU Para Professional	880	$1,447,591	$383,013	$1,422,621	($24,970.37)
SEIU Supervisory	1,435	$2,909,145	$708,976	$2,633,341	($275,803.97)
SEIU Parks General	88	$48,010	$12,434	$46,184	($1,825.68)
SEIU Parks Supervisory	14	$16,560	$4,929	$18,308	$1,747.57
SEIU Waste Professional	13	$1,677	$418	$1,551	($126.37)
SEIU Waste Trades Crafts Labor	11	$12,881	$10	$39	($12,842.08)
SEIU Waste Support Services	4	$2,349	-	-	($2,349.05)
SEIU Total	**5,993**	**$11,197,199**	**$3,098,666**	**$11,509,331**	**$312,131.87**
LIUNA Inspection and Technical	1,547	$2,470,348	$576,043	$2,139,587	($330,761.59)
LIUNA Trades, Crafts and Labor	1,188	$1,352,362	$345,962	$1,285,001	($67,360.75)
LIUNA Supporting Services	4,431	$3,753,870	$940,021	$3,491,506	($262,363.45)
LIUNA total	**7,166**	**$7,576,580**	**$1,862,025**	**$6,916,094**	**($660,485.78)**
Total for all Union Codes	**19,649**	**$49,518,295**	**$9,633,408**	**$35,781,231**	**($13,737,064.60)**

* Includes all overtime and comp time earnings codes COT,OVT,FOT,SOT,DOT,RTO,SDO,FOA,OSB,OTM,OTS,MOT,CTW,CTM,XOA

** FY 2009/10 Includes data from 7/2/09 - 10/7/09, Pay Period 15 - 21

ATTACHMENT F

Countywide Early Retirement Update

Riverside County Executive Office
with assistance from Human Resources

November 3, 2009

Background

On September 15, 2009 (Item 3.6) the Board approved the Safeguard County of Riverside Against Preventable Expenses (SCRAPE) program update and directed that the Executive Office give a quarterly update on the cost savings due to early retirement. This report provides an analysis of cost savings due to early retirement for the first quarter of Fiscal Year 2009-10.

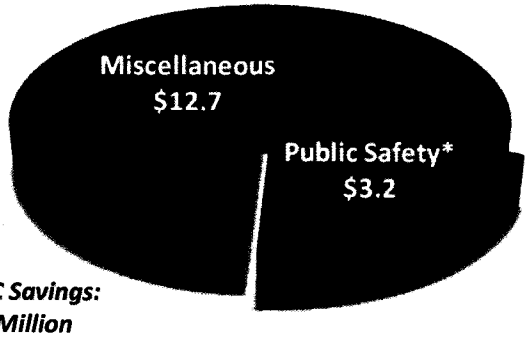
Results

More than 830 miscellaneous and public safety employees have opted to retire early in exchange for two years of additional service credit. Accordingly, the county will realize a net county cost savings estimated to be $15.9 million during fiscal year 2009-10 and $21.2 million during fiscal year 2010-11.

County-wide Early Retirement Net County Cost Savings

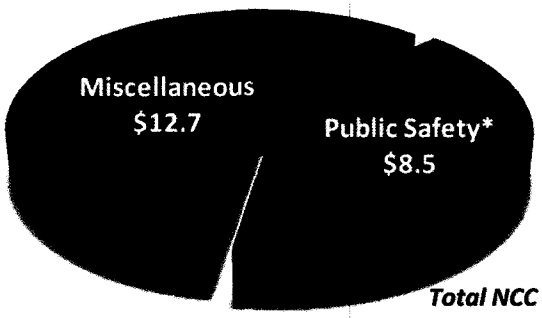
(In millions of dollars)

Fiscal Year 2009-10



Total NCC Savings: $15.9 Million

Fiscal Year 2010-11



Total NCC Savings: $21.2 Million

It should be noted that the Fiscal Year 2009-10 total for Public Safety is the first year of the early retirement program for this category and includes the initial impact of employee leave payouts. The Miscellaneous to reflects the second year of the program for this category and is not impacted by these payouts. Fiscal Year 2010-11 totals represent full year program savings for both categories, assuming the positions left vacant remain open.

Although a larger number of miscellaneous employees retired than public safety employees (677 employees versus 159 employees), the net county cost savings per employee will be greater for the Public Safety category. Public safety employee-related costs are funded by a greater percentage of general funds than miscellaneous employee-related costs. Consequently, the level of savings associated with each retired public safety employee is significantly greater than the savings associated with each retired miscellaneous employee.

The early retirement program will have several benefits for the county, assuming personnel cost controls are maintained and the restructuring of county operations continues in the same direction in future fiscal years:

- Reduction of the net county cost related to salaries and benefits. More cash is available to fund essential government operations thereby keeping more reserves available for future financial needs and obligations.

[1] Public Safety figures are estimates based on preliminary data. Final data will not be available for several weeks.

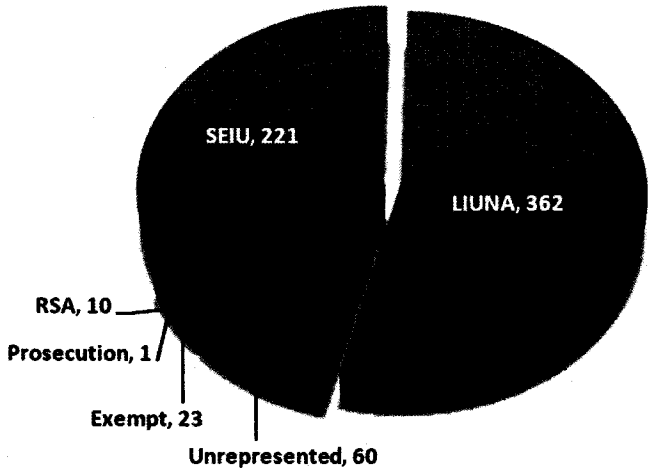
- Reduction of employee annual leave costs. While the leave payout for retiring employees had a significant one-time impact, it ensured accumulated leave was paid out at the lower rate. Leave obligations paid at a later date would more than likely have been paid at higher rates.
- Transfer of early retirement costs from the current period to future periods. Opting to pay retirement costs by increasing the employer contribution rate over 20 years effectively distributes these costs over future periods when economic conditions are expected to stabilize and funding is more available. The increased employer contribution rate would not be effective until Fiscal Year 2011-12.
- Permanent reduction in the county workforce. Workforce reduction by early retirement is less "painful" to county personnel not eligible for retirement and reduces the level of layoffs needed to meet reduced budget targets now, and in the future.

Miscellaneous Employees Early Retirement

On November 18, 2008, the Board of Supervisors authorized Human Resources to offer an early retirement option to approximately 3,400 eligible miscellaneous county employees. The designated early retirement window began January 1, 2009 and ended March 31, 2009. More than 670 or 19.7% of the 3,400 eligible miscellaneous county employees exercised this option. More than 54% of the retirees were from the LIUNA.

Miscellaneous Employee Early Retirees

By Union Category



During Fiscal Year 2008-09, the county experienced a net county cost of $2.2 million due to the early retirement of miscellaneous employees. The early retirement option was offered towards the end of the fiscal year. Consequently, the salary and benefit savings that could be recognized during the fiscal year were less than the related leave payout costs. The county will experience a net cost savings over the long term.

Current Year Impact

Use of a hiring freeze and a maximum fill rate as methods for controlling personnel costs has been successful. County positions left vacant due to early retirements have remained vacant consequently preserving the related savings. The county will have a net county cost savings of more than $12.1

million due to the early retirement option extended during the last fiscal year. The county must sustain adequate controls over personnel costs to realize full cost savings for the current fiscal year.

Future Year Impact

Future net county cost savings will depend heavily on the strength of controls over personnel costs. As positions left vacant are filled, cost savings will be reduced.

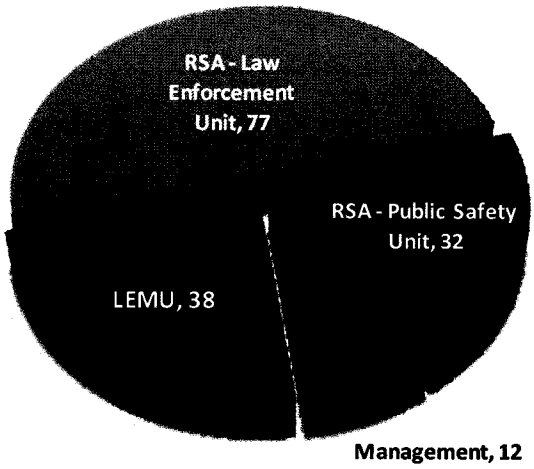
During the November 18, 2008 Board of Supervisors meeting, the Board approved the recommendation that the cost for the early retirement program be included with the employer contribution rate instead of as a lump sum payment to CalPERS. The increased rate will be in effect two years after the designated retirement window. Human Resources estimates an increased annual CalPERS cost of $2.3 million beginning Fiscal Year 2011-2012 and continuing over 20 years at a total cost of $30.6 million. This will further reduce the level of net county cost savings attained by the county each year.

Public Safety Employees Early Retirement

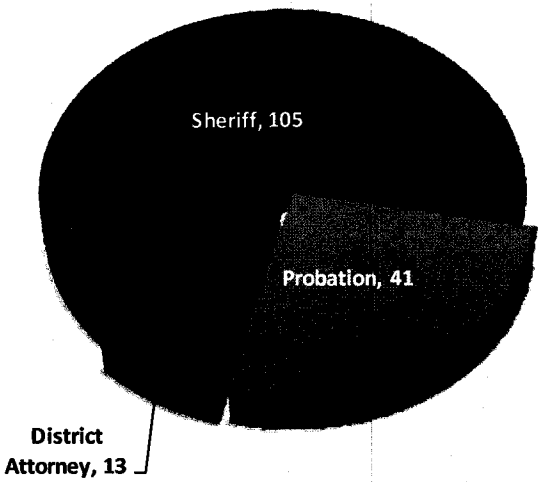
On June 23, 2009, the Board of Supervisors authorized Human Resources to offer an early retirement option to approximately 284 eligible county public safety employees. The designated early retirement window began July 15, 2009 and ended October 13, 2009. Preliminary reports indicate 159 or 56% of the 284 eligible public safety employees exercised this option. More accurate data will be available once Human Resources receives final retirement information. More than 68% of the retirees were from the Riverside Sheriff's Association Public Safety and Law Enforcement Units. When analyzing by department, more than 66% of the retirees were from the Sheriff's Department:

Public Safety Early Retirees

By Union Category



By Department



Current Fiscal Year Impact

Preliminary data indicates the county will have a net county cost savings of more than $3.1 million due to the early retirement option extended during the current fiscal year. This year's savings was offset by leave payouts totaling more than $7.7 million. It should be noted that actual cost savings will not be known until final retirement counts are known and public safety departments' report which positions will be left vacant as a result of the early retirement. Vacated positions must be left vacant to realize full cost savings for the current fiscal year.

Future Year Impact

Future net county cost savings will depend heavily on the strength of controls over personnel costs. As positions left vacant are filled, cost savings will be reduced. Preliminary reports indicate the county will have a net county cost savings of more than $11.6 million during Fiscal Year 2010-11. The county must sustain adequate controls over personnel costs to continue to realize this level of cost savings during subsequent fiscal years.

During the June 23, 2009 Board of Supervisors meeting, the Board approved the recommendation that the cost for the early retirement program be included with the employer contribution rate instead of as a lump sum payment to CalPERS. The increased rate will be in effect two years after the designated retirement window. Human Resources estimates an increased annual CalPERS cost of $918,566 beginning Fiscal Year 2012-2013 and continuing over 20 years at a total cost of $12.1 million. This will further reduce the level of net county cost savings attained by the county each year.

Conclusion

Departments must continue to effectively manage staffing levels to ensure maximum payroll savings associated with early retirements can be preserved. The Executive Office will continue to work closely with Human Resources to monitor the county departments' staffing levels.

ATTACHMENT G

DeptId	Account	Dept. Name	Adjustment	Base NCC	Share
1000100000	524740	Board Of Supervisors	$ 18,456	3,722,007	0.0061519
1000200000	524740	Assessment Appeals Board	$ 2,134	430,275	0.0007112
1100100000	524740	Executive Office	$ 15,269	3,079,249	0.0050895
1102900000	524740	Legislative-Admin Support	$ 9,922	2,000,954	0.0033073
1105000000	524740	Natl Pollutant Dschrg Elim Sys	$ 12,049	2,430,036	0.0040165
1109900000	524740	Indigent Defense	$ 62,802	12,665,396	0.0209339
1200100000	524740	Assessor	$ 30,920	6,235,687	0.0103066
1200200000	524740	Clerk-Recorder	$ 34,277	6,912,776	0.0114257
1300100000	524740	Auditor-Controller	$ 19,821	3,997,386	0.006607
1300200000	524740	Internal Audit	$ 8,309	1,675,694	0.0027697
1400100000	524740	Treasurer-Tax Collector	$ 8,264	1,666,630	0.0027547
1500100000	524740	County Counsel	$ 20,841	4,203,046	0.006947
1700100000	524740	Registrar Of Voters	$ 26,399	5,324,048	0.0087998
1930100000	524740	Edward Dean Museum	$ 889	179,379	0.0002965
2200100000	524740	District Attorney	$ 299,799	60,461,348	0.0999329
2300100000	524740	Riv Co Dep Of Child Supt Svcs	$ 3,789	764,222	0.0012631
2400100000	524740	Public Defender	$ 165,646	33,406,317	0.0552153
2500100000	524740	Sheriff Administration	$ 45,160	9,107,535	0.0150533
2500200000	524740	Sheriff Support	$ 30,692	6,189,753	0.0102307
2500300000	524740	Sheriff Patrol	$ 419,434	84,588,614	0.1398114
2500400000	524740	Sheriff Corrections	$ 553,429	111,611,666	0.1844762
2500500000	524740	Sheriff Court Services	$ 25,926	5,228,544	0.0086419
2500600000	524740	CAC Security	$ 2,911	587,009	0.0009702
2500700000	524740	Ben Clark Training Center	$ 40,445	8,156,617	0.0134816
2501000000	524740	Sheriff Coroner	$ 18,856	3,802,762	0.0062854
2501100000	524740	Public Administrator	$ 4,990	1,006,262	0.0016632
2600100000	524740	Probation-Juvenile Hall	$ 90,240	18,199,020	0.0300801
2600200000	524740	Probation	$ 36,137	7,287,839	0.0120456
2600400000	524740	Probation-Court Placement	$ 2,611	526,527	0.0008703
2600700000	524740	Probation-Admin & Support	$ 33,006	6,656,372	0.0110019
2700200000	524740	Fire Protection-Forest	$ 208,378	42,024,221	0.0694593
2800100000	524740	Agricultural Commissioner	$ 4,906	989,454	0.0016354
3120100000	524740	Planning	$ 7,121	1,436,104	0.0023736
3140100000	524740	Code Enforcement	$ 76,929	15,514,430	0.0256429
4100100000	524740	MH-Public Guardian	$ 3,416	688,911	0.0011387
4100200000	524740	MH-Treatment	$ 49,703	10,023,854	0.0165678
4100300000	524740	MH-Detention	$ 23,736	4,786,958	0.0079121
4100500000	524740	MH-Substance Abuse	$ 1,677	338,239	0.0005591
4200100000	524740	CHA-Public Health	$ 67,441	13,601,121	0.0224805
4200200000	524740	CHA-Cal Children's Svcs	$ 36,851	7,431,803	0.0122836
4200400000	524740	CHA-Environmental Health	$ 2,888	582,419	0.0009626
4200600000	524740	CHA-Animal Control	$ 58,497	11,797,263	0.019499
4300200000	524740	RCRMC- Med Ind Svcs	$ 18,817	3,794,932	0.0062724
4300300000	524740	RCRMC- Detention Health	$ 79,246	15,981,717	0.0264152
5100100000	524740	DPSS-Administration	$ 101,211	20,411,611	0.0337371
5100200000	524740	DPSS-Mandated Client Svcs	$ 28,810	5,810,172	0.0096033
5100300000	524740	DPSS-Categorical Aid	$ 108,222	21,825,462	0.036074
5100400000	524740	DPSS-Other Aid	$ 6,868	1,385,114	0.0022894
5400100000	524740	Veterans Services	$ 3,510	707,928	0.0011701
6300100000	524740	Cooperative Extension	$ 3,260	657,419	0.0010866
7200200000	524740	FM-Custodial & Housekeeping	$ 1,581	318,945	0.0005272
7200300000	524740	FM-Maintenance	$ 15,892	3,205,057	0.0052974
7200400000	524740	FM-Real Estate	$ 764	154,151	0.0002548
7200500000	524740	FM-Design and Construction	$ 1,997	402,771	0.0006657
7200600000	524740	FM-Energy Management	$ 38,148	7,693,348	0.0127159
7300100000	524740	Purchasing	$ 6,709	1,352,990	0.0022363

Q2

Riverside County Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (Apr-Jun 2009)

Riverside County In Brief

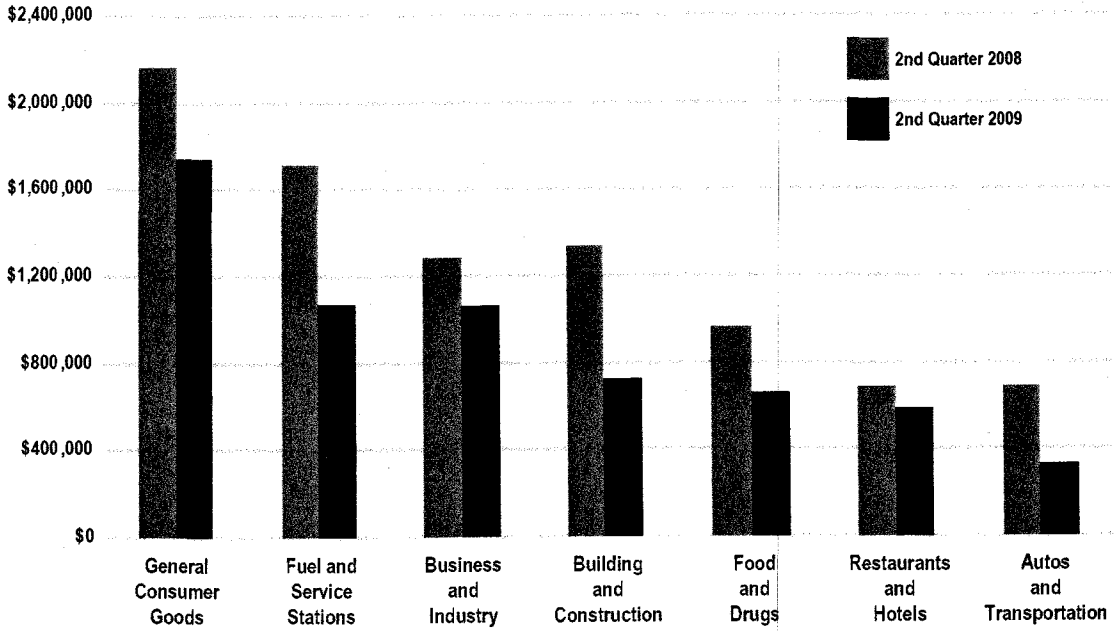
Receipts from the unincorporated area's April through June sales were 30.2% lower than the same quarter one year ago.

Allocation of previous revenues to the new cities of Menifee and Wildomar accounted for 40% of the decrease. A drop from last year's record fuel prices, business closeouts and overall declines in both purchases and pricing of most other categories of sales were responsible for the remainder.

The losses were partially offset by a series of audit recoveries in the heavy and light industry categories.

Adjusted for accounting aberrations, receipts for all of Riverside County including its cities dropped 21.3% from last year's comparable quarter while California as a whole, was down 18.4%.

Sales Tax by Major Business Group



Top 25 Producers

In Alphabetical Order

- Albertsons
- Arco Travel Zone
- Best Buy
- Circle K
- Circle K 76
- Coach
- Costco E-Commerce Sales
- Edward Don & Company
- Flying J Travel Plaza
- G & M Oil
- Gucci America
- H G Weber & Company
- Home Depot
- Lowes
- Mecca Travel Center Subway
- Mobile Modular Management
- Morongo Shell
- Pedder Nissan
- Polo Ralph Lauren
- Ralphs
- Stater Bros
- Superior Ready Mix Concrete
- Target
- Vons
- Wal Mart DVD Rentals

Revenue Comparison

One Quarter – Fiscal Year To Date

	2008-09	2009-10
Point-of-Sale	$8,824,889	$6,176,864
County Pool	930,397	625,607
State Pool	(2,316)	6,146
Gross Receipts	**$9,752,970**	**$6,808,617**
Less Triple Flip*	$(2,438,242)	$(1,702,154)

**Reimbursed from county compensation fund*

Published by The HdL Companies in Fall 2009
www.hdlcompanies.com | 888.861.0220

NOTES

Statewide Trends

Adjusted for accounting aberrations, the local portion of California's sales and use tax for transactions occurring April through June were 18.4% lower than last year's comparable quarter.

All categories and regions were down with receipts from fuel, automobiles, business supplies, and construction materials exhibiting the largest reductions. This is the eighth consecutive quarter of statewide declines but subsequent reductions should become increasingly moderate as the economy bottoms out and future quarters are compared to previous record lows.

The Climb Back Up

Statistically most economists agree that the national recession ended somewhere around the end of July. Minor recovery is expected in the last half of the year as companies restock depleted inventories, federal stimulus programs filter through the system, and investor confidence returns.

However, restoration of California's previous sales tax levels will lag. Unemployment is projected to increase through the first quarter of 2010 and remain weak for several quarters after. Incomes are flat, household wealth has been exhausted, inflation is in decline, and the drops in property values are not over. Lenders are less risk tolerant and previously excessive borrowers have become disciplined savers.

The California Budget Project recently concluded that it took six years for the average household to fully rebound from the jobless recovery following the recession of 2001. New consumer frugality, tight credit, and moderate job growth may result in an equally slow recovery from this recession.

Prognostications for key segments:

General Consumer Goods – Sales of personal electronics remain solid but consumers are focusing on price and necessities when it comes to apparel and other merchandise. Weak back-to-school sales and limited credit for new stock have retailers planning lean inventories for the holiday season which is projected to be flat with only modest gains through 2010.

Transportation - Cash-for-clunkers stimulated new car sales but largely borrowed from the next two quarters. Significant recovery is not expected until the 2011 models arrive. RV, boat, and motorcycle sales may languish until the return of full employment.

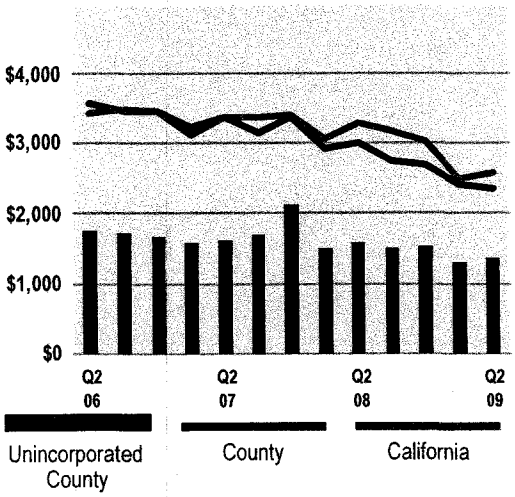
Business & Industry – Sales to health providers and manufacturers of food products, energy, and information technology remain stable. Investment in equipment and supplies as a whole however, generally drops in and out of a recession four to six quarters after consumer goods. Continued declines are expected through 2010.

Building & Construction - Benefits from the stimulus package will be offset by state cutbacks. Projections are for weak office and commercial construction. Modest recovery in overall spending is not expected until after next summer.

Fuel & Service Stations- Lack of competition allows refiners to manipulate costs of the state's environmentally friendly summer blend, but overall receipts are expected to stabilize after next quarter's comparison with the previous year's record price spike.

Grocers & Restaurants – Intense price competition has kept receipts from grocers' taxable goods down while higher-end restaurants continue to experience reduced patronage. Revenues are expected to remain flat for the next five to six quarters.

Sales Per Capita



Riverside County Top 15 Business Types

Business Type	Unincorporated County Q2 '09*	Unincorporated County Change	County Change	HdL State Change
Service Stations	$1,061.2	-37.6%	-38.6%	-36.7%
Family Apparel	591.6	-8.3%	2.8%	-5.5%
Contractors	405.0	-49.4%	-29.5%	-31.1%
Restaurants No Alcohol	389.8	-12.9%	6.6%	2.9%
Discount Dept Stores	352.1	-29.5%	-6.4%	-4.6%
Grocery Stores Liquor	307.9	-25.0%	-1.5%	-2.6%
Specialty Stores	217.7	-15.0%	-11.6%	-12.1%
Lumber/Building Materials	213.0	-41.1%	-18.7%	-21.1%
Grocery Stores Beer/Wine	203.2	-48.0%	-32.8%	-18.6%
Light Industrial/Printers	154.1	50.1%	-6.6%	-26.9%
Heavy Industrial	134.4	8.1%	-13.5%	-30.4%
Wineries	130.0	1.8%	1.5%	-10.4%
Women's Apparel	117.8	-15.3%	-10.3%	-12.1%
Home Furnishings	107.3	-41.7%	-32.0%	-20.7%
Office Equipment	100.0	-27.1%	-15.4%	21.4%
Total All Accounts	**$6,176.9**	**-30.0%**	**-21.0%**	**-21.2%**
County & State Pool Allocation	**631.8**	**-31.9%**		
Gross Receipts	**$6,808.6**	**-30.2%**		

*In thousands

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

925 A

FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Resolution No. 2009-316 - Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series A (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2009-316, Authorizing the Issuance and Sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series A in a Maximum Aggregate Principal Amount not to Exceed $25,000,000 and approving related matters

BACKGROUND: Education Code Section 15140 requires that general obligation bonds of a school district be offered for sale by the Riverside County Board of Supervisors, when the Riverside County Superintendent of Schools has jurisdiction over that district, and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on page 2)

Don Kent, Treasurer - Tax Collector

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE 10/27/09

Departmental Concurrence

FINANCIAL DATA				
	Current F.Y. Total Cost:	$	In Current Year Budget:	
	Current F.Y. Net County Cost:	$	Budget Adjustment:	
	Annual Net County Cost:	$	For Fiscal Year:	

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Christopher M. Hans

County Executive Office Signature

Dep't Recomm.: ☒ Policy ☐ Consent
Per Exec. Ofc.: ☑ Policy ☐ Consent

Prev. Agn. Ref.: | **District:** 4 | **Agenda Number:** 3.52

Form 11 (Rev 06/2003)

The Riverside County Superintendent of Schools has jurisdiction over the Palm Springs Unified School District (the "District") which is planning to issue and sell bonds via a negotiated sale. Therefore the Education Code provides that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a negotiated sale, on behalf of the District. To that end, the District's Board of Education adopted its resolutions 2009/2010-16 and 2009/2010-22 requesting this Board to sell the District's general obligation bonds Series A in an aggregate principal amount not to exceed $25,000,000.

An election was held on February 5, 2008, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Sections 15266, 15100 *et seq.* and 15140 *et seq.* of the Education Code which codify, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed $516,000,000 was approved by more than 55% of the qualified voters voting on the measure.

The District has been awarded an allocation of Qualified School Construction Bonds ("QSCBs") under the American Recovery and Reinvestment Act of 2009. It is the intent of the District Board that the Series A Bonds may be issued in full or in part as QSCBs pursuant to Section 54F of the Internal Revenue Code. To that end, the District Board has requested that the County issue the Series A bonds on behalf of the District in one or more subseries as determined by the District, its financial advisor, and the County Treasurer.

Resolution No. 2009-316 authorizes the issuance and sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds Series A in an aggregate principal amount not to exceed $25,000,000; authorizes the Series A Bonds to be issued in one or more subseries; authorizes the County Treasurer/Tax Collector to negotiate the sale of the bonds; and authorizes all or a portion of the Series A Bonds to be sold to the California Qualified School Construction Bond Joint Powers Authority or any other Joint Powers Authority, all as requested by the District Board of Education. In addition, Resolution No. 2009-316 prescribes the terms of the bonds and conditions of their sale; approves the form of a Bond Purchase Agreement and authorizes its execution and the execution of other necessary documents related to the transaction.

The proceeds of the Series A Bonds are to be expended for identified school facilities and improvements or to provide financing for the construction, reconstruction or repair of public school facilities, or the acquisition of land on which such facilities are to be constructed. Expenditures are subject to the review of a citizens' oversight committee appointed by the District's Board of Education.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these bonds.

The Office of County Counsel has reviewed Resolution No. 2009-316 and has approved it as to form.

RESOLUTION NO. 2009-316

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

RM APPROVED COUNTY COUNSEL
10/21/09
DATE
KYLE A. GARDNER

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RESOLUTION NO. 2009-316

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

WHEREAS, the Palm Springs Unified School District ("District") is a public unified school district duly organized and operating pursuant to the Constitution and the laws of the State of California; and

WHEREAS, an election was duly called and regularly held in the District, County of Riverside ("County"), State of California ("State"), on February 5, 2008 ("Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at such Election there was submitted to, and approved by the requisite fifty-five percent (55%) favorable vote of the qualified electors of the District, as certified by the Riverside County Register of Voters in the official canvassing of the voters, a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot measure submitted to the voters, in the maximum principal amount of $516,000,000, payable from the levy of an ad valorem tax against the taxable property in the District ("Authorization"); and

FORM APPROVED COUNTY COUNSEL
BY DALE A. GARDNER DATE 12/22/09

WHEREAS, the Board of Education of the District ("District Board") has previously adopted a resolution directing the issuance and sale of the Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B, in a par amount not to exceed $110,000,000, leaving not less than $406,000,000 of bonds of the Authorization authorized and unissued; and

WHEREAS, pursuant to the California Constitution, the Authorization, and the Education Code, the District Board has adopted its Resolution No. 2009/2010-16 on September 22, 2009, and Resolution No. 2009/2010-23 on October 13, 2009 (collectively the "District Resolution"), certified copies of which has been filed with this County Board of Supervisors ("County Board") requesting the County Board to issue, in the name of and on behalf of the District, a series of such authorized bonds to be designated "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A" in an aggregate principal amount not to exceed $25,000,000 ("Bonds" or "Series A Bonds"); and

WHEREAS, the Series A Bonds are hereby authorized to be issued by the County, on behalf of the School District, pursuant to the California Constitution, the Authorization and Sections 15100 et seq. and 15140 et seq. of the Education Code of the State of California and other applicable law; and

WHEREAS, all or a portion of the Series A Bonds may be issued as "Qualified School Construction Bonds" pursuant to the provisions and limitations of the American Recovery and Reinvestment Act of 2009 ("ARRA") which was signed into law on February 17, 2009, and the applicable requirements of the Code (as defined herein) as further described in the District Resolution, and the Board desires to provide certain determinations, and provide certain directions, in connection therewith; and

WHEREAS, in the District Resolution, the District found and informed this Board of Supervisors that all acts and conditions necessary to be performed by the District or to have been

met precedent to and in the issuing and sale of the Series A Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and met, in regular and due form as required by law; and

WHEREAS, the Board has further requested this County Board to sell the Series A Bonds to designated purchaser(s) ("Purchaser(s)") of such Series A Bonds, pursuant to the terms of the proposed form of Bond Purchase Agreement ("Purchase Agreement") among the County, the District, and the designated purchaser(s) of such Series A bonds, subject to the limitations set forth in the District Resolution; and

WHEREAS, this County Board desires to make certain determinations and to authorize the issuance of the Series A Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FOLLOWS:

SECTION 1. **Recitals; Incorporation of District Resolution.** The foregoing recitals are true and correct and are incorporated herein by this reference. The District Resolution, together with the exhibits thereto, and findings and determinations contained therein, is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the Series A Bonds, except as otherwise specified herein.

SECTION 2. **Purpose of the Series A Bonds.** Bonds of the District shall be issued in the name and on behalf of the District in the aggregate principal or issue amount of not to exceed $25,000,000 for the purposes of: (a) raising money for acquiring and constructing the projects set forth in the bond measure submitted to, and approved by, the voters at the Election, as further described above and in the District Resolution; (b) funding interest on the Series A

Bonds for a specified period of time as authorized by California law; and (c) to pay all necessary legal, financial, printing, insurance and other contingent costs in connection with the issuance and delivery of the Series A Bonds, as further set forth herein and subject to the applicable provisions of the California Constitution and California law including, but not limited to, the Education Code.

SECTION 3. Statutory Authorization. The Series A Bonds are authorized to be sold by the County in the name of the District pursuant to the Election, the Authorization, the District Resolution, the California Constitution, this Resolution, and Education Code Sections 15266, 15100 *et seq.* and 15140 *et seq.*

SECTION 4. Negotiated Sale.

(a) The Treasurer (as defined in Section 6 below) is hereby authorized to negotiate the sale of the Series A Bonds, in consultation with the District, to the Purchaser(s). The Series A Bonds shall be sold pursuant to the applicable provisions of the Education Code, this Resolution and the terms and conditions set forth in the District Resolution and the Purchase Agreement(s), as described and defined herein.

(b) All or a portion of the Series A Bonds may be sold to a JPA pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, being California Government Code Sections 6584, *et seq.* ("Marks-Roos Act"). It is expected that all or a portion of the Series A Bonds will be purchased by the JPA with the proceeds of revenue bonds (the JPA Bonds), which JPA Bonds will be secured through debt service payments made on the Series A Bonds. The sale of the Series A Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the District as determined in the District Resolution.

(c) The Series A Bonds may be issued in one or more sub-series as shall be

determined by the Treasurer and a Designated Officer of the District as set out in the applicable Purchase Agreement(s). Each sub-series of the Series A Bonds may be issued as QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds) as shall be determined by the Treasurer and a Designated Officer of the District in the applicable Purchase Agreement(s).

SECTION 5. Approval of Purchase Agreement.

(a) The Series A Bonds will be sold at negotiated sale by the Treasurer pursuant to the terms and conditions set forth in the applicable Bond Purchase Agreement(s) ("Purchase Agreement(s)"), substantially in the form appended hereto as Exhibit "A" and incorporated by reference herein. The form of the Purchase Agreement is hereby approved and the Treasurer, or any designated deputy thereof, is hereby authorized to execute and deliver the Purchase Agreement(s) and the Designated Officer (as defined herein) of the District, is hereby requested to execute the Purchase Agreement, with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated deputy thereof, and the Designated Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) The Treasurer and the Designated Officer, in consultation with Dale Scott & Company, Inc. ("Financial Advisor") and the County Treasurer ("Treasurer"), are authorized and directed to:

(i) establish or modify the terms of redemption of the Series A Bonds, or any sub-series thereof, and establish the final principal amount of the Series A Bonds, or any sub-series thereof, provided, however, that such principal amount, in the aggregate, shall not exceed $25,000,000;

(ii) negotiate the term of the Series A Bonds, or any sub-series thereof, which shall be for not more than 25 years from the date of issuance;

(iii) determine, subject to the provisions of this Resolution and the District Resolution, whether the Series A Bonds shall be issued in one or more sub-series for purposes of issuance and sale, the respective principal amounts, maturity dates, interest rate or rates or yield or yields to maturity or the methods of determining such interest rate or rates, interest payment dates, redemption provisions and authorized denomination(s) (not exceeding the aggregate principal amount of each maturity) of the Series A Bonds or each sub-series thereof, including a provision providing for the increase of the interest rate (or Accretion Rate in the case of Capital Appreciation Bonds) following the issuance of the Series A Bonds in the event and to the extent required to provide sufficient revenues with which to pay the JPA Bonds at maturity, and any other provisions necessary to comply with the provisions of this Resolution and the District Resolution or deemed necessary or advisable by the Treasurer and the Designated Officer and which provisions are not in conflict with or in substitution for the provisions of the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution;

(v) determine whether each sub-series of the Series A Bonds shall be issued as either QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds);

(vi) determine the application of the proceeds of the Series A Bonds for the purposes stated herein, including, without limitation, the amount of capitalized interest, if any, that will be funded for each sub-series of the Series A Bonds from the proceeds of the Series A Bonds and the date or dates through which such capitalized interest will be funded;

(vii) omit from, add to or incorporate into the designation and title of the Series A Bonds contained in Section 7 of this Resolution any provision, or modify such designation or title in any other manner, in which may be deemed necessary or

advisable by such Designated Officer in connection with the issuance, sale and delivery of, and security for, each sub-series of the Series A Bonds and which is not inconsistent with this Resolution and the District Resolution;

(viii) In connection with any of the transactions authorized by this Resolution and the District Resolution, to make such amendments, modifications and revisions to the form(s) of the Series A Bonds prior to, or simultaneously with, the issuance of the initial sub-series of the Series A Bonds as (i) may be requested by any rating agency in connection with obtaining a rating on any sub-series of the Series A Bonds from such rating agency, (ii) may be requested by the JPA in connection with obtaining a bond insurance policy in connection with any of the Series A Bonds and/or JPA Bonds, (iii) the Treasurer and the Designated Officer may determine, in consultation with the Bond Counsel, are necessary or advisable in order to (a) reflect the actual provisions of this Resolution that shall be applicable to any sub-series of the Series A Bonds, or (b) facilitate the issuance and sale of the Series A Bonds (including the issuance and sale of any sub-series of the Series A Bonds as QSCB Bonds for purposes of the ARRA) and to provide a mechanism for paying all or a portion of the costs and expenses incurred by the District in connection with the transactions contemplated by this Resolution and the District Resolution; and

(ix) make such other determinations, to execute such other documents. instruments and papers, and to do such acts and things as may be necessary or advisable in connection with any sub-series of the Series A Bonds being treated as Qualified School Construction Bonds for purposes of the ARRA or any of the other transactions contemplated by this Resolution and the District Resolution and which are not inconsistent with the provisions thereof.

SECTION 6. **Certain Definitions.** Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus interest accreted thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on the date stated in the Purchase Agreement, unless otherwise specified in the Purchase Agreement, as executed and delivered), with respect to the Capital Appreciation Bonds maturing on those dates specified in the Purchase Agreement, and at the stated yield to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"ARRA"** or **"Recovery Act"** shall mean the American Recovery and Reinvestment Act of 2009 adopted by the Congress of the United States and signed into law on February 17, 2009, as amended and supplemented.

(d) **"Authorized Investments"** means the Riverside County Investment Pool (or other investment pools of the County into which the District may lawfully invest its funds), the Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and 53601 of the Government Code, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, or in guaranteed investment contracts in direct general obligations of the United States of America (including State and Local Government Securities) (provided that such contracts comply with the requirements of Section

148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be applicable).

(e) **"Authorized Newspaper"** means a newspaper selected by the District which is customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, published in the English language, of general circulation in the County of Riverside and which has been adjudicated or designated as a "newspaper of general circulation" pursuant to California law.

(f) **"Available Project Proceeds"** means (i) the proceeds from the sale of the Series A Bonds, (ii) less costs of issuing the Series A Bonds paid from proceeds of the sale of the Seris A Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) – (ii).

(g) **"Bond Counsel"** means (a) the firm of Bowie, Arneson, Wiles & Giannone, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

(h) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring of the payment of Principal and Maturity Value of, and interest on, all or a portion of the Series A Bonds.

(i) **"Bond Payment Date"** or **"Interest Payment Date"** means, unless otherwise provided in the corresponding Purchase Agreement as executed and delivered, with respect to the interest on the Current Interest Bonds, February 1 and August 1, and commencing on the date specified in the Purchase Agreement with respect to the Principal payments and interest payments on the Current Interest Bonds. With respect to the Capital Appreciation Bonds, "Bond Payment Date" means the stated maturity dates thereof, as applicable; as stated in the

Purchase Agreement as executed and delivered.

(j) **"Bond Register"** or **"Registration Books"** means the listing of names and addresses of the current registered owners of the Series A Bonds, as maintained by the Paying Agent in accordance with Section 12 hereof.

(k) **"Bonds"** or **"Series A Bonds"** means the Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A.

(l) **"Building Fund"** shall have the meaning set forth in Section 19 hereof.

(m) **"Business Day"** means a day which is not a Saturday or Sunday or a day on which banking institution are authorized or required by law or executive order to be closed in California and New York for commercial banking purposes and on which the Federal Reserve system is not closed.

(n) **"Capital Appreciation Bonds"** means those Series A Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values for such Series A Bonds set forth in the Purchase Agreement.

(o) **"Capital Appreciation Term Bonds"** means those Capital Appreciation Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Agreement.

(p) **"Code"** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series A Bonds, together with

applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

(q) **"County"** means the County of Riverside, a political subdivision of the State of California organized and existing under the Constitution and laws of the State of California, and any lawful successor thereto.

(r) **"Current Interest Bonds"** means the Series A Bond the interest on which is payable on each Bond Payment Date specified for each such Series A Bond as designated and maturing in the years and in the amounts set forth in the Purchase Agreement.

(s) **"Current Interest Term Bonds"** means those Current Interest Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Agreement.

(t) **"Date of Issuance"** means the delivery date with respect to the Current Interest Bonds and the Capital Appreciation Bonds, or such other date(s) for the Series A Bonds as shall be designated by the Purchase Agreement.

(u) **"Debt Service Fund"** shall have the meaning set forth in Section 19 hereof.

(v) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof (exclusive of any initial premium thereon), and, with respect to the Current Interest Bonds, the Principal Amount thereof.

(w) **"Designated Officer(s)"** means the District's Superintendent, Assistant Superintendent of Business Services, or other persons designated in writing by the District's Superintendent as a Designated Officer of the District.

(x) **"District"** or **"School District"** means the Palm Springs Unified School District, a public school district organized and operating under the Constitution and the laws of the State of California, and any lawful successor thereto.

(y) **"District Board"** means the Board of Education of the District.

(z) **"DTC"** or **"Depository"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

(aa) **"Expenditure Period"** means the "expenditure period" defined in Section 54A(d)(2)(B)(ii) of the Code and consists of the period beginning on the date of issuance of the Series A Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

(bb) **"Independent Accountant"** means any certified public accountant or firm of certified public accountants appointed and paid by the JPA, and who, or each of whom (a) is in fact independent and not under domination of the JPA; (b) does not have any substantial interest, direct or indirect, in the JPA; and (c) is not connected with the JPA as an officer or employee of the JPA but who may be regularly retained to make annual or other audites of the books of or reports to the JPA.

(cc) **"Informational Services"** means Financial Information, Inc.'s "Daily Called Bond Service," 1 Cragwood Road, 2nd Floor, Jersey City, New Jersey 07080, Attention: Editor; Standard & Poor's Ratings Group "Called Bond Data," 55 Water Street, 45th Floor, New York, New York, 10041; FIS/Mergent, 5250 77 Center Drive, Suite 150, Charlotte, North Carolina,

28217, Attention: Called Bond Department, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Paying Agent.

(dd) **"JPA"** shall mean the California Qualified School Bond Joint Powers Authority, or any other joint powers agency formed pursuant to the provisions of the California Government Code Sections 6500, et seq.

(ee) **"JPA Bonds"** means one or more series of revenue bonds issued by the JPA pursuant to the Marks-Roos Act which are secured by the payment of principal and interest on the Series A Bonds.

(ff) **"Letter of Representations"** or **"Representation Letter"** shall have the meaning set forth in Section 13 hereof.

(gg) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(hh) **"Moody's"** means Moody's Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(ii) **"Non-QSCB Bond(s)"** shall mean any Series A Bond which is not issued and sold as a Qualified School Construction Bond, whether or not such bond is sold to a JPA. Non-QSCB Bonds may, or may not, be Tax-Exempt Bonds.

(jj) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 13 hereof.

(kk) **"Office of the Paying Agent"** means the principal corporate trust office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the District by the Paying Agent in writing.

(ll) **"Official Statement"** shall have the meaning set forth in Section 22 hereof.

(mm) **"Outstanding"** means all Series A Bonds theretofore issued by the District, except:

(1) Series A Bonds theretofore canceled by the District or surrendered to the District for cancellation;

(2) Series A Bonds for the transfer or exchange of or in lieu of or in substitution for which other Series A Bonds shall have been authenticated and delivered pursuant to the terms hereof; and

(3) Series A Bonds paid and discharged pursuant to Section 16 or 17 hereof.

(nn) **"Owner"** or **"Bond Owner"** means the current registered holder of a Series A Bond or Series A Bonds to whom payments of Principal and interest are made.

(oo) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry certificates as securities depository.

(pp) **"Paying Agent"** means U.S. Bank National Association, or such other party as selected by the Designated Officer of the District, or any successor thereto, acting as the

authenticating agent, bond registrar, transfer agent and paying agent.

(qq) **"Person"** means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

(rr) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the Principal amount thereof, and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(ss) **"Purchase Agreement(s)"** or **"Bond Purchase Agreement(s)"** shall have the meaning set forth in Section 5 hereof.

(tt) **"Purchaser(s)"** means the initial purchaser(s) of the Series A Bonds, or any of them, as identified in the corresponding Purchase Agreement.

(uu) **"QSCB Bond"** shall mean any Series A Bond issued, sold and designated as a Qualified School Construction Bond under the provisions and requirements of the ARRA and the Code and corresponding limitations and requirements, whether or not such QSCB Bond is sold to the JPA.

(vv) **"Qualified Purposes"** means the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that that is being constructed, rehabilitated, or repaired with proceeds of the Series A Bonds constitute a Qualified Purpose.

(ww) **"Rebate Fund"** shall have the meaning set forth in Section 19 hereof.

(xx) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(yy) **"Redemption Notice"** shall have the meaning set forth in Section 8 hereof.

(zz) **"Resolution"** or **"Bond Resolution"** means this Resolution, including the Exhibits hereto, as adopted by the County Board of Supervisors and as such may be amended pursuant to Section 30.

(aaa) **"Securities Depositories"** means the following: The Depository Trust Company, with Cede & Co. as its nominee, 55 Water Street, 25th Floor, New York, New York, 10041-0099, Attn: Call Notification Department, Fax (212) 855-5004, and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

(bbb) **"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the law of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(ccc) **"State"** means the State of California.

(ddd) **"Tax Certificate"** means the Tax Certificate executed by the District at the time

of issuance of the Series A Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time.

(eee) **"Taxable Bonds"** shall mean any Series A Bonds the interest on which is includable in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

(fff) **"Tax-Exempt Bond(s)"** shall mean any issued and sold Series A Bond, which has received and opinion of Bond Counsel to the effect that the interest paid on such Series A Bond is exempt from income taxes under then-applicable federal tax law.

(ggg) **"Term Bonds"** means, if issued, collectively, the Current Interest Term Bonds and the Capital Appreciation Term Bonds.

(hhh) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the aggregate principal amount thereof and, with respect to any Capital Appreciation Bond, the Maturity Value thereof.

(iii) **"Treasurer"** or **"County Treasurer"** means the Treasurer-Tax Collector of the County of Riverside, California, or any authorized deputy thereof.

(jjj) **"Written Request"** means a written request or directive of the District provided by a Designated Officer.

Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate. Headings of sections herein and the table of contents hereof are solely for convenience of

reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Sections" and other subdivisions are to the corresponding Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby", "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof.

SECTION 7. Terms of Bonds. The Series A Bonds shall be issued in one series (which may be made up of one or more sub-series) designated **"Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A."** The Series A Bonds shall consist of Current Interest Bonds, and/or, if issued pursuant to the terms of the corresponding Purchase Agreement(s) (as executed and delivered), Capital Appreciation Bonds.

The Series A Bonds shall be issued as fully registered bonds, without coupons, in the denominations of, with respect to the Current Interest Bonds, Five Thousand Dollar ($5,000) Principal Amount, or any integral multiple thereof, and, with respect to the Capital Appreciation Bonds, Five Thousand Dollar ($5,000) Maturity Value, or any integral multiple thereof; provided that one Capital Appreciation Bond may be issued in an odd Maturity Value.

The Current Interest Bonds shall be dated the Date of Issuance, and shall bear interest at the rate or rates not to exceed the maximum legal interest and as specified in Section 5 hereof, payable on each Bond Payment Date of each year commencing on the date specified in the applicable Applicable Purchase Agreement, the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale and set forth in the Applicable Purchase Agreement as executed and delivered. Each Current Interest Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest

Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Record Date in which event it shall bear interest from the Date of Issuance, computed using a year of 360 days, comprised of twelve 30-day months; provided, however, that if at the time of authentication of any Current Interest Bond, interest is then in default on outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The foregoing terms shall be subject to the terms of the Applicable Purchase Agreement as executed and delivered.

The Capital Appreciation Bonds, if issued, shall be dated as of their delivery date and shall accrete interest from the Date of Issuance of the Capital Appreciation Bonds to their maturity at a rate or rates such that the interest rate(s) on the Series A Bonds shall not exceed the maximum legal rate of interest as specified in Section 5 hereof. Capital Appreciation Bonds will not bear interest on a current basis. The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of $5,000 Maturity Value or any integral multiple thereof; provided that one Capital Appreciation Bond may be issued in an odd Maturity Value. The Capital Appreciation Bonds shall mature on the Bond Payment Date(s) of the years designated in the Applicable Purchase Agreement, or as may otherwise be specified in the Applicable Purchase Agreement provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 6 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond. Interest on each Capital Appreciation Bond shall be compounded semiannually on each Bond Payment Date, or as may be provided for in the Applicable Purchase Agreement, of each year until maturity, commencing on the date of issuance thereof, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity at their Maturity Value or on their redemption date if redeemed prior to their respective stated maturity date(s).

The Series A Bonds will be sold as provided in Sections 4 and 5 hereof. Notwithstanding anything herein to the contrary, the terms of the Series A Bonds, as set forth in this Resolution, may be modified prior to delivery in accordance with the provisions of the Applicable Purchase Agreement, as finally approved and executed. The Series A Bond maturities may be adjusted by the Treasurer and the Designated Officer, in consultation with the District's Financial Advisor and District Bond Counsel, as appropriate to provide funds to finance school facilities as set forth in the Authorization and pay for the costs of issuance of the Series A Bonds, provided that the total par amount of the Series A Bonds shall not exceed $25,000,000 and the covenants set out in the District Resolution are complied with. In the event of a conflict or inconsistency between this Resolution and the applicable Purchase Agreement relating to the terms of the Series A Bonds, the provisions of the applicable Purchase Agreement shall be controlling.

SECTION 8. Redemption Provisions.

(a) Optional Redemption. The Series A Bonds shall be subject to optional redemption prior to maturity upon the terms and conditions set forth in the Purchase Agreement as executed and delivered.

(b) Extraordinary Mandatory Redemption. In the event and to the extent that the District fails to expend all of the funds held in the Building Fund within the Expenditure Period, the Series A Bonds shall be subject to extraordinary mandatory redemption on the date on which the JPA Bonds are subject to extraordinary mandatory redemption under terms of the JPA Bond Indenture (being a date which is not more than 90 days following the expiration of the Expenditure Period.

If funds remain on deposit in the Building Fund at the expiration of the Expenditure Period, the District shall promptly engage the services of an Independent Account to determine

the applicable value of the Series A Bonds to be redeemed under this sub-section (b). The Independent Accountant shall calculate the amount of the Series A Bonds which may be redeemed without causing an insufficiency of revenues to pay the Series A Bonds. Upon such determination, the JPA Financial Advisor shall file a written notice of such determination and all supporting calculations and documentation to be filed with the District and the JPA Bond Trustee. The principal amount of the Series A Bonds to be redeemed under this sub-section (b) shall be the amount identified in such notice.

The redemption price of any Series A Bonds under this sub-section (b) shall be payable solely from a portion of the amounts held by the Treasurer in the Building Fund at the expiration of the Expenditure Period and shall be paid to the JPA Bond Trustee for the corresponding redemption of JPA Bonds under the applicable terms of the JPA Bond Indenture. The Series A Bonds to be redeemed under this subsection (b) shall be selected for redemption among each remaining maturity on a pro rata basis. For purposes of such selection, each Series A Capital Appreciation Bond shall be deemed to consist of individual bonds of $5,000 Maturity Value each, which may be separately redeemed.

(c) Mandatory Sinking Fund Redemption of Current Interest Term Bonds. The Current Interest Term Bonds, if any, are subject to mandatory sinking fund redemption prior to their maturity, by lot, without premium, on each August 1, in the years and in the amounts as set forth in the applicable Purchase Agreement. In the event that there are no Current Interest Term Bonds specified in the applicable Purchase Agreement, this subsection shall not apply.

(d) Mandatory Sinking Fund Redemption of Capital Appreciation Term Bonds. The Capital Appreciation Term Bonds are subject to mandatory sinking fund redemption prior to their maturity date from monies in the Debt Service Fund established in Section 19 hereof, by lot, without premium, on each August 1 (or other date specified in the applicable Purchase Agreement), in the years and in the amounts as set forth in the applicable Purchase Agreement

and in the Official Statement described below. In the event that there are no Capital Appreciation Term Bonds specified in the Purchase Agreement, this subsection shall not apply.

(e) Selection of Bonds for Redemption. Subject to the provisions of sub-section (b), above, whenever less than all of the outstanding Series A Bonds are to be redeemed, the Paying Agent, upon written direction from the District shall select the Series A Bonds to be redeemed as so directed by the District, and if not so directed in inverse order of maturity, and within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof, and the portion of any Capital Appreciation Bonds to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value of such Capital Appreciation Bond. The Paying Agent shall promptly notify the District of the Series A Bonds so selected for redemption on such date.

(f) Form of Notice of Redemption. The Paying Agent shall give notice of each designated redemption ("Redemption Notice") of the Series A Bonds at the expense of the District. Such Redemption Notice shall specify: (a) that the Series A Bonds or a designated portion thereof are to be redeemed; (b) if less than all of the then outstanding Bonds are to be called for redemption, shall designate the numbers (or state that all Series A Bonds between two stated numbers both inclusive have been called for redemption) and CUSIP® numbers, if any, of the Series A Bonds to be redeemed; (c) the date of notice and the date of redemption; (d) the place or places where the redemption will be made; and (e) descriptive information regarding the Series A Bonds and the specific Series A Bonds to be redeemed, including the dated date, interest rate and stated maturity date of each. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series A Bond to be redeemed, the portion of the principal amount of such Series A Bond to be redeemed, together with interest accrued or accreted, as applicable, to the date of redemption, and redemption premium, if any,

and that from and after such date interest with respect thereto shall cease to accrue or accrete, as applicable.

(g) Provision of Notice of Redemption. Any Redemption Notice shall be mailed, first class postage, to the registered owners of the Series A Bonds, to a Securities Depository and to a national Information Service, and by first class mail, postage prepaid, to the District and County and the respective Owners of any registered Series A Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least thirty (30) days, but not more than forty-five (45) days, prior to the designated redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series A Bonds nor entitle the Owner thereof to interest beyond the date given for redemption. A certificate provided by the Paying Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and it shall not be open to a Bond Owner to show that he or she failed to receive notice of such redemption. In case of the redemption as permitted herein of all the Outstanding Bonds of any one maturity, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Series A Bonds of such maturity.

Neither failure to receive or failure to send, to the Securities Depositories or Informational Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series A Bonds or the cessation of accrual or accretion of interest, as applicable, represented thereby from and after the redemption date.

(h) Contingent Redemption; Rescission of Redemption. Any Redemption Notice

may specify that redemption of the Series A Bonds designated for redemption on the specified date will be subject to the receipt by the District of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and neither the District or the County will have any liability to the Owners of any Series A Bonds, or any other party, as a result of the District's failure to redeem the Series A Bonds designated for redemption as a result of insufficient monies therefor.

Additionally, the District may rescind any optional redemption of the Series A Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Series A Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series A Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. Neither the District nor the County will have any liability to the Owners of any Series A Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Series A Bonds pursuant to the provisions of this subsection.

(i) Payment of Redeemed Series A Bonds. When a Redemption Notice has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Series A Bonds called for redemption (Principal and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Series A Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Series A Bonds at the place specified in the Redemption Notice, said Series A Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

Each check issued or other transfer of funds made by the Paying Agent for the purpose of

redeeming Series A Bonds shall bear or include the CUSIP® number identifying, by issue and maturity, the Series A Bonds being redeemed with the proceeds of such check or other transfer.

If on such redemption date, money for the redemption of all the Series A Bonds to be redeemed as provided in this Section, together with interest to such redemption date, shall be available therefor, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series A Bonds to be redeemed shall cease to accrue. All money held for the redemption of Series A Bonds shall be held in trust for the account of the registered Owners of the Series A Bonds so to be redeemed. All unpaid interest payable at or prior to the designated redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(j) Partial Redemption of Series A Bonds. Upon the surrender of any Series A Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Series A Bond or Series A Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series A Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(k) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Series A Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series A Bonds to be redeemed as provided in this Section 8, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of

redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series A Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Series A Bonds shall be held in trust for the account of the Owners of the Series A Bonds so to be redeemed.

All Series A Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 8 shall be canceled upon surrender thereof. All or any portion of a Series A Bond purchased by the County or the District shall be canceled and destroyed by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District.

(l) Purchase in lieu of Redemption. In lieu of, or partially in lieu of, any mandatory sinking fund redemption of Series A Bonds pursuant to the terms hereof, monies in the Debt Service Fund may be used to purchase the Outstanding Series A Bonds that were to be redeemed with such funds in the manner hereinafter provided. Purchases of Outstanding Series A Bonds may be made by the District or the Treasurer through the Paying Agent prior to the selection of Series A Bonds for redemption at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest. Any accrued interest payable upon the purchase of Series A Bonds may be paid from the Debt Service Fund for payment of interest on the next following Interest Payment Date. Any Series A Bond purchased in lieu of redemption shall be transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender thereof, as provided for in Section 8(m) below and shall not be re-issued or resold.

(m) Cancellation of Redeemed Bonds. All Series A Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section and Section 18 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the

District. All or any portion of a Series A Bond purchased by the Treasurer or the District pursuant to subsection (i) above shall be canceled by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District.

(n) Bonds No Longer Outstanding. When any Series A Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Series A Bonds or portions thereof, and, in the case of Series A Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series A Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

SECTION 9. Form of Bonds; Temporary Bonds; CUSIP® Numbers. The Series A Bonds shall be substantially in conformity with the standard form of registered school district bonds, copies of which are attached hereto as Exhibits "B" (as to the Current Interest Bonds) and "C" (as to the Capital Appreciation Bonds) and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution and to conform with the requirements of the Purchase Agreement.

The Series A Bonds may be initially issued in temporary form exchangeable for definitive Series A Bonds when ready for delivery. The temporary Series A Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Treasurer and the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Series A Bond shall be executed by the County upon the same conditions and in substantially the same manner as the definitive Series A

Bonds. If the County issues temporary Series A Bonds it will execute and furnish definitive Series A Bonds without delay, and thereupon the temporary Series A Bonds may be surrendered, for cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Series A Bonds an equal aggregate Principal amount of definitive Series A Bonds of authorized denominations. Until so exchanged, the temporary Series A Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Series A Bonds executed and delivered hereunder.

The the extent required under the terms of purchase for the Series A Bonds, or any of them, "CUSIP®" identification numbers may be imprinted on the Series A Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series A Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of and pay for the Series A Bonds. In addition, failure on the part of the District to use such CUSIP® numbers in any notice to Owners of the Series A Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

SECTION 10. **Execution of Bonds.** The Series A Bonds shall be executed by the manual or facsimile signature of the Chairperson of the Board of Supervisors, attested by the manual or facsimile signature of the Treasurer, and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors or any designated deputy. The facsimile signatures of the Chairperson, the Treasurer and the Clerk of the Board of Supervisors may be printed, lithographed, engraved, or otherwise mechanically reproduced. The provisions of Education Code Sections 15181 and 15182 shall apply to such execution of the Series A Bonds.

No Series A Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series A Bond is signed by the Paying Agent as authenticating agent for the Series A

Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series A Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 11. Delivery of Bonds. The proper officials of the County shall cause the proper officials of the District to cause the Series A Bonds to be prepared and, following their sale, shall have the Series A Bonds executed and delivered to the Purchaser upon payment of the purchase price in immediately available funds.

SECTION 12. Bond Registration; Transfers. To the extent required under the terms of purchase for the Series A Bonds, or any of them, and as hereinafter provided, the Series A Bonds may be delivered in a form and with such terms as will permit them to be in book-entry only form, deposited with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Series A Bonds as provided in this Section ("Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Series A Bonds will be represented by one Series A Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Series A Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Series A Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Series A Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series A Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series A Bond may be exchanged for Series A Bonds of the same series, form and/or sub-series of any other authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Series A Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Series A Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Series A Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Series A Bonds only after the new Series A Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Series A Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Series A Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Series A Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Series A Bonds surrendered upon that exchange or transfer.

Any Series A Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be canceled by the Paying Agent. The District and the County may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Series A Bonds that the District and the County may have acquired in any manner

whatsoever, and those Series A Bonds shall be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Series A Bonds shall be made to the District and the County by the Paying Agent and updated annually. The canceled Series A Bonds shall be destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the District.

Neither the District, the County nor the Paying Agent will be required to: (a) issue or transfer any Series A Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Interest Payment Date or any date of selection of Series A Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Series A Bonds which have been selected or called for redemption in whole or in part.

SECTION 13. **Book-Entry System.** To the extent required under the applicable Purchase Agreement(s) and except as provided below, the owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC" or "Depository"), and the Bonds may be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, New York, New York, and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee"). With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository ("Participant") or to any person on behalf of which such a Participant holds an

interest in the Bonds. Without limiting the immediately preceding sentence, neither the District nor the Paying Agent shall have any responsibility or obligation (unless the District is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest. Upon delivery by the Depository to the Owners of the Bonds and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book-entry system, the District is executing and delivering to the Depository a Representation Letter. The execution and delivery

of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the District of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to the owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds Outstanding or an advance refunding of part of the Bonds Outstanding, DTC in its discretion, (a) may request the District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the District records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the Paying Agent prior to payment.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository and acceptable to the District. The initial Depository under this Section shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

SECTION 14. Paying Agent.

(a) At the request and direction of the District, U.S. Bank National Association is hereby confirmed as the initial authenticating agent, bond registrar, transfer agent and paying agent (collectively, "Paying Agent") for the Series A Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District, subject to the terms hereof. The Paying Agent may also function as the dissemination agent and if so acting, shall perform all duties and obligations as set forth in the Continuing Disclosure Certificate, as described in Section 22 hereof.

(b) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the District. A successor Paying Agent shall be appointed by the District and shall be a bank or trust company organized under the laws of the state of California, of any state or the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating to at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District and the County a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective only upon

appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The District shall promptly cause to be mailed, at its expense, the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Informational Services and to DTC.

(d) Any company or association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 13(b), shall be the successor to the Paying Agent and vested with all of the title to the trust estate and all of the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. All costs associated with the Paying Agent's merger or consolidation with another bank or trust company shall be paid by the successor Paying Agent. No expense resulting from such merger or consolidation shall be billed to the District or the County.

(e) To the extent permitted by law, the Paying Agent may become the Owner of any of the Series A Bonds.

(f) The District shall be responsible to pay all fees, costs and expenses of the Paying Agent, subject to the provisions of Section 15 hereof.

(g) All documents received by the Paying Agent under the provisions of the Resolution shall be retained in its possession at the Office of the Paying Agent and shall be subject during business hours and upon reasonable notice to the inspection of the County, the District or the Owners and their agents and representatives duly authorized in writing.

SECTION 15. Security for the Series A Bonds. Pursuant to the California Constitution, the Authorization and California law, there shall be levied by the County, pursuant to Education Code Sections 15260 et seq., on all the taxable property in the District located within the County (as allocated among the County and Imperial County pursuant to State law), in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Series A Bonds are Outstanding, commencing in Fiscal Year 2010-2011, in an amount sufficient to pay the Principal and Accreted Value of, and interest on, the Series A Bonds when due, which monies when collected will be placed in the Debt Service Fund. The Debt Service Fund is irrevocably pledged for the payment of the Principal and Accreted Value of, and interest on, the Series A Bonds when and as the same fall due along with administrative costs and expenses for the Series A Bonds including fees and expenses of the Paying Agent.

The monies in the Debt Service Fund, to the extent necessary to pay the Principal and Accreted Value of, and interest on, the Series A Bonds as the same become due and payable, shall be transferred by the Treasurer, or his or her designee or deputy, to the Paying Agent who in turn, shall pay such monies to DTC, or the Registered Owner(s), as applicable to pay the Principal and Accreted Value of, and interest on, the Series A Bonds when due. For Series A bonds held as Book-entry bonds, DTC will thereupon make payments of Principal and Accreted Value of, and interest on, the Series A Bonds to the DTC Participants who will thereupon make payments of principal and Accreted Value and interest to the beneficial owners of the Series A Bonds. Any monies remaining in the Debt Service Fund after the Series A Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District pursuant to the Education Code Section 15235 or any successor

section thereto.

SECTION 16. **Payment of Principal and Interest.** The Principal and Accreted Value of and interest on the Series A Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Interest on Current Interest Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Series A Bond is registered, and to that person's address appearing on the Bond Register (as described in Section 11 above) on the Record Date. The Owner of an aggregate Principal Amount of Current Interest Bonds of $1,000,000 or more may request, in writing, prior to the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Payments of principal and redemption premiums, if any, with respect to the Current Interest Bonds, and the payments of Maturity Value and redemption premiums, if any, with respect to Capital Appreciation Bonds, shall be payable at maturity or redemption upon surrender at the office of the Paying Agent in Los Angeles, California, or such other location as the Paying Agent shall designate to the County and the District in writing. In the event the Paying Agent shall provide written notice of a change in the location for payment of Principal, redemption premiums and Maturity Value on the Series A Bonds, the Paying Agent shall thereafter provide notice of such change to the Informational Services and Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Series A Bonds when duly presented for payment at maturity, and to cancel all Series A Bonds upon payment thereof.

In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

The Series A Bonds are the general obligations of the District secured by ad valorem taxes levied and collected pursuant to the Authorization, the California Constitution and State law and do not constitute an obligation of the County except to provide for the levy and collection of the ad valorem taxes and payment of funds to the Paying Agent as set forth in Section 18 hereof. No part of any fund of the County is pledged or obligated to the payment of the Series A Bonds. The Series A Bonds do not constitute an obligation of Imperial County except to provide for the levy and collection of the ad valorem taxes as set forth in Section 14 hereof.

SECTION 17. **Defeasance.** The Series A Bonds may be defeased prior to maturity in the following ways:

(a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series A Bonds Outstanding, including all principal and interest and premium, if any; or

(b) Defeasance Obligations: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Obligations, permitted under Section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series A Bonds (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any Series A Bonds shall not have been surrendered for payments, all obligations of the District and the County with respect to all Outstanding Series A Bonds shall

cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 17, to the Owners of the Series A Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 17, "Defeasance Obligations" shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case or direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Defeasance Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Defeasance Obligations; and (c) the underlying Defeasance Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claims of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's Ratings' Services and "Aaa" by Moody's Investors Service.

For purposes of this Section 17, and Section 18, the escrow agent bank or trust company and verification agent shall be selected by the District. Any such escrow bank or trust company shall conform to the successor paying agent requirements of Section 14 hereof. All costs for defeasance of the Series A Bonds shall be paid by the District.

SECTION 18. Partial Defeasance. A portion of the then-Outstanding maturities of the Series A Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Series A Bonds, including all principal and interest and premium, if any; or

(b) Defeasance Obligations: by irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Obligations, permitted under Section 149(d) of the Code together with cash, if required, in such an amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated maturities of Series A Bonds (including all principal and interest represented thereby and redemption premiums, if any,) at or before their maturity date;

then, notwithstanding that any of such designated maturities of Series A Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to such Outstanding maturities of Series A Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 18, to the Owners of the Series A Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 18, Defeasance Obligations shall have the same meaning as set forth in Section 17 hereof.

SECTION 19. Establishment of Funds; Disposition of Proceeds; Investment.

(a) The proceeds from the sale of the Series A Bonds, to the extent of the Principal Amount thereof, shall be paid and credited to the fund established and held by the Treasurer and designated as the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A Building Fund" ("Building Fund") of the District, and shall be kept separate

and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Series A Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely to authorized purposes for which the Series A Bonds were authorized as directed in writing by the District. Amounts on deposit in the Building Fund shall be expended by the District solely to finance school facilities for which the Series A Bond proceeds are authorized to be expended under the Bond Election, subject to the provisions of hereof and in the District Resolution relating to federal tax covenants. Any amounts remaining on deposit in the Building Fund at the expiration of the Expenditure Period shall be withdrawn from the Building Fund and applied to pay the redemption price of the JPA Bonds upon the extraordinary mandatory redemption thereof under the terms of this Resolution and the Series A Bonds. The County shall have no obligation to ensure that the proceeds are applied in accordance with the preceding sentence. The interest earned on the monies deposited to the Building Fund shall be deposited to said Fund and such monies shall be used for any lawful purpose of the District at the direction of the District.

(b) The accrued interest, if any, and any premium received from the sale of the Series A Bonds (if any after all or a portion of the Purchaser's discount or costs of issuance are paid), as well as tax revenues collected by the County pursuant to Section 14 hereof and Sections 15260 *et seq.* of the Education Code, shall be deposited and kept separate and apart in the fund established and held by the Treasurer and designated as the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A Bond Debt Service Fund" ("Debt Service Fund") for the Bonds and used only for payments of Principal and interest on the Bonds when due. *Ad valorem* taxes collected by the County pursuant to State law and Section 15 hereof shall be deposited by the County into the Debt Service Fund and applied, pursuant to the provisions of State law and this Resolution, only for payments of Principal and Accreted Value of, interest on and redemption premium, if any, on the Series A Bonds when due. Funds held in the Debt Service Fund are irrevocably pledged to the payment of Principal and Accreted Value of, interest on and redemption premium, if any, on the Series A Bonds when due. Except as

required below to satisfy the requirements of Section 148(f) of the Code, as may be applicable, interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and Accreted Value of, interest on, and redemption premium, if any, on the Series A Bonds when and as such become due. The monies in the Debt Service Fund, to the extent necessary to pay the Principal of, interest on and Accreted Value on the Series A Bonds, as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial Owners of the Series A Bonds. The Debt Service Fund shall be administered by the Treasurer, and shall be kept separate and distinct from all other District and County funds.

(c) The District shall, at such time as shall be necessary, establish and create the "Palm Springs Unified School District General Obligation Bonds, Series A, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District funds, and into which the District shall deposit, or direct deposit of, funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder ("Code") as shall be applicable to the Series A Bonds. The principal requirements for rebate payments applicable to the Series A Bonds shall be as set forth in the Tax Certificate as executed and delivered by the District and/or the JPA, as applicable. The Rebate Fund (if and when established pursuant to the requirements of the Tax Certificate) may, at the discretion of the District, be held by the Paying Agent or the County. Responsibility for determining and calculating rebate payments, if any, due with regard to the Series A Bonds are the responsibility of the District as further set forth in Section 23. Monies in the Rebate Fund shall be invested in compliance with the limitations of the Code.

(d) Any proceeds of the Bonds not needed for the authorized purposes set forth herein for which Bonds are being issued, and not needed for rebate purposes, shall, at the direction of the District, be transferred to the Debt Service Fund and applied to the payment of Principal of,

interest on and Accreted Value on the Series A Bonds. If, after payment in full of the Series A Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District, as provided for herein, to be applied in accordance with applicable law.

(e) All proceeds of the Bonds and interest earning thereon shall be invested by the County, on behalf of, and pursuant to the written direction(s) of, the District, in Authorized Investments. Absent other written investment directions provided to the County from the District, the Treasurer shall invest monies in the Building Fund and the Debt Service Fund pursuant to the State law and the investment policy of the County.

SECTION 20. County Books and Accounts. The Treasurer, the County and the Paying Agent will keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 14 hereof, (ii) all deposits, expenditure and investment earnings on the Debt Service Fund and the Building Fund and any and all accounts or subaccounts thereof, and (iii) all transfers of funds for the payment of Principal, or Maturity Value of, or interest or redemption premiums on, the Series A Bonds. Such books of record and accounts shall, upon two days prior notice, at all times during business hours be subject to the inspection of the District, the Paying Agent (if other than the Treasurer) and the Owners of not less than ten percent (10%) of the Principal amount of the Series A Bonds then Outstanding, or their representatives authorized in writing.

SECTION 21. Preliminary Official Statement; Official Statement. The District has authorized, and shall be responsible for, preparing a preliminary and final Official Statement for the Series A Bonds and the JPA Bonds, as applicable, meeting the requirements of Securities and Exchange Commission ("SEC") Rule 15c2-12. Such Preliminary Official Statement and final Official Statement are collectively referred to herein as the "Official Statement." Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the Official

Statement, and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to one or more section(s) contained, or to be contained, therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in preliminary Official Statement, and to certify to the District prior to or upon the issuance of the Series A Bonds that the information contained in such section(s) does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

SECTION 22. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below), which shall be executed by District and delivered at the time of delivery of the Series A Bonds. Notwithstanding any other provisions of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series A Bonds; however, any Purchaser or any holder or beneficial Owner of the Series A Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed and delivered by the District and dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

SECTION 23. Tax and Arbitrage Covenants and Matters. The District as, within

the District Resolution, provided certain representations and covenants concerning the Series A Bonds that are issued as Qualified School Construction Bonds or as Tax-Exempt Bonds. The representations and covenants provided by the District shall extend to the Series A Bonds as sold. Responsibility for compliance with such representations and conformance with such covenants is the responsibility of the District.

SECTION 24. **Execution of Documents by Bond Owners.** Any request, consent or other instrument required by this Resolution to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the County, and the District, if made in the manner provided in this Section 26.

The fact and date of the execution by any person of any such request consent or other Instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request consent or other Instrument or writing acknowledged to him the execution thereof.

The ownership of the Series A Bonds shall be proved by the Bond Register. Any request, consent or vote of the Owner of any Series A Bond shall bind every future Owner of the same Series A Bond and the Owner of any Series A Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the County or the District, in pursuance of such request, consent or vote.

SECTION 25. **Unclaimed Monies.** Notwithstanding any of the foregoing provisions of this Resolution and subject to State law, any monies held by the Paying Agent for the payment

of the Principal of, redemption premium, if any, or interest on the Series A Bonds remaining unclaimed for one year after the corresponding maturity or redemption date for such Series A Bonds shall be returned by the Paying Agent to the Treasurer, with any and all interest accrued thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal of, redemption premium, if any, or interest on Series A Bonds and remaining unclaimed for one year after the Principal of all of the Series A Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Series A Bonds, transferred to the General Fund of the District to be applied in accordance with law; provided, however, that the Paying Agent, or Treasurer, as may be the case, before making such payment, shall cause notice to be mailed to the Owners of all Series A Bonds that have not been paid, by first-class mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the date of such payment.

SECTION 26. Compliance With Law. All acts, conditions and things required by law to be done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of the Series A Bonds, is within all limits prescribed by law.

SECTION 27. Conditions Precedent. This County Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Series A Bonds, in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series A Bonds.

SECTION 28. Amendments. The County may from time to time (which may be at

the request of the District, made in writing to the County), and at any time, without notice to or consent of any of the Owners, by action of the County Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Owners;

(b) to add to the covenants and agreements of, and the limitations and the restrictions, contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Owner; and/or

(d) To make such additions, deletions or modifications as may be necessary of desirable to assure the qualification of the Series A Bonds as Qualified School Construction Bonds under the Code, in the opinion of JPA Bond Counsel filed with the District, the JPA and the County.

In the event of any such amendment, the County shall promptly provide the District and the Paying Agent with copies of such amendment and the action of the County Board approving such amendment. Notice of any such amendment shall also be provided to the Owners by the District in the next occurring Annual Report provided by the District under the terms of the Continuing Disclosure Agreement.

No such amendment shall: (i) extend the fixed maturity of any Series A Bond, reduce the

amount of Principal or Accreted Value thereof or the rate of interest thereon or extend the time of payment thereof, without the consent of the Owner of each Series A Bond so affected, or (ii) modify or amend this Section without the consent of the Owners of all the Series A Bonds then outstanding.

Upon the adoption of any amendment pursuant to this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the County, the District, the Paying Agent and all Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

The provisions of this Section shall not prevent any Owner from accepting any modification or amendment as to the particular Series A Bonds held by such Owner.

SECTION 29. Benefits Limited to Parties. Nothing in this Resolution, express or implied, is intended to give to any person other than the County, the District, the Paying Agent and the Owners of the Series A Bonds, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District or the County, are for the sole and exclusive benefit of the County, the District, the Paying Agent and the Owners.

SECTION 30. Approval of Actions. Officers of the Board and County officials and staff, including the Treasurer or the Treasurer's designee, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance, sale and delivery of the Series A Bonds and otherwise carry out, give effect to and comply with the terms

and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 31. **Partial Invalidity; Severability.** If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The County Board hereby declares that it would have adopted Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 32. **Effective Date.** This Resolution shall take effect immediately upon its passage.

SECTION 33. **Furnishing of Clerk Certifications.** The Clerk of the Board is hereby authorized to furnish up to four (4) certified copies of this Resolution to Bowie, Arneson, Wiles & Giannone, District Bond Counsel, at or prior to closing.

[Remainder of this page is blank]

The foregoing Resolution was on the ___ day of November, 2009, adopted by the Board of Supervisors of the County of Riverside.

COUNTY OF RIVERSIDE:

By:_____

Chairman

ATTEST:

Kecia Harper-Ihem, Clerk to the
Board of Supervisors of the
County of Riverside

By: _____

Deputy

EXHIBIT "A"

FORM OF BOND PURCHASE AGREEMENT

$_____
Palm Springs Unified School District
General Obligation Bonds
2008 Election, Series A
(Qualified School Construction Bonds)

DISTRICT BOND PURCHASE AGREEMENT

December __, 2009

Palm Springs Unified School District
Palm Springs, California

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated December __, 2009, is between the PALM SPRINGS UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), and the CALIFORNIA QUALIFIED SCHOOL CONSTRUCTION BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The District is authorized to issue Qualified School Construction Bonds in the aggregate amount of $25,000,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which such facilities are to be constructed (the "QSCB Projects").

3. In order to provide financing for the QSCB Projects on terms which are the most favorable to the District, the District has requested the Authority to issue its bonds under the Bond Law on behalf of the District, which bonds are designated as the Qualified School Construction Bonds for which the District has received an allocation.

4. To that end, the Board of Education of the District has adopted its Resolution No. ___ on October 13, 2009 and the Board of Supervisors of Riverside County has adopted its

Resolution No. ___ on November __, 2009 (the "Bond Resolution"), authorizing the issuance of Palm Springs Unified School District (Riverside County, California) General Obligation Bonds 2008 Election, Series A (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

5. The Governing Board of the Authority has authorized the issuance of its California Qualified School Construction Bond Joint Powers Authority 2009 General Obligation Revenue Bonds (Palm Springs Unified School District Qualified School Construction Bonds) in the aggregate principal amount of $_____ (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of December 1, 2009 (the "Authority Bond Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Authority Bond Trustee"), for the purpose of purchasing the District Bonds as provided herein.

6. The District Bonds are payable from *ad valorem* property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the District Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Terms of District Bonds.* (a) The District hereby agrees to issue the District Bonds on December __, 2009 (the "Closing Date"). The District Bonds shall be issued as Capital Appreciation Bonds maturing on September 16 in each of the years, and accreting interest at the Yields to Maturity, as set forth in the following schedule:

Maturity Date (September 16)	Principal Amount	Yield to Maturity(1)
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

(1) Subject to Section 1(b).

(b) The respective rates at which the Capital Appreciation Bonds accrete interest shall be increased in the event and to the extent required to provide sufficient revenues with which to pay the Authority Bonds at maturity. Without limiting the generality of the foregoing sentence, such rates shall be increased in the event and to the extent that the earnings on amounts held by the trustee for the Authority Bonds in the Revenue Fund which has been established for the Authority Bonds fall below the amount required to provide sufficient revenues with which to pay the Authority Bonds at maturity.

The District covenants that it will engage the services of an Independent Financial Advisor (defined in the following paragraph) to determine annually, not later than June 30 of each year during the term of the District Bonds, whether the rates of interest at which interest on the Capital Appreciation Bonds accretes need to be increased for ensuing fiscal year. If the Independent Financial Advisor determines that interest on the Capital Appreciation Bonds is required to be increased in any fiscal year, the Independent Financial Advisor shall deliver written notice to the District, the trustee for the Authority Bonds, the County and the Paying Agent of the amount by which such rates are required to be increased. Such written notice shall identify the respective rates of accretion and Maturity Values for each remaining maturity of outstanding Capital Appreciation Bonds. Upon delivery of such written notice, the respective rates of accretion and Maturity Values for each remaining maturity of Outstanding Capital Appreciation Bonds shall be adjusted as set forth in such written notice.

For purposes of this section, "Independent Financial Advisor" means any person or firm appointed and paid by the District which, in the reasonable judgment of the District, has expertise rendering financial advice to public agencies in the State of California in financing public improvements of such public agencies and who, or each of whom (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, with the District; and (c) is not connected with the District as an officer or employee of the District.

SECTION 2. *Sale of District Bonds to Authority.* The District hereby agrees to sell the District Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the District Bonds from the District on the Closing Date for a purchase price equal to $_____, being the par amount of the District Bonds. The purchase price of the District Bonds shall be paid from a portion of the Authority Bonds. The District hereby directs the Authority to cause the purchase price of the District Bonds to be paid to U.S. Bank National Association, as paying agent for the District Bonds (the "Paying Agent"), to be applied as follows:

(a) The amount of $_____ shall be paid to the Riverside County Treasurer-Tax Collector , for deposit in the Building Fund which is established under the Paying Agent Agreement and maintained by the County Treasurer.

(b) The amount of $_____ shall be deposited by the Paying Agent in the Costs of Issuance Fund which is established under the Authority Bond Indenture and maintained by the Paying Agent.

SECTION 4. *Registered Ownership of District Bonds.* Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the District Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the District Bonds on the Closing Date, the ownership of the District Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Closing.* At 9:00 A.M., California time, on December __, 2009, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Authority (the "Closing Date"), the District will deliver the District Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the Paying Agent.

SECTION 6. *Conditions to Closing.* The Authority has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and each of the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. On the Closing Date, (i) the Official Statement, this Purchase Agreement and the Paying Agent Agreement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Authority; and (ii) all actions under the Bond Law which, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect.

(c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority:

(1) Bond Counsel Opinion. An approving opinion of Bond Counsel, as to the validity of the District Bonds, addressed to the District, the Authority and the Authority Bond Trustee.

(2) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to

execute this Purchase Agreement; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; and (iii) the District has complied with all the terms of the Paying Agent Agreement and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.

(3) Paying Agent Agreement. Fully executed copies of the Paying Agent Agreement.

(4) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(d) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the District Bonds have not been delivered by the District to the Authority prior to the close of business, California time, on November __, 2009, then the obligation to purchase District Bonds hereunder shall terminate and be of no further force or effect.

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in writing at its sole discretion.

SECTION 7. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 8. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

Palm Springs Unified School District

By _____
Assistant Superintendent,
Business Services

California Qualified School Construction Bond Joint Powers Authority

By _____
President

EXHIBIT "B"

FORM OF CURRENT INTEREST BOND

REGISTERED **REGISTERED**

NO. **$**

PALM SPRINGS UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BONDS, 2008 Election, SERIES A

(Riverside County, California)

INTEREST RATE:	**MATURITY DATE:**	**DATED AS OF:**	**CUSIP®:**
_____%	August 1, 20___	_____, 2009	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The **PALM SPRINGS UNIFIED SCHOOL DISTRICT** ("District") in Riverside County, California ("County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 ("Bond Payment Dates"), commencing _____

1, 20__. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ , 20___, in which event it shall bear interest from _____, 20___. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, on one or more predecessor bonds) is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association ("Paying Agent"). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this Bond at the Office of the Paying Agent. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date ("Record Date"). The Owner of an aggregate Principal Amount of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This Bond is one of a aggregate amount of $_____ of bonds issued to be used for the acquisition and construction of school facilities to serve the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) vote of the electors of the District obtained at an election held on February 5, 2008, upon the question of issuing bonds in the amount of $516,000,000, the resolution of the Board of Trustees of the District adopted on October 13, 2009 ("District Resolution"), and the resolution of the County Board of Supervisors adopted on _____, 2009, ("County Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District,

which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are comprised of $_____ principal amount of Current Interest Bonds, of which this Bond is a part and Capital Appreciation Bonds, of which $_____ represents the Denominational Amount and $_____ Maturity Value.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

The Current Interest Bonds maturing on or before _____ 1, 20__, are not subject to optional redemption prior to maturity. The Current Interest Bonds maturing on or after _____ 1, 20____, are subject to redemption at the option of the District, as a whole or in part as selected and directed by the District, and, if not so directed, in inverse order of maturity and by lot within each maturity, from any source of available funds, on _____ 1, 20__, or on any Bond Payment Date thereafter at the following prices, expressed as a percentage of the principal amount to be

redeemed, plus accrued interest represented thereby to the redemption date:

Redemption Dates	Redemption Price
August 1, 20__ and thereafter	100.0%

[THE FOLLOWING TO APPEAR ON THE FACE OF TERM BONDS, IF ANY:]

[The Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, 20__ and on each August 1 thereafter in accordance with the schedule set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Redemption Year	Principal Amount
_____	_____
_____	_____
_____	_____]

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which the District in its discretion shall determine.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP® numbers, if any, of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the issue of Bonds and the specific bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District, the County and the respective owners of any registered Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 45 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds, nor entitle the owner thereof to interest beyond the date given for redemption.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th business day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The rights and obligations of the District and of the Registered Owners of the Bonds may be amended at any time, and in certain cases without the consent of the Registered Owners to the extent and upon the terms and conditions provided in the County Resolution.

The County Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution and the laws of the State of California governing the issue of the Bonds.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Riverside, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

RIVERSIDE COUNTY, CALIFORNIA

-EXHIBIT-

By:_____

Chairperson, Board of Supervisors

-EXHIBIT-

By:_____

Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By:_____

Clerk to the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By:_____

Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

_____

_____

_____

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date:_____

-EXHIBIT-

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond is every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

_____

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any

Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[Text of Opinion]

EXHIBIT "C"

FORM OF CAPITAL APPRECIATION BOND

REGISTERED **REGISTERED**

NO. **$**

(MATURITY VALUE)

PALM SPRINGS UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BONDS, 2008 Election, SERIES A

(Riverside County, California)

YIELD TO MATURITY:	MATURITY DATE:	DATE OF ISSUANCE:	CUSIP®:
_____%	August 1, 20__	_____, 2009	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The **PALM SPRINGS UNIFIED SCHOOL DISTRICT** ("District") in Riverside County, California ("County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated

above, which Maturity Value is comprised of the Denominational Amount specified above plus interest compounded from the Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such compounded interest and the Denominational Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Denominational Amount hereof, being herein called the "Accreted Value"). Accreted Value is payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association ("Paying Agent"). Accreted Value is payable upon presentation and surrender of this bond at the principal office of the Paying Agent in Riverside, California.

This Bond is one of a series of $_____ of bonds issued to construct and acquire school facilities to serve the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) favorable vote of the electors of the District obtained at an election held on June 7, 2005, upon the question of issuing bonds in the amount of $250,000,000, the resolution of the Board of Trustees of the District adopted on May 28, 2009 ("District Resolution"), and the resolution of the County Board of Supervisors adopted on June 9, 2009 ("County Resolution"). This Bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are comprised of $_____ principal amount of Current Interest Bonds and Capital Appreciation Bonds, of which this Bond is a part (a "Capital Appreciation Bond"), and of which $_____ represents the Denominational Amount and $_____ Maturity Value.

The Bonds of this issue are issuable only as fully registered bonds in the denominations of $5,000 of Maturity Value or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th business day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

[The Capital Appreciation Bonds are not subject to optional redemption prior to maturity.]

[Capital Appreciation Term Bonds maturing on _____ are subject to mandatory redemption from monies in the Debt Service Fund prior to their stated maturity date, by lot, at the Accreted Value thereof without premium on each _____, in the years and in an amount equal to the aggregate Accreted Values set forth below:

(MANDATORY REDEMPTION TABLE)]

The Capital Apprecation Bonds are subject to extraordinary mandatory redemption on a date which is not more than 90 days following the Expenditure Period (as that term is defined in the County Resolution), at a redemption price equal to 100% of the principal amount of the Capital Appreciation Bonds to be redeemed, together with interest thereon to the redemption date, without premium. The redemption price of Capital Appreciation Bonds under this provision shall be payable solely from the proceeds of the Series A Bonds held by the County Treasurer in the Building Fund at the expiration of the Expenditure Period. The Capital Appreciation Bonds shall be selected for redemption among each remaining maturity on a pro-rata basis. For purposes of such selection, each Capital Appreciation Bond shall be deemed to consist of individual bonds of $5,000 Maturity Value each, which may be separately redeemed.

The County Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

The rights and obligations of the District and of the Registered Owners of the Bonds may be amended at any time, and in certain cases without the consent of the Registered Owners to the extent and upon the terms and conditions provided in the County Resolution.

extent and upon the terms and conditions provided in the County Resolution.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Riverside, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

RIVERSIDE COUNTY, CALIFORNIA

-EXHIBIT-

By:_____

Chairperson, Board of Supervisors

-EXHIBIT-

By:_____

Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By:_____

Clerk to the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By:

Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

_____

_____

_____

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date:_____

-EXHIBIT-

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond is every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

_____

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any

Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[Text of Opinion]

RESOLUTION NO. 2009/2010-22

RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT SUPPLEMENTING RESOLUTION NO. 2009/2010-16, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING THE TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXEUCTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, PROVIDING CERTAIN COVENANTS ON BEHALF OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT AND APPROVING CERTAIN OTHER DOCUMENTS, AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed $516,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on February 5, 2008 (further identified as "Measure E") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Board of Education of the District ("District Board") by adoption of Resolution No. 2007/2008-74, adopted on May 13, 2008, pursuant to State law, and which Resolution No. 2007/2008-74 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 2007/2008-11, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, the District Board previously approved Resolution No. 2009/2010-02 on June 21, 2009, and thereafter the District applied for an allocation to issue "Qualified School Construction Bonds" ("QSCB Bonds") pursuant to the provisions of the American Reinvestment

and Recovery Act of 2009 ("ARRA") and the California program for allocation of QSCB securities administered by the California Department of Education ("CDE"); and

WHEREAS, pursuant to proceedings undertaken by the CDE, the District has received an allocation to issue securities as QSCB Bonds during calendar year 2009 in an amount not to exceed $25,000,000 ("QSCB Allocation") under Section 54F(d) of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, it is the intention of the District Board that the Series A Bonds may be issued in full or in part as QSCB Bonds under the District's QSCB Allocation; and

WHEREAS, on September 22, 2009, the District Board adopted Resolution No. 2009/2010-16 entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $25,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS" ("Resolution No. 2009/2010-16"); and

WHEREAS, the District Board, for the reasons stated herein, desires to adopt this Resolution to supplement Resolution No. 2009/2010-16 as set forth herein; and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take actions to supplement Resolution No. 2009/2010-16 providing for the issuance of an initial series of the general obligation bonds authorized pursuant to the Bond Election, which general obligation bonds may be issued in full or in part as QSCB Bonds; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") offer for sale general obligation bonds in the name and for the benefit of the District pursuant to resolutions adopted by the District Board and the County Board; and

WHEREAS, the Riverside County Superintendent of Schools has jurisdiction over the District and as such, pursuant to Education Code Section 15140(a), authority for the sale of authorized bonds of the District lies with Riverside County; and

WHEREAS, the District Board has determined that it is in the best interests of the District at this time to take certain actions to authorize the issuance of a portion of such authorized but unissued general obligation bonds in the total principal amount of not to exceed

Twenty-Five Million dollars ($25,000,000) ("Bonds" or "Series A Bonds") and requests the County Board to offer the Series A Bonds for sale upon the terms and conditions set forth herein; and

WHEREAS, California statutory provisions require that the District comply with certain accountability measures, as further described below, which the District will comply with during the course of issuing the Series A Bonds and/or expending the Series A Bond proceeds; and

WHEREAS, Proposition 39, and related California statutory provisions, require that the District comply with various accountability measures, as further described below, which the District has either previously complied with, is complying with or will comply with, during the course of issuing the Series A Bonds and/or expending the Series A Bond proceeds; and

WHEREAS, the District Board has received additional information concerning the sale of the Series A Bonds, including, but not limited to, information concerning anticipated costs of issuance of the Series A Bonds; and

WHEREAS, based on information presented to the District Board, it is the intent of the District Board that the Series A Bonds may be sold at a negotiated sale, through the County, which sale may be to a joint powers agency ("JPA") formed pursuant to the provisions of California Government Code Sections 6500, *et seq.*, in order to participate in a financing transaction which is expected to have positive benefits for the School District, as previously described to this District Board; and

WHEREAS, the aforementioned JPA is expected to issue revenue bonds ("JPA Bonds") secured by the payment of principal and interest on the Series A Bonds, as further described herein; and

WHEREAS, in order to sell Series A Bonds to the specified JPA, the District must enter into an Associate Membership Agreement ("Associate Membership Agreement") with the specified JPA and the form of such Associate Membership Agreement has been presented to this District Board; and

WHEREAS, a form of the Preliminary Official Statement relating to the Series A Bonds and the JPA Bonds has been presented to this District Board; and

WHEREAS, the District Board has been presented with the forms of a Bond Purchase Agreement ("Purchase Agreement(s)") and a Continuing Disclosure Certificate relating to the Series A Bonds, which documents are on file with the Clerk of the District Board; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, concerning the issuance and sale of the Series A Bonds; and

WHEREAS, the District Board requests that the Auditor-Controller of the County levy on its 2010/2011 tax roll, and all subsequent tax rolls, taxes to be levied against property within the boundaries of the District, in an amount sufficient to pay the principal and interest on the Series A Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including the Series A Bonds, is within all limits prescribed by law; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain related actions concerning the Series A Bonds be issued by the District and sold through the County on behalf of the District.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Supplemental Resolution. This Resolution is supplemental to Resolution No. 2009/2010-16 and it is the intention and directive of the District Board that the two Resolutions shall be read together. This Resolution constitutes the Supplemental Issuance Resolution as described in Resolution No. 2009/2010-16. In the event of a conflict between this Resolution and Resolution No. 2009/2010-16, the terms and provisions of this Resolution shall control. Subject to the foregoing sentence, terms and phrases defined in Resolution No. 2009/2010-16 shall have the same meaning(s) when used herein.

Section 3. Conditions Precedent. The District Board determines that all acts and conditions necessary to be performed by the District Board or to have been met precedent to and in the issuing and sale of the Series A Bonds in order to make them legal, valid and binding general obligations of the District, secured by the levy of *ad valorem* taxes, have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and met, in regular and due form as required by law; that the County Board and the appropriate officers of the County each have the power and are obligated to levy *ad valorem* taxes for the payment of the Series A Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series A Bonds.

Section 4. Purpose of Bonds.

(a) The Series A Bonds of the District in the aggregate principal amount of not to exceed $25,000,000 shall be offered for sale, the proceeds of which are to be used for the purposes set out in District Resolution No. 2007/2008-11 and as approved at the Bond Election

and to pay necessary and appropriate costs or expenses incurred in the issuance of the Series A Bonds pursuant to Education Code Sections 15145 and 15146 and applicable State law.

(b) The net construction proceeds of those Series A Bonds issued as QSCB Bonds shall be expended only upon projects and facilities permitted under the provisions of applicable federal law, as further set forth herein.

Section 5. Authority for Issuance of Bonds. The Series A Bonds shall be issued and sold by the County pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, Resolution No. 2009/2010-16, this Resolution, the County Resolution (as defined herein), Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.* and other applicable State law.

Section 6. Certain Definitions. Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

"ARRA" or **"Recovery Act"** shall mean the American Recovery and Reinvestment Act of 2009 adopted by the Congress of the United States and signed into law on February 17, 2009, as amended and supplemented.

"**Available Project Proceeds**" means (i) the proceeds from the sale of the Series A Bonds, (ii) less costs of issuing the Series A Bonds paid from proceeds of the sale of the Series A Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii).

"**Code**" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"**Expenditure Period**" means the "expenditure period" defined in Section 54A(d)(2)(B)(ii) of the Code and consists of the period beginning on the date of issuance of the Series A Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

"JPA" shall mean the California Qualified School Bond Joint Powers Authority, or any other joint powers agency formed pursuant to the provisions of the California Government Code Sections 6500, *et seq.*

"Non-QSCB Bond(s)" shall mean any Series A Bond which is not issued and sold as a Qualified School Construction Bond, whether or not such bond is sold to a JPA. Non-QSCB Bonds may, or may not, be Tax-Exempt Bonds.

"Tax-Exempt Bond(s)" shall mean any issued and sold Series A Bond, which has received and opinion of Bond Counsel to the effect that the interest paid on such Series A Bond is exempt from income taxes under then-applicable federal tax law.

"QSCB Bond" shall mean any Series A Bond issued, sold and designated as a Qualified School Construction Bond under the provisions and requirements of the ARRA and the Code and corresponding limitations and requirements, whether or not such QSCB Bond is sold to a JPA.

"**Qualified Purposes**" means the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that that is being constructed, rehabilitated, or repaired with proceeds of the Series A Bonds constitute a Qualified Purpose.

Section 7. Designation. The Series A Bonds authorized pursuant to Resolution No. 2009/2010-16, the terms and conditions of this Resolution and the County Resolution (as defined in Resolution No. 2009/2010-16) shall be designated as "**Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A**" or such other designation as the Superintendent of the District ("Superintendent") or such officers of the District as authorized and designated in writing by the Superintendent (each a "Designated Officer") may approve. The Series A Bonds shall otherwise conform to the requirements set forth in Resolution No. 2009/2010-16, within this Resolution, the applicable Purchase Agreement(s) and in the County Resolution.

Section 8. Sale of Bonds.

(a) The County Board is hereby authorized and directed to sell an aggregate principal amount of not to exceed $25,000,000 of Series A Bonds authorized at the aforementioned Bond Election.

(b) All or a portion of the Series A Bonds may be sold to a JPA pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, being California Government Code Sections 6584, *et seq.*. In such it is expected that all or a portion of the Series A Bonds will be purchased by the JPA with the proceeds of its revenue bonds (the JPA Bonds), which JPA Bonds will be secured through debt service payments made on the Series A Bonds. The sale of the Series A Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the District based on documentation and information furnished to the District Board.

(c) The Series A Bonds may be issued in one or more sub-series as shall be determined by a Designated Officer of the District as set out in the applicable Purchase Agreement(s). Each sub-series of the Series A Bonds may be issued as QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds) as shall be determined by a Designated Officer of the District in the applicable Purchase Agreement(s).

The proceeds of the Series A Bonds shall be expended for the purposes set forth in the ballot submitted to the voters, approved in the Bond Election and subject to State law (and subject to the limitations herein described if the Series A Bonds are issued as QSCB Bonds). The Series A Bonds shall otherwise conform to the requirements set out in Resolution No. 2009/2010-16, herein and in the County Resolution.

(d) Notwithstanding the foregoing provisions of this Section 8, one or more maturities of the Series A Bonds are authorized to be sold as federally taxable bonds to an underwriter, investment bank or other financial institution as shall be designated by the Superintendent or the Designated Officer, rather than to the JPA, pursuant to the Purchase Agreement which is approved hereunder and pursuant to Section 10. The proceeds of sale of such Series A Bonds shall be applied to pay the costs of issuing the Series A Bonds and the JPA Bonds which exceed the amount of such costs which are permitted to be paid from the proceeds of the JPA Bonds under applicable federal tax law. Such Series A Bonds shall as Non-QSCB Bonds be sold on such terms and conditions as shall be approved by the Superintendent or the Designated Officer; provided that the rate of interest on such Series A Bonds shall not exceed 6.50% per annum and the amount of purchaser's discount at which such Series A Bonds are sold shall not exceed $20,000. Such Series A Bonds shall as QSCB Bonds be sold on such terms and conditions as shall be approved by the Superintendent or the Designated Officer; provided that the rate of interest on such Series A Bonds shall not exceed 10% per annum and the amount of purchaser's discount at which such Series A Bonds are sold shall not exceed 2.5% of the par amount of such bonds.

Section 9. Negotiated Sale. The County Board is hereby requested to issue the Series A Bonds to be sold at a negotiated sale in accordance with the terms and conditions, including provisions for the optional, and special mandatory, redemption of the Series A Bonds, set forth in Resolution No. 2009/2010-16, this Resolution, the County Resolution and in the Purchase Agreement(s) by and among Riverside County, District and the purchaser of the Series A Bonds (the Purchaser, as defined below), the form of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 10. Form of Purchase Agreement(s); Delegation.

(a) The form of the Purchase Agreement is hereby approved.

(b) The Superintendent and the Designated Officer(s) are, and each of them acting alone hereby is, authorized to execute and deliver, with the Riverside County Treasurer ("Treasurer"), to the Purchaser the Purchase Agreement(s) on behalf of the District, with such changes therein as the Designated Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District and subject to the terms and conditions set forth in Resolution No. 2009/2010-16, herein and in the County Resolution. Such approval shall be conclusively evidenced by such Designated Officer's execution and delivery thereof.

(c) The Designated Officer, in consultation with Dale Scott & Co. ("Financial Advisor") and the County Treasurer ("Treasurer"), is authorized and directed to:

(i) establish or modify the terms of redemption of the Series A Bonds, or any sub-series thereof, and establish the final principal amount of the Series A Bonds, or any sub-series thereof, provided, however, that such principal amount, in the aggregate, shall not exceed $25,000,000;

(ii) Sell the Series A Bonds, in consultation with the Treasurer, at a rate or rates which, in the opinion of Dale Scott & Company Inc., as Financial Advisor to the District, will provide a total debt service that is equal to or less than the total debt service that the Series A Bonds would produce if sold as tax-exempt bonds on the date of sale thereof.

(iii) negotiate the term of the Series A Bonds, or any sub-series thereof, which shall be for not more than 25 years from the date of issuance;

(iv) determine, subject to the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution, whether the Series A Bonds shall be issued in one or more sub-series for purposes of issuance and sale, the respective principal amounts, maturity dates, interest rate or rates or yield or yields to maturity or the methods of determining such interest rate or rates, interest payment dates, redemption provisions and authorized denomination(s) (not exceeding the aggregate principal amount of each maturity) of the Series A Bonds or each sub-series thereof and any other provisions necessary to comply with the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution or deemed necessary or advisable by such Designated Officer and which provisions are not in conflict with or in substitution for the provisions of the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution;

(v) determine whether each sub-series of the Series A Bonds shall be issued as either QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds);

(vi) determine the application of the proceeds of the Series A Bonds for the purposes stated herein, including, without limitation, the amount of capitalized interest, if any, that will be funded for each sub-series of the Series A Bonds from the proceeds of the Series A Bonds and the date or dates through which such capitalized interest will be funded;

(vii) omit from, add to or incorporate into the designation and title of the Series A Bonds contained in Section 7 of this Resolution any provision, or modify such designation or title in any other manner, in which may be deemed necessary or advisable by such Designated Officer in connection with the issuance, sale and delivery of, and security for, each sub-series of the Series A Bonds and which is not inconsistent with Resolution No. 2009/2010-16, this Resolution and the County Resolution;

(viii) In connection with any of the transactions authorized by Resolution No. 2009/2010-16, this Resolution and the County Resolution, to make such amendments, modifications and revisions to the form(s) of the Series A Bonds prior to, or simultaneously with, the issuance of the initial sub-series of the Series A Bonds as (i) may be requested by any rating agency in connection with obtaining a rating on any sub-series of the Series A Bonds from such rating agency, (ii) may be requested by the JPA in connection with obtaining a bond insurance policy in connection with any of the Series A Bonds and/or JPA Bonds, (iii) the Designated Officer of the District may determine, in consultation with the Bond Counsel, are necessary or advisable in order to (a) reflect the actual provisions of this Resolution that shall be applicable to any sub-series of the Series A Bonds, or (b) facilitate the issuance and sale of the Series A Bonds (including the issuance and sale of any sub-series of the Series A Bonds as QSCB Bonds for purposes of the ARRA) and to provide a mechanism for paying all or a portion of the costs and expenses incurred by the District in connection with the transactions contemplated by this Resolution, including, without limitation, the costs and expenses described in Section 19; and

(ix) make such other determinations, to execute such other documents. instruments and papers, and to do such acts and things as may be necessary or advisable in connection with any sub-series of the Series A Bonds being treated as Qualified School Construction Bonds for purposes of the ARRA or any of the other transactions contemplated by Resolution No. 2009/2010-16, this Resolution and the County Resolution and which are not inconsistent with the provisions thereof.

Section 11. Building Fund; Debt Service Fund and Rebate Fund.

(a) Building Fund. Upon the issuance and sale of the Series A Bonds, the District Board requests that the Treasurer of the County establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series A Bonds (except any premium or accrued interest received from the sale), and certain net proceeds of the JPA Bonds (which shall be transferred to the County Treasurer to be credited to the Building Fund), to be expended as set forth herein and in the County Resolution. Amounts on deposit in the Building Fund shall be expended by the District solely to finance school facilities for which the Series A Bond proceeds are authorized to be expended under the Bond Election, subject to the provisions of Sections 15 and 16 relating to federal tax covenants. Any amounts remaining on deposit in the Building Fund at the expiration of the Expenditure Period shall be withdrawn from the Building Fund and applied to pay the applicable redemption price for the Series A Bonds as set forth in the final purchase and sale documents therefor. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create the "Palm Springs Unified

School District General Obligation Bonds, 2008 Election Series A, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series A Bonds, as the case may be, and administrative costs and expenses for the Series A Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series A, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 12. Preliminary Official Statement; Official Statement. Pursuant to applicable State law and federal disclosure requirements, the Preliminary Official Statement relating to the issuance and sale of the JPA Bonds and the Series A Bonds is hereby approved in substantially the form presented to the District Board, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the JPA Bonds and the Series A Bonds is hereby authorized subject to the provisions of this Section. The Designated Officers are, and each of them acting along hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Designated Officer shall approve, in their discretion, as being in the best interests of the District. Upon approval of such changes by such Designated Officer, the Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The District Board hereby authorizes and directs the Designated Officer to deliver to the Purchaser a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designed Officer, to be final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (except for the omission of certain final pricing, rating and related information as permitted under such Rule).

Section 13. Book-Entry Form. The Series A Bonds may, to the extent required under the applicable Bond Purchase Agreement(s), be initially issued in book-entry form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Series A Bonds issued at the closing in the form of a single, certificated Bond for each maturity. The Designated Officer is hereby authorized to take all actions necessary or appropriate to facilitate such filing and lodgment. The District Board hereby authorizes and directs the Designated Officer to execute and deliver such documents and letter as are necessary or desirable to qualify the Series A Bonds, or any portion thereof, as part of such book-entry form and system to the extent applicable.

Section 14. Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the School District, upon sale and delivery of the Series A Bonds through the County, requests that the County Board take action to levy, or cause to be

levied, on all the taxable property in the School District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series A Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series A Bonds, as applicable, when due in accordance with the terms of Resolution No. 2009/2010-16, this Resolution, the Series A Bonds, the County Resolution and the applicable Bond Purchase Agreement(s).

Section 15. Tax Covenants for Tax-Exempt Bonds. The covenants set forth in this Section shall apply to any Series A Bonds which are issued and sold as Tax-Exempt Bonds.

(a) The District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds, hereby covenants to comply with each applicable requirements of Section 103 and Sections 141 through 150 of the Code, as set forth in the nonarbitrage (tax) certificate to be provided to the District by Bond Counsel, and executed by the District, on the date of initial delivery of the Tax-Exempt Bonds and incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Tax-Exempt Bonds, or of any of the property financed or refinanced with the proceeds of the Tax-Exempt Bonds, or other funds of the District, or take or omit to take any action that would cause the Tax-Exempt Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that section or any successor section to the extent that such requirements are in effect and applicable to the Tax-Exempt Bonds.

(c) The District covenants that it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate or excess investment earnings on the proceeds of the Tax-Exempt Bonds due to the United State Treasury; and (ii) cause to be segregated and set aside from lawfully available sources held in the County treasury the amount such calculations indicate may be required to be paid to the United State Treasury. Based on such rebate calculations, the District will, to the extent required, cause to be set aside, from monies lawfully available, the amount of such rebate in a separate fund that the District hereby agrees to cause to be established and maintained as set forth in Section 11 hereof and in the County Resolution.

(d) The District represents that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code.

Section 16. Covenants for Compliance with ARRA with Respect to Series A Bonds Issued as QSCB Bonds. The covenants set forth in this Section shall apply to any Series A Bonds which are issued and sold as QSCB Bonds.

(a) Qualified School Construction Project. The District shall assure that all of the Available Project Proceeds will be used for Qualified Purposes in accordance with Section 54F(a)(1) of the Code.

(b) Designation of Bonds as Qualified School Construction Bonds; Delegation. The District hereby authorizes the Designated Officer to designate the Series A Bonds issued and sold as QSCB Bonds as qualified school construction bonds for purposes of Section 54F(a)(3) of the Code.

(c) Three Year Expenditure of Proceeds for Qualified Purposes. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period. To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

(d) Binding Commitment to Spend Available Project Proceeds. The District will, within six months of the date the JPA Bonds are issued, enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.

(e) Financing Capital Expenditures, No Working Capital. All Available Project Proceeds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

(f) Limitation on Issuance Costs. No proceeds of the Series A Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Series A Bonds, will be used to pay costs of issuing of the Series A Bonds. If the fees of the original purchaser are retained as a discount on the purchase of the Series A Bonds, such retention shall be deemed to be an expenditure of proceeds of the Series A Bonds for such fees.

(g) Qualified Issuer. The District is local government qualified to issue the Series A Bonds under Section 54F(a)(2) of the Code. The District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent.

(h) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the District or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code as modified by Section 54A(d)(4) of the Code.

(i) Arbitrage and Rebate Compliance. The District shall not take, or permit or suffer to be taken by the Paying Agent, the District or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings,

if any, to the federal government, to the extent that such section is applicable to the Series A Bonds. For purposes of this sub-paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Code.

(j) Prohibition on Financial Conflicts of Interest. The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to the Series A Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to the Series A Bonds while the Series A Bonds remain outstanding.

(k) Davis-Bacon Act Requirements. The District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of the Series A Bonds.

(l) Extraordinary Mandatory Redemption Requirements. The District recognizes that in the event and to the extent that the District fails to expend all of the proceeds on deposit in the Building Fund within the Expenditure Period, the JPA Bonds shall be subject to extraordinary mandatory redemption on the date on which the Series A Bonds are subject to extraordinary mandatory redemption under the provisions of the County Resolution and the Bond Purchase Agreement (being a date which is not more than 90 days following the expiration of the Expenditure Period) upon the terms and conditions that shall be set forth in the County Resolution and the Bond Purchase Agreement. Such extraordinary mandatory redemption is required in order to maintain the status of the Series A Bonds, and the JPA Bonds, as Qualified School Construction Bonds.

The District hereby covenants that it shall take all actions necessary to complete such extraordinary mandatory redemption within the time periods required by the ARRA and/or the Code in the event such actions become necessary to maintain the status of the Series A Bonds, and the JPA Bonds as Qualified School Construction Bonds. Such actions shall include, but shall not be limited to, the retention of consultants (which may include accountancy services) in order to calculate the amount of the then-outstanding Series A Bonds required to be redeemed as part of such extraordinary mandatory redemption.

The redemption price of any Series A Bonds under this Section 16(l) and the terms of the County Resolution and the Series A Bonds shall be payable solely from a portion of the amounts held by the Treasurer in the Building fund at the expiration of the Expenditure Period and shall be paid to the owners of the Series A Bonds for the corresponding redemption of JPA Bonds under the terms of the JPA Bond Indenture.

Section 17. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provisions of this Resolution, failure of the District to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series A Bonds; however, any purchaser or any

holder or beneficial Owner of the Series A Bonds may take such actions as may be necessary and appropriate to compel performance therewith, including seeking mandate or specific performance by court order.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "B" and incorporated by reference herein. The Designated Officer(s) are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Designated Officer, Disclosure Counsel and Bond Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

Section 18. County Books and Accounts. The Treasurer and the County are requested to keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 14 hereof, (ii) all deposits, expenditures and investment earnings on the funds and accounts set out in the County Resolution, and (iii) all transfers of funds for the payment of principal, interest or redemption premiums on the Series A Bonds. The Treasurer is requested to provide regular periodic statements of such accounts to the District.

Section 19. Additional Findings and Directives. Pursuant to Education Code Section 15146(b) and (c), the District Board hereby finds, determines and directs as follows:

(a) The Series A Bonds shall be sold by negotiated sale as set forth in Sections 8, 9 and 10 of this Resolution and elsewhere herein.

(b) The Series A Bonds shall be sold by negotiated sale inasmuch as: (i) the sale of Series A Bonds to the JPA is expected to result in additional proceeds to the District to construct and acquire school facilities projects for which the Series A Bond funds may be expended, (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; and (iii) such a sale will allow the District to utilize the services of consultants at a lower cost than selecting, retaining and utilizing the services of consultants who are not familiar with the District, its financing needs and related matters.

(c) The District is represented by Dale Scott & Co., as its Financial Advisor, Bowie, Arneson, Wiles & Giannone as Bond Counsel to the District and Jones Hall as Disclosure Counsel to the District. The underwriter(s)/purchaser(s) of the JPA Bonds have not yet been determined and shall be disclosed once such underwriter(s)/purchaser(s) are selected.

(d) The District Board estimates that the costs associated with the issuance of the Series A Bonds, including compensation to the underwriter(s)/purchaser(s) and any such costs which the underwriter(s)/purchaser(s) agrees to pay pursuant to the bid and sale documents for the Series A Bonds, are set forth in Exhibit "C", attached hereto and incorporated herein by this reference. Such estimated costs of issuance of the Series A Bonds include, but are not limited to,

costs of bond insurance, Bond Counsel and Disclosure Counsel fees and expenses, Financial Advisor fees and costs, rating agency fees, County costs, printing costs and related costs and expenses. All such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series A Bonds pursuant to the directives and conditions set forth herein.

(e) The District Board hereby directs that following the sale of the Series A Bonds, the District Board shall be presented with the actual costs of sale, issuance and delivery costs of the Series A Bonds at the next occurring meeting of the District Board for which such information can be determined and presented in accordance with State law.

(f) The District Board hereby directs that following the sale and delivery of the Series A Bonds that an itemized summary of the costs of the sale, issuance and delivery costs of the Series A Bonds shall be provided to the California Debt and Investment Advisory Commission (CDIAC). The District Board hereby determines that submission of such information as part of the filing of the Report of Final Sale for the Series A Bonds and/or the JPA Bonds made to CDIAC pursuant to State law, including Government Code Section 8855, shall constitute compliance with the requirements of Education Code Section 15146(c)(2).

(g) The District Board hereby directs that as part of the authorization for issuance, sale, issuance and delivery of the Series A Bonds that all necessary filings with CDIAC shall be completed by the District staff and/or consultants or counsel on behalf of the District. The District Board directs that confirmation of such filings shall be included in the transcript of agreements, resolutions, proceedings and documents prepared and delivered in connection with the authorization for issuance, sale, issuance and delivery of the Series A Bonds.

Section 20. Approval of Associate Membership Agreement. The Associate Membership Agreement, between the District and the California Qualified School Bond Joint Powers Authority ("Authority"), in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by the Designated Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications. The Designated Officer is authorized to execute and deliver the final form of the Associate Membership Agreement in the name and on behalf of the District.

Section 21. Approval of Actions. All actions heretofore taken by officers and agents of the District with respect to the sale and issuance of the Series A Bonds to this point in time are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 22. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution.

Section 23. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 24. Supplemental District Resolution(s). For any one or more of the following purposes and at any time or from time to time, a District may adopt a resolution(s) to supplement this Resolution and/or Resolution No. 2009/20101-6 (each a "Supplemental District Resolution"), which, without the requirement of consent of the owners or holders of the Series A Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants of the District set forth in this Resolution, other covenants to be observed by the District which are not contrary to or inconsistent with this Resolution; or

(b) To make such additions, deletions or modifications as may be necessary or desirable to assure the qualification of the Series A Bonds as Qualified School Construction Bonds under the Code, in the opinion of JPA Bond Counsel filed with the District.

In the event that such a Supplemental District Resolution is adopted, the District shall furnish certified copies thereof to the County and to the JPA (in the event that any of the Series A Bonds are sold to the JPA).

Section 25. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 26. County Filing. The Clerk of the District Board is hereby directed to file, or cause to be filed, certified copies of Resolution No. 2009/2010-16 and this Resolution with the Clerk of the County Board and the Superintendent of Schools of the County.

[Remainder of this page is blank]

Section 26. **Effective Date.** This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 13th day of October, 2009.

BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Gary Jeandron, President of the Board of Education

ATTEST:

By: _____
Justin Blake, Clerk of the Board of Education

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of such School District at a meeting of said Board held on the 13th day of October, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: Clapp, Jeandron, Shoenberger

NOES:

ABSTAIN:

ABSENT: Blake, Stewart

Clerk of the Board of Education

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2009/2010-22 of such Board and that the same has not been amended or repealed.

Dated: October 13, 2009

Clerk of the Board of Education

EXHIBIT "A"

FORM OF BOND PURCHASE AGREEMENT

$_____
Palm Springs Unified School District
General Obligation Bonds
2008 Election, Series A
(Qualified School Construction Bonds)

DISTRICT BOND PURCHASE AGREEMENT

December __, 2009

Palm Springs Unified School District
Palm Springs, California

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated December __, 2009, is between the PALM SPRINGS UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), and the CALIFORNIA QUALIFIED SCHOOL CONSTRUCTION BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The District is authorized to issue Qualified School Construction Bonds in the aggregate amount of $25,000,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which such facilities are to be constructed (the "QSCB Projects").

3. In order to provide financing for the QSCB Projects on terms which are the most favorable to the District, the District has requested the Authority to issue its bonds under the Bond Law on behalf of the District, which bonds are designated as the Qualified School Construction Bonds for which the District has received an allocation.

4. To that end, the Board of Education of the District has adopted its Resolution No. ___ on October 13, 2009 and the Board of Supervisors of Riverside County has adopted its

Resolution No. ___ on November __, 2009 (the "Bond Resolution"), authorizing the issuance of Palm Springs Unified School District (Riverside County, California) General Obligation Bonds 2008 Election, Series A (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

5. The Governing Board of the Authority has authorized the issuance of its California Qualified School Construction Bond Joint Powers Authority 2009 General Obligation Revenue Bonds (Palm Springs Unified School District Qualified School Construction Bonds) in the aggregate principal amount of $_____ (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of December 1, 2009 (the "Authority Bond Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Authority Bond Trustee"), for the purpose of purchasing the District Bonds as provided herein.

6. The District Bonds are payable from *ad valorem* property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the District Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Terms of District Bonds.* The District hereby agrees to issue the District Bonds on December __, 2009 (the "Closing Date"). The District Bonds shall be issued as Capital Appreciation Bonds maturing on September 16 in each of the years, and accreting interest at the Yields to Maturity, as set forth in the following schedule:

Maturity Date (September 16)	Principal Amount	Yield to Maturity
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

SECTION 2. *Sale of District Bonds to Authority.* The District hereby agrees to sell the District Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the District Bonds from the District on the Closing Date for a purchase price equal to $_____, being the par amount of the District Bonds. The purchase price of the District Bonds shall be paid from a portion of the Authority Bonds. The District hereby directs the Authority to cause the purchase price of the District Bonds to be paid to U.S. Bank National Association, as paying agent for the District Bonds (the "Paying Agent"), to be applied as follows:

(a) The amount of $_____ shall be paid to the Riverside County Treasurer-Tax Collector , for deposit in the Building Fund which is established under the Paying Agent Agreement and maintained by the County Treasurer.

(b) The amount of $_____ shall be deposited by the Paying Agent in the Costs of Issuance Fund which is established under the Authority Bond Indenture and maintained by the Paying Agent.

SECTION 4. *Registered Ownership of District Bonds.* Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the District Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the District Bonds on the Closing Date, the ownership of the District Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Closing.* At 9:00 A.M., California time, on December __, 2009, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Authority (the "Closing Date"), the District will deliver the District Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the Paying Agent.

SECTION 6. *Conditions to Closing.* The Authority has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and each of the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. On the Closing Date, (i) the Official Statement, this Purchase Agreement and the Paying Agent Agreement shall not have been amended, modified or supplemented except as may have been agreed to in

writing by the Authority; and (ii) all actions under the Bond Law which, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect.

(c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority:

(1) Bond Counsel Opinion. An approving opinion of Bond Counsel, as to the validity of the District Bonds, addressed to the District, the Authority and the Authority Bond Trustee.

(2) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; and (iii) the District has complied with all the terms of the Paying Agent Agreement and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.

(3) Paying Agent Agreement. Fully executed copies of the Paying Agent Agreement.

(4) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(d) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the District Bonds have not been delivered by the District to the Authority prior to the close of business, California time, on November __, 2009, then the obligation to purchase District Bonds hereunder shall terminate and be of no further force or effect.

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any

and all conditions contained herein for the benefit of the Authority may be waived by the Authority in writing at its sole discretion.

SECTION 7. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 8. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

Palm Springs Unified School District

By _____
Assistant Superintendent,
Business Services

California Qualified School Construction Bond Joint Powers Authority

By _____
President

EXHIBIT "B"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2008 Election, Series A
(Qualified School Construction Bonds)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Palm Springs Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Palm Springs Unified School District School District (County of Riverside, California) General Obligation Bonds 2008 Election, Series A (Qualified School Construction Bonds) (the "Bonds"). The Bonds are being issued pursuant to Resolutions adopted by the Board of Education of the District on September 22, 2009 and October 13, 2009 and a Resolution adopted by the Board of Supervisors of Riverside County on November 3, 2009 (together, the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2010 with the report for the 2008-09 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the

preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year and for the current budget year;

(vi) property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in the County of Riverside's Teeter Plan; and

(vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

(viii) Amount of Bond proceeds, if any, remaining on deposit in the Building Fund.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders.

(8) Contingent or unscheduled bond calls.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change

in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Palm Springs Unified School District

Name of Bond Issue: $_____ aggregate principal amount of Palm Springs Unified School District (County of Riverside, California) General Obligation Bonds, 2008 Election, Series A (Qualified School Construction Bonds)

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has not provided an Annual Report with respect to the above-named Bonds as required by the District's Bond Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By_____
Superintendent

EXHIBIT "C"

COSTS OF ISSUANCE SCHEDULE

Palm Springs Unified School District
General Obligation Bonds
2008 Election, Series A
$17,000,000

Estimated Costs of Issuance

Dale Scott & Company Inc.	
Financial Advisor Fee	$50,000.00
Miscellaneous Expenses	5,000.00
CalMuni	0.00
Courier & Delivery	1,000.00
Official Statement printing and misc expenses	7,000.00
Total	$63,000.00
Bond Counsel	
Bond Counsel Fee	$71,000.00
Disclosure Counsel Fee	0.00
Expenses	3,000.00
Total	$74,000.00
Disclosure Counsel	
Disclosure Counsel Fee	$20,000.00
Total	$20,000.00
Rating Fee	
Standard & Poor's	$14,000.00
Total	$14,000.00
Paying Agent and COI	
Acceptance	$250.00
Paying Agent	500.00
COI	250.00
Total	$1,000.00
Underwriters Counsel Fee	
UC Fee	$25,000.00
Total	$25,000.00
Underwriter Placement Fee for Taxable Bond	
Taxable Bond COI piece	$20,000.00
Total	$20,000.00
Total for District GO Transaction	**$217,000.00**

California Qualified School Bond JPA
2009 QSCB Bonds

$25,000,000

Estimated Costs of Issuance

Dale Scott & Company Inc.	
Financial Advisor Fee	$50,000.00
Miscellaneous Expenses	0.00
CalMuni	0.00
Courier & Delivery	0.00
Official Statement printing and misc expenses	0.00
Total	$50,000.00
Bond Counsel	
Bond Counsel Fee	$50,000.00
Expenses	5,000.00
Total	$55,000.00
Trustee	
Acceptance	$500.00
Trustee Fees	2,000.00
Incidental Expenses	0.00
COI	500.00
Total	$3,000.00
JPA Fee	
California School Bond JPA	$18,750.00
Total	$18,750.00
Total for QSCB Transaction	**$126,750.00**
Underwriter's Discount at 50bp	$125,000.00
Total for 2 Transactions	**$468,750.00**

DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $25,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS

RESOLUTION NO. 2009/2010-16

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed $516,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on February 5, 2008 (further identified as "Measure E") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Board of Education of the District ("District Board") by adoption of Resolution No. 2007/2008-74, adopted on May 13, 2008, pursuant to State law, and which Resolution No. 2007/2008-74 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 2007/2008-11, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, the District Board previous approved Resolution No. 2009/2010-02 on June 21, 2009, the School District applied for an allocation to issue "Qualified School Construction Bonds" ("QSCBs") pursuant to the provisions of the American Reinvestment and Recovery Act of 2009 ("ARRA") and the California program for allocation of QSCB securities administered by the California Department of Education ("CDE"); and

WHEREAS, pursuant to proceedings undertaken by the CDE, the School District has received an allocation to issue securities as QSCBs during calendar year 2009 in an amount not to exceed $25,000,000 ("QSCB Allocation"); and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take actions to direct the issuance of an initial series of the general obligation bonds authorized pursuant to the Bond Election which may be issued in full or in part as QSCB securities and desires to take actions in connection therewith; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the School District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") to borrow funds through the issuance of general obligation bonds in the name and for the benefit of the School District pursuant to resolutions adopted by the District Board and the County Board; and

WHEREAS, the District Board has determined that it is in the best interests of the School District at this time to take certain actions to authorize the issuance of a portion of such authorized but unissued general obligation bonds in the total principal amount of not to exceed Twenty-Five Million dollars ($25,000,000) ("Bonds" or "Series A Bonds") as further set forth herein; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, concerning the issuance and sale of the Series A Bonds; and

WHEREAS, the District Board, on behalf of the School District, has previously retained the services of certain consultants in connection with the issuance and sale of the Series A Bonds and desires to take certain related actions in connection therewith; and

WHEREAS, it is the intention of the District Board that the Series A Bonds may be issued in full or in part as QSCB securities under the District's QSCB Allocation; and

WHEREAS, based on information presented to the District Board, it is the intent of the District Board that the Series A Bonds be sold at a negotiated sale to a joint powers agency ("JPA") formed pursuant to the provisions of California Government Code Sections 6500, *et seq.*, in order to participate in a pooled financing transaction which is expected to have positive benefits for the School District, as previously described to this District Board; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain related actions concerning the Series A Bonds be issued through the County on behalf of the School District.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Authority for Issuance of Bonds. The Series A Bonds shall be issued and sold by the County, on behalf of the School District, pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, this Resolution, the Supplemental Issuance Resolution (as defined herein) shall such issuance and sale be subject to the matters set forth herein and in subsequently adopted Resolutions of the District Board and the County Board, the County Resolution (as defined herein) and Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.*

Section 3. Actions for Issuance of Series A Bonds.

(a) The District Board hereby directs that actions shall be undertaken to issue the Series A Bonds, through the County, pursuant to the applicable provisions of California law and as further described herein. Additional terms and conditions with respect to the issuance of the Series A Bonds shall be set forth in a supplemental resolution to be adopted by this District Board with respect to the issuance of the Series A Bonds ("Supplemental Issuance Resolution"). The Supplemental Issuance Resolution is expected to include specific documentation, findings and directives relative to the issuance of the Series A Bonds, including, but not limited to, specification of the form of the continuing disclosure documentation/agreement entered into or provided by the District with respect to the Series A Bonds, approval of a preliminary official statement furnished in connection with the issuance of the Series A Bonds (or the JPA Bonds, as defined herein), approval of the form of a bond purchase agreement form and sale parameters for the Series A Bonds and various related matters.

(b) The District Board intends to sell the Series A Bonds, or a portion thereof, to the JPA, which shall be identified in the bond purchase agreement described in the Supplemental Issuance Resolution. The District Board currently expects and intends that all or a portion of the Series A Bonds will be pooled by the JPA for the purpose of issuing revenue bonds of the JPA ("JPA Bonds"), which JPA Bonds will be secured through debt service payments made on underlying securities purchased by the JPA. The sale of the Series A Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the School District.

(c) The District Board intends that some or all of the Series A Bonds shall be issued as Qualified School Construction Bonds (QSCBs). Any Series A Bonds issued as QSCBs will comply with the applicable provisions of the ARRA, the United States Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated pursuant to the provisions of the Code. Certain of those conditions are described herein.

(d) The District Superintendent, or the District Superintendent's designees (each a "Designated Officer") may determine that it is in the best interest of the School District to sell all or a portion of the Series A Bonds as taxable or tax-exempt securities, as further described in the Supplemental Issuance Resolution and the County Resolution. In such event, the Designated Officer(s) may so provide in a bond purchase agreement(s) for the issuance and sale of the tax-exempt portion of the Series A Bonds, as shall be further described and set forth in the Supplemental Issuance Resolution.

Section 4. Designation. The Series A Bonds authorized pursuant to this Resolution, the terms and conditions of the Supplemental Issuance Resolution and the County Issuance

Resolution shall be designated as "**Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A**" or such other designation as the Superintendent of the School District ("Superintendent") or the Superintendent's designee(s) (as described herein) may approve. The resolution of the County Board providing for the issuance and sale of the Series A Bonds is in certain instances herein referred to as the "County Resolution." The Series A Bonds shall otherwise conform to the requirements forth herein, within the Supplemental Issuance Resolution, the applicable bond purchase agreement(s) and in the County Resolution.

Section 5. Purpose of Bonds.

(a) The Series A Bonds, in the aggregate principal amount of not to exceed $25,000,000, shall be offered for sale, the proceeds of which are to be used for the purposes set out in District Resolution No. 2007/2008-11, as approved at the Bond Election and to pay all necessary and appropriate costs or expenses incurred in the issuance of the Series A Bonds pursuant to Education Code Sections 15145 and 15146 and applicable State law.

(b) The net construction proceeds of those Series A Bonds issued as QSCB securities shall be expended only upon projects and facilities permitted under the provisions of applicable federal law.

Section 6. Negotiated Sale. Subject to the provisions of the Supplemental Issuance Resolution and the County Resolution, the District Board authorizes the Series A Bonds to be sold through a negotiated sale process. All Series A Bonds sold at such a negotiated sale shall bear interest, if any, at a rate not in excess of the legal maximum under State law and shall mature not later than twenty-five (25) years after their date of issuance. Such Series A Bonds shall be issued in the form(s) and at the maturity(ies) set out in the Supplemental Issuance Resolution and the County Resolution. The form(s) of the bond purchase agreement(s) and additional sale parameters for the sale of the Series A Bonds will be set out in the Supplemental Issuance Resolution and the County Resolution.

Section 7. Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the School District, upon sale and delivery of the Series A Bonds through the County, requests that the County Board take action to levy, or cause to be levied, on all the taxable property in the School District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series A Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series A Bonds, as applicable, when due in accordance with the terms of the Supplemental Issuance Resolution, the Series A Bonds and the County Resolution.

Section 8. Building Fund; Debt Service Fund and Rebate Fund.

(a) Building Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer of the County establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series A Bonds (except any premium or accrued interest received from the sale) to be expended as set

forth herein and in the County Resolution. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series A, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series A Bonds, as the case may be, and administrative costs and expenses for the Series A Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series A, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 9. Expenditure of Bond Proceeds.

(a) The School District hereby covenants to expend all Series A Bond proceeds in accordance with applicable law, including, but not limited to, Chapter 2 of Part 10 of Division 1 of Title 1 of the California Education Code of the State of California, as amended, the requirements of Proposition 39 and related State legislation, Article XIIIA of the California Constitution, the Bond Authorization and the determinations and directives made herein.

(b) The provisions of the ARRA applicable to QSCB securities require that net construction proceeds of such QSCB securities be expended on certain types of capital expenditures and within certain time periods. The District Board hereby directs that the documentation, resolutions, agreements and covenants of the School District with respect to the Series A Bonds issued as QSCBs, and the expenditure of the proceed thereof, shall conform to such requirements.

Section 10. Continuing Disclosure. In connection with the issuance of the Series A Bonds, the District shall provide a continuing disclosure document(s). The School District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the continuing disclosure agreement/certificate delivered in connection with the issuance and sale of the Series A Bonds. Further details and the form of the continuing disclosure agreement/certificate delivered in connection with the issuance and sale of the Series A Bonds is expected to be provided in the Supplemental Issuance Resolution.

Section 11. Compliance with Proposition 39. The School District hereby finds and determines that it has complied, or will comply, with the applicable requirements prescribed by Proposition 39, and related applicable State statutory provisions, as follows:

(a) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the proceeds of the sale of the Series A Bonds (exclusive of costs of issuance and delivery of the Series A Bonds) ("Bond Proceeds" or "Series A Bond Proceeds") shall be used only for the purposes specified in the list of specific school facilities projects set forth in Resolution No. 2007/2008-11 and approved by the voters in the Bond Election ("School Facilities Project List") and not for any other purpose, including teacher and administrator salaries and any other school operating expenses.

(b) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the School Facilities Project List was made available to the public for review prior to and during the Bond Election, which included the District Board's evaluation of safety, class size reduction and information technology needs in developing the School Facilities Project List as set forth in Resolution Nos. 8701-01 and 040609-01 .

(c) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, *independent* performance audits to ensure that the Series A Bond Proceeds have been expended only on the school facilities projects identified in the School Facilities Project List.

(d) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent financial audits of the Bond Proceeds until all of the Bond Proceeds have been expended for the school facilities projects identified in the School Facilities Project List.

(e) Measure E and matters submitted to the voters as part of the Bond Election included statements substantially in compliance with Education Code Section 15272.

(f) The Measure E election results have been certified by the District Board pursuant to Resolution No. 2007/2008-74, and such resolution has been filed as required under Education Code Sections 15124 and 15274.

(g) Pursuant to Education Code Sections 15278 *et seq.*, the District Board has established its Citizens' Oversight Committee for the Measure E bond election ("Committee") and has appointed members thereto pursuant to the Committee Policy and Regulations previously adopted by the District Board.

(h) Pursuant to Education Code Section 15268, based on estimates that assessed valuation will increase in accordance with Article XIIIA of the California Constitution, the tax rate to be levied to meet the requirements of Section 18 of Article XVI of the California Constitution with regard to the Series A Bonds will not exceed sixty Dollars ($60) per year per One Hundred Thousand Dollars ($100,000) of taxable property within the boundaries of the School District. The School District shall provide, or be provided, a certificate specifying the

estimated tax rate, and confirming compliance with this statutory requirement, at the time the Series A Bonds are delivered.

Section 12. Compliance with State Law. That pursuant to Government Code Section 53410, the District Board hereby finds, determines and directs as follows:

(a) The Series A Bond Proceeds shall be used only for the purposes set forth in the School Facilities Project List.

(b) One or more funds or accounts (which may include subaccounts) as further described in the Supplemental Resolution and in the County Resolution shall be created into which the Series A Bond Proceeds shall be deposited.

(c) The School District's Assistant Superintendent, Business Services, shall have the responsibility no less often than annually, to provide to the District Board a written report which shall contain at least the following information:

(i) The amount of the Series A Bond Proceeds received and expended during the applicable reporting period; and

(ii) The status of the acquisition, construction or financing of the school facility projects, as identified in the School Facilities Project List, with the Series A Bond Proceeds.

The report(s) required by this Section 12(c) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission (CDIAC) or continuing disclosure reports or other reports made in connection with the Series A Bonds. The requirements of this Section 12(c) shall apply only until all the Series A Bonds are redeemed or defeased, but if the Series A Bonds, or any portion thereof, are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

Section 13. Additional Findings and Directives.

(a) Within the Supplemental Issuance Resolution, the District Board shall make findings and provide directives with respect to compliance with the applicable provisions of Education Code Section 15146(b) and (c) concerning the anticipated costs of issuance of the Series A Bonds.

(b) Within the Supplemental Issuance Resolution, the District Board shall make such findings and determinations, and make such covenants, as shall be required to protect and preserve the status of Series A Bonds issued as QSCB securities, taxable bonds or as tax-exempt bonds, as shall be applicable.

Section 14. District Consultant Costs; County Costs.

(a) The School District has retained the services of Bowie, Arneson, Wiles & Giannone to represent the School District as Bond Counsel and Dale Scott & Company, Inc. as Financial Advisor with regard to the issuance of the Series A Bonds. U.S. Bank National Association will serve as the School District's initial Paying Agent. The Superintendent is hereby authorized to retain such other and further consultants and services, including, but not limited to, printing services, legal services, assessment information and pricing consultant services as are necessary or desirable to facilitate the issuance and delivery of the Series A Bonds.

(b) That this District Board authorizes the payment to the County of out-of-pocket expenses and other costs incurred by the County in connection with the County's support of, and participation in, the issuance of the Series A Bonds.

Section 15. Services for Issuance of the Series A Bonds. The Superintendent of the District and the Designated Officers are authorized and directed to contract for such other and further services, including legal, financial and related professional services, as specified herein, or as otherwise necessary so the School District may proceed with, and complete, the issuance and sale of the Series A Bonds as set forth herein.

Section 16. Approval of Actions. All actions heretofore taken by officers and agents of the School District with respect to the sale and issuance of the Series A Bonds to this point in time are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the School District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution. Whenever in this Resolution any officer of the School District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 17. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the School District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution.

Section 18. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the School District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The School District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized

the issuance of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 18. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

[Remainder of this page is blank]

Section 19. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 22nd day of September, 2009.

BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Gary Jeandron, President of the Board of Education

ATTEST:

By: _____
Justin Blake, Clerk of the Board of Education

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of such School District at a meeting of said Board held on the 22nd day of September, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: Members, Jeandron, Blake, Clapp, Stewart

NOES: None

ABSENT: Member, Shoenberger

ABSTAINING: None

Justin Blake, Clerk of the Board of Education

Draft of October 5, 2009

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2009

NEW ISSUE -- FULL BOOK-ENTRY **RATING: Standard &Poor's: "___"**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986 (the "Code") and are eligible for the federal income tax credit as of the applicable credit allowance date under Section 54A of the Code, subject to the limitations described herein. However, the amount of the tax credit will be treated as interest for federal income tax purposes and will be included in gross income for all Owners of the Bonds, in accordance with each Owner's tax status. In the further opinion of Bond Counsel, interest, if any, paid with respect to the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

$_____*

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY
2009 GENERAL OBLIGATION REVENUE BONDS
(PALM SPRINGS UNIFIED SCHOOL DISTRICT QUALIFIED SCHOOL CONSTRUCTION BONDS)
(Riverside County, California)

Dated*: Date of Delivery** ***Tax Credit Rate:____ ***Price:___*** ***Due*: September 15, 2024**

Issuance. The captioned bonds (the "Bonds") are being issued by the California Qualified School Bond Joint Powers Authority (the "Authority") under an Indenture of Trust dated as of December 1, 2009 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are being issued for the purpose of providing funds to purchase an issue of general obligation bonds (the "District Bonds") issued by the Palm Springs Unified School District (the "District"), and to finance the acquisition and construction of public school facilities in the District.

Security. The Bonds are special obligations of the Authority and are payable solely from the Revenues pledged for that purpose under the Indenture. The Revenues consist primarily of payments of principal of and interest on the District Bonds, which will be issued by the District concurrently with the issuance of the Bonds, and interest earnings thereon. The District Bonds will be delivered to and registered to the ownership of the Trustee, and which will be held in trust for the benefit of the registered owners of the Bonds. The District Bonds are general obligations of the District, and the Board of Supervisors of Riverside County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the District Bonds. See "THE SECURITY FOR THE DISTRICT BONDS."

Bonds. The Bonds are being issued as "qualified school construction bonds" as defined in Section 54F of the Internal Revenue Code of 1986, as amended. For federal income tax purposes, United States taxpayers who own the Bonds on the credit allowance dates in each calendar quarter will be entitled to a credit against federal income tax. See "TAX CREDIT PROGRAM."

Payments. The Bonds do not bear interest and principal of the Bonds is payable on the maturity date set forth above.

Redemption. The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to special mandatory redemption prior to maturity as described in this Official Statement. See "THE BONDS - Redemption."

Book Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "APPENDIX F -- BOOK-ENTRY SYSTEM."

Cover Page. This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, Newport Beach, California. Certain legal matters also will be passed upon for the Authority and the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. _____, is serving as counsel to the Underwriter. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about November __, 2009, in New York, New York.

[Underwriter Logo]

*Preliminary; subject to change.

This Official Statement is dated: _____, 2009.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any Bond Owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by The Authority, the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

Involvement of Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

County's Disclaimer. The County of Riverside has not approved the Official Statement, or taken any responsibility for the adequacy, accuracy or fairness of the statements contained herein.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the Authority, the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE ON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY

Board of Directors

Gina Potter, *Chair and Secretary*
Scott Buxbaum, *Treasurer/Controller*

PALM SPRINGS UNIFIED SCHOOL DISTRICT

Board of Education

Gary Jeandron, *President*
Justin Blake, *Clerk*
Richard Clapp, *Member*
Meredy Shoenberger, *Member*
Shari Stewart, *Member*

Administrative Staff

Lorri S. McCune, Ed.D., *Superintendent of Schools*
James Novak, *Assistant Superintendent, Business Services*
Christine Anderson, Ed.D., *Assistant Superintendent, Educational Services*
Mauricio Arellano, *Assistant Superintendent of Human Resources*
Craig Borba, Ed.D., *Assistant Superintendent of Pupil Personnel Services*

FINANCIAL ADVISOR

Dale Scott & Company Inc.
400 Montgomery Street, Suite 805
San Francisco, CA 94104

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
650 California Street, 18t floor
San Francisco, California 94108

DISTRICT COUNSEL

Bowie, Arneson, Wiles & Giannone
4920 Campus Drive
Newport Beach, California 92660

TRUSTEE

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071

UNDERWRITER'S COUNSEL

[To come]

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2009

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$_____*

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY
2009 GENERAL OBLIGATION REVENUE BONDS
(PALM SPRINGS UNIFIED SCHOOL DISTRICT QUALIFIED SCHOOL CONSTRUCTION BONDS)
(Riverside County, California)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the sale and delivery by the California Qualified School Bond Joint Powers Authority (the **"Authority"**) of the bonds captioned above (the **"Bonds"**). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Indenture (as defined below).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. All summaries of the Indenture or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

The Authority. The California Qualified School Bond Joint Powers Authority was formed on May 12, 2009 as a joint exercise of powers authority pursuant to a Joint Exercise of Powers Agreement between the Lemon Grove School District and the South Bay Union School District pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 *et seq.*) of the State of California, for the purpose of assisting the financing and refinancing of Public Capital Improvements of public school districts and community college districts in the State of California. See "THE BONDS - Authority for Issuance" herein.

The District. The Palm Springs Unified School District comprises approximately 507 square miles of territory in the central portion of Riverside County, California. Although much of the District is desert, portions are mountainous and wooded. The District includes the incorporated cities of Palm Springs, Cathedral City, Desert Hot Springs, most of Rancho Mirage, the unincorporated community of Thousand Palms, and some unincorporated areas of Riverside County. The District's 2008-09 average daily attendance is 22,666 students.

Purpose of Issue. The Bonds will be issued to provide funds to purchase the Palm Springs Unified School District (Riverside County, California) General Obligation Bonds Election 2008, Series A (the "District Bonds") and to finance additional capital improvements in the District. See "THE FINANCING PLAN" and "SOURCES AND USES OF FUNDS" herein.

Description of the Bonds. The Bonds will be dated their date of delivery (the "Delivery Date") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Bonds will mature on September 15, 2024.

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* Preliminary, subject to change.

Registration. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "APPENDIX F - BOOK-ENTRY SYSTEM." If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Indenture described herein. See "THE BONDS – Registration, Transfer and Exchange of Bonds."

Redemption. The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to special mandatory redemption as described herein. See "THE BONDS – Redemption."

Security for the Bonds. The Bonds are special obligations of the Authority and are payable solely from the Revenues pledged for that purpose under the Indenture. The Revenues consist primarily of payments of principal of and interest on the District Bonds which will be issued by the District concurrently with the issuance of the Bonds, and which will be delivered to and registered to the ownership of the Trustee, and which will be held in trust for the benefit of the registered owners of the Bonds. The District Bonds are general obligation bonds of the District and the Board of Supervisors of Riverside County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the District Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the Authority and the District. Bowie, Arneson, Wiles & Giannone, Newport Beach, California will serve as bond counsel to the District ("District Counsel"). *Payment of the fees of Bond Counsel, Disclosure Counsel and District Counsel is contingent upon issuance of the Bonds.*

Tax Matters. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986 (the "Code") and are eligible for the federal income tax credit as of the applicable credit allowance date under Section 54A of the Code, subject to the limitations described herein. However, the amount of the tax credit will be treated as interest for federal income tax purposes and will be included in gross income for all Owners of the Bonds, in accordance with each Owner's tax status. In the further opinion of Bond Counsel, interest, if any, paid with respect to the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

Continuing Disclosure. The District has covenanted to comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE" herein.

Offering and Delivery of the Bonds. The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery in New York, New York on or about November __, 2009.

Other Information. For limiting factors about this Official Statement, see "General Information About This Official Statement" inside the cover hereof.

Copies of documents referred to herein and information concerning the Bonds are available from Palm Springs Unified School District, 980 Tahquitz Canyon Way Suite 202, Palm Springs, California 92262, telephone: (760) 416-6126. The District may impose a charge for copying, mailing and handling.

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds:	
Principal Amount of Bonds	
Total Sources:	
Uses of Funds:	
Project Fund [1]	
Costs of Issuance [2]	
Total Uses:	

(1) Includes the purchase price for the District Bonds and funds for the acquisition and construction of additional capital improvements in the District. See "THE BONDS – Purpose of the Issue."

(2) Costs of Issuance includes legal fees, financial advisor fees, Underwriter's discount, printing costs, rating agency fees, Trustee fees and other miscellaneous expenses.

THE BONDS

Authority for Issuance

The Bonds are being issued under an Indenture of Trust dated as of November 1, 2009 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5, Division 7, Title 1 of the Government Code, commencing with Section 6584, and under a resolution adopted by the Board of Directors of the Authority on September 4, 2009. See "APPENDIX C — SUMMARY OF INDENTURE OF TRUST" for a description of the terms of the Indenture.

The District Bonds are being issued under the provisions of Article 3 and Article 9 of Chapter 2 of Part 10 of Division 1 of the California Education Code (commencing with Section 15140) (the "Bond Law"), resolutions of the Board of Trustees of the District on September 22, 2009 and October 13, 2009, and a resolution adopted by the Board of Supervisors of the County on November 3, 2009. The District Bonds represent part of an authorization of $516,000,0000 approved by District voters on February 5, 2008 (the "2008 Authorization"). The District Bonds represent the first series of bonds issued pursuant to the 2008 Authorization.

Purpose of Issue

The Bonds are being issued for the purpose of (a) acquiring the District Bonds and (b) financing the acquisition and construction of public capital improvements in the District. The District and the Authority have entered into an agreement (the "District Bond Purchase Agreement") under which the District has agreed to issue the District Bonds and to sell them to the Authority. The proceeds received by the District under the District Bond Purchase Agreement will be used for the specific school facilities projects set forth in the full text of the ballot measure, known as "Measure E", approved by the District's voters under the 2008 Authorization.

A portion of the proceeds of the Bonds will be applied by the Authority to finance additional public capital improvements to the educational facilities of the District. Such improvements are expected to include improvements contemplated by the 2008 Authorization described above.

Additionally, the Tax Code requires that the proceeds of qualified school construction bonds, such as the Bonds, be applied solely to the construction, rehabilitation or repair of a public school facility, or the acquisition of land on which such a facility is to be constructed and to payment of costs of issuance not in excess of 2% of the issue price of said bonds.

General Description

The Bonds will be issued in fully registered form without coupons in denominations of $_____ or any integral multiple thereof, so long as no Bond has more than one maturity date. The Bonds shall be dated as of the date of delivery and mature on September 15, 2024. Owners of the Bonds as of each applicable credit allowance date are eligible for a federal tax credit as described below under "THE TAX CREDIT PROGRAM," and the Bonds will not otherwise bear interest. The Trustee will pay the principal of the Bonds at maturity in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Trust Office of the Trustee.

The Bonds will be registered initially in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York ("DTC"), which has been appointed as securities depository for the Bonds, and registered ownership may not be transferred thereafter except as provided in the Indenture. Purchasers will not receive certificates representing their interests in the Bonds. Principal of the Bonds will be paid by the Trustee to DTC, which in turn is obligated to remit such principal to its Participants for subsequent disbursement to beneficial owners of the Bonds as described herein. See "APPENDIX F - BOOK-ENTRY SYSTEM."

Redemption

Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Extraordinary Mandatory Redemption. In the event and to the extent that the District fails to expend all of the proceeds of the Bonds within the Expenditure Period, the Bonds will be subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, at a redemption price equal to 100% of the principal amount of the Outstanding Bonds to be redeemed, without premium. The redemption price of any Bonds to be redeemed as described in this paragraph will be payable solely from the amounts held by the County Treasurer in the Qualified School Construction Bond Building Fund at the expiration of the Expenditure Period. See "THE TAX CREDIT PROGRAM – Expenditure Period."

Selection of Bonds for Redemption. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed. For purposes of the selection of Bonds for redemption, each Bond will be deemed to consist of multiples of $_____ which may be separately redeemed.

Notice of Redemption. The Trustee will mail notice of redemption by first class mail to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the books required to be kept by the Trustee, at least 30 but not more than 60 days prior to the redemption date *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds.

Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers (if less than all Bonds of a maturity are to be redeemed) and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Trust Office of the Trustee identified in such notice for redemption at the redemption price.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the Authority will cause the Trustee to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered will be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond will be made only to or upon the order of that person; neither the Authority, the

District, the County nor the Trustee will be affected by any notice to the contrary, but the registration may be changed as provided the Indenture.

Bonds may be exchanged at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

THE TAX CREDIT PROGRAM

General

The Bonds have been designated by the Authority as "qualified school construction bonds" under the Tax Code. Owners of Bonds as of each applicable credit allowance date are eligible to receive a Tax Credit. The credit allowance dates are March 15, June 15, September 15, and December 15. The amount of the Tax Credit with respect to a Bond is equal to the product of the credit rate on the cover hereof, times the outstanding principal amount of the Bond on the relevant credit allowance date, divided by four. The Tax Credit allowed for the first credit allowance date of December 15, 2009 is the ratable portion of the tax credit otherwise allowed on such date based on an initial issuance date of _____, 2009 (as opposed to the full credit period starting September 15, 2009). If a Bond is redeemed or matures on a date other than March 15, June 15, September 15, or December 15, the redemption or maturity date will be a credit allowance date and the amount of the associated Tax Credit will be a ratable portion of the tax credit otherwise allowed based on the earlier credit allowance date.

Generally, a taxpayer who owns a Bond will recognize the amount of the Tax Credit as a credit against its federal income tax liability on a given credit allowance date, including estimated tax payments, if any. Tax Credits will be treated by the Internal Revenue Service similar to the way withheld taxes are treated for federal income tax purposes and will reduce the amount of either a taxpayer's subsequent estimated tax payments, if any, or its final tax liability, as reflected on its tax return for the related tax year.

Limitation on Tax Credit

The Tax Credit allowed may not exceed the sum of the taxpayer's regular tax liability and alternative minimum tax liability under Section 55 of the Tax Code less, in general, the taxpayer's other tax credits (except as set forth in the Tax Code).

Carryover of Unused Tax Credit Amount

If an Owner of a Bond cannot use all of the Tax Credit otherwise allocable for the taxable year, such Owner is allowed to carry forward to a subsequent tax year the unused portion of the credit deemed paid on such credit allowance date.

Tax Credit not Refundable or Transferable

The Tax Credits are not refundable tax credits. If an Owner of a Bond has gross income tax liability for a given year less than the amount of Tax Credits to which it is entitled for that year, then the Owner would be required to carry forward any excess tax credit to subsequent tax years. In addition, the Tax Credits to which an Owner is entitled on a particular credit allowance date are not transferable after such credit allowance date. To the extent that the Owner of a Bond on a credit allowance date does not have any potential income tax liability

(whether on the credit allowance date or in the future), the Tax Credit cannot be utilized.

Tax Credit Amount Included in Income

Section 54A of the Tax Code requires the Owners of Bonds to include the amount of the Tax Credit (determined without reference to the limitation described above under "Limitation on Credit") in gross income. See "TAX MATTERS."

No State Tax Credit

The California Revenue and Taxation Code does not provide for any credit against California income or franchise tax with respect to the ownership of a qualified school construction bond, like the Bonds. For additional information regarding State treatment of the Bonds, see "TAX MATTERS."

Expenditure Period

In the event the District fails to expend all of certain proceeds of the Bonds for a qualified purpose with respect to the project within the period ending three years after the date of issue of the Bonds or such later date if extended by the Internal Revenue Service (the "Expenditure Period") the Issuer is required to use said unexpended proceeds to redeem all or a portion of the Bonds. To the extent that less than 100% of the said proceeds are expended for a qualified purpose by the end of the Expenditure Period, a portion of the Bonds must be redeemed within 90 days of the end of the Expenditure Period all in accordance with the requirements of Section 54A(d)(2)(B) of the Tax Code in the time and manner prescribed by the Tax Code. See "THE BONDS – Redemption."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Assignment of District Bonds; Pledge of Revenues

As described above, a portion of the proceeds of the Bonds will be applied to purchase the District Bonds concurrently with the issuance of the Bonds. Under the Indenture, the District assigns all of its right, title and interest in the District Bonds to the Trustee for the security of the Bonds. The Trustee will be the registered owner of the District Bonds, and as such will hold the District Bonds in trust under the Indenture for the benefit of owners of the Bonds. As registered owner, the Trustee will be entitled to receive direct payment of all principal of and interest on the District Bonds. The Bonds are secured by a pledge of and first lien on the Revenues as defined in the Indenture, consisting payments of principal and accreted value of and interest on the District Bonds.

Revenue Fund; Cash Flow Projections

Scheduled payments of principal and accreted value of and interest on the District Bonds, together with investment earnings thereon, will be sufficient to make payment of principal of the Bonds as due, and are the sole source of payment of the Bonds. Payments on the District Bonds will be deposited in the Revenue Fund held by the Trustee and invested in _____ until maturity of the Bonds.

The following table sets forth the scheduled payments of principal and accreted value of the District Bonds, as well as investment earnings at the assumed interest rate of ____%. See also "BONDOWNERS' RISKS – Investment of Funds."

Maturity Date (September 15)	Payments on District Bonds	Annual Investment Earnings	Revenue Fund Balance
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
Total			

District Bonds

The District Bonds are general obligation bonds of the District and the Board of Supervisors of the County is empowered and is obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates), as necessary for payment of principal of and interest on the District Bonds. See "SECURITY FOR THE DISTRICT BONDS" below.

SECURITY FOR THE DISTRICT BONDS

General

The District Bonds are general obligation bonds of the District. The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the District Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the District Bonds are outstanding in an amount sufficient to pay the principal and interest on the District Bonds when due. Such taxes, when collected, will be deposited into an interest and sinking fund for the District Bonds (the "Debt Service Fund"), which is maintained by the County and which is created by statute for the payment of principal of and interest on the District Bonds when due. **Although the County is obligated to levy an *ad valorem* tax for the payment of the District Bonds, and will maintain the Debt Service Fund pledged to the repayment of the District Bonds, the District Bonds are not a debt of the County.**

In addition to the District Bonds the District has previously issued general obligation bonds as described in Appendix A. The County similarly levies an amount necessary to pay such bonds and the District Bonds are payable on a parity from such tax levies.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and accreted value of the District Bonds as the same become due and payable, will be transferred by the County to U.S. Bank National Association, as paying agent for the District Bonds (the "Paying Agent") which, in turn, shall pay such moneys to the Trustee to deposit in the Revenue Fund for payment of the Bonds.

The amount of the annual *ad valorem* tax levied by the County to repay the District Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the District Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in the annual tax levy.

***Ad Valorem* Property Taxation**

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and March 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about December 13 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Tax Collector and Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the Riverside County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Property within the District had a net taxable assessed valuation for fiscal year 2009-10 of $24,778,509,881 (before deduction of the redevelopment increment). Shown in the following table are the assessed valuations for the District for the past five fiscal years.

TABLE 1
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2005-06 through Fiscal Year 2009-10

Fiscal Year	Locally Secured	Utility	Unsecured	Total	% Change
2005-06	[TO COME]				
2006-07					
2007-08	$25,254,474,802	$80,462,081	$857,824,507	$26,192,761,390	
2008-09	25,961,627,256	75,862,081	1,047,431,059	27,084,920,396	3.4
2009-10	23,729,278,196	81,239,700	967,991,985	24,778,509,881	(8.5)

Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "LIMITATIONS ON TAX REVENUES" below.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These

reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "LIMITATIONS ON TAX REVENUES" below.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

Parcels By Land Use

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2009-10.

TABLE 2
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use

	2009-10 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 303,269,360	1.28%	694	0.38%
Commercial/Industrial	3,730,179,438	15.72	6,685	3.65
Government/Social/Institutional	109,569,864	0.46	1,413	0.77
Subtotal Non-Residential	$4,143,018,662	17.46%	8,792	4.80%
Residential:				
Single Family Residence	$11,372,307,244	47.93%	41,226	22.52%
Condominium/Townhouse	4,682,756,493	19.73	22,415	12.24
Mobile Home	472,342,245	1.99	9,268	5.06
2-3 Residential Units	341,145,706	1.44	1,707	0.93
4+ Residential Units/Apartments	787,016,681	3.32	956	0.52
Timeshare Properties	687,206,922	2.90	70,594	38.56
Subtotal Residential	$18,342,775,291	77.30%	146,166	79.84%
Vacant Parcels	$1,243,484,243	5.24%	28,114	15.36%
Total	$23,729,278,196	100.00%	183,072	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

TABLE 3
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Per Parcel 2009-10 Assessed Valuation of Single Family Homes

	No. of Parcels	2009-10 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	41,226	$11,372,307,244	$275,853	$177,000

2009-10 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	231	0.560%	0.560%	$ 4,253,919	0.037%	0.037%
$25,000 - $49,999	1,381	3.350	3.910	54,350,209	0.478	0.515
$50,000 - $74,999	3,136	7.607	11.517	197,524,389	1.737	2.252
$75,000 - $99,999	4,287	10.399	21.916	375,813,423	3.305	5.557
$100,000 - $124,999	3,940	9.557	31.473	439,691,092	3.866	9.423
$125,000 - $149,999	3,549	8.609	40.082	488,311,544	4.294	13.717
$150,000 - $174,999	3,757	9.113	49.195	607,283,454	5.340	19.057
$175,000 - $199,999	3,008	7.296	56.491	559,812,715	4.923	23.980
$200,000 - $224,999	2,253	5.465	61.956	477,421,202	4.198	28.178
$225,000 - $249,999	2,131	5.169	67.125	503,922,512	4.431	32.609
$250,000 - $274,999	1,483	3.597	70.722	387,775,116	3.410	36.019
$275,000 - $299,999	1,118	2.712	73.434	321,339,606	2.826	38.844
$300,000 - $324,999	1,044	2.532	75.967	325,669,222	2.864	41.708
$325,000 - $349,999	1,013	2.457	78.424	342,308,601	3.010	44.718
$350,000 - $374,999	947	2.297	80.721	341,747,104	3.005	47.723
$375,000 - $399,999	781	1.894	82.615	301,913,967	2.655	50.378
$400,000 - $424,999	703	1.705	84.321	289,054,210	2.542	52.920
$425,000 - $449,999	656	1.591	85.912	286,434,477	2.519	55.438
$450,000 - $474,999	421	1.021	86.933	194,362,255	1.709	57.147
$475,000 - $499,999	434	1.053	87.986	211,081,288	1.856	59.004
$500,000 and greater	4,953	12.014	100.000	4,662,236,939	40.996	100.000
Total	41,226	100.000%		$11,372,307,244	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Property Tax Collections

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions for which the County acts as the tax-levying or tax-collecting agency.

However, the Teeter Plan is not applicable to *ad valorem* property taxes levied to pay the interest on and principal of the District's general obligation bonds, including the Bonds. Consequently, the District will receive *ad valorem* property taxes to pay debt service on the Bonds based on actual collections for that purpose rather than the amount levied.

The County's current practice is to levy an *ad valorem* property tax in the first fiscal year for which the County has sufficient information (based on either issuance of a new series of general obligation bonds or estimated debt service) in time to add the tax to the tax roll. It is also the County's practice to calculate a tax rate following Education Code 15250, which provides in relevant part: "The tax ... may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies." On an ongoing basis over the life of the general obligation bonds, the County makes adjustments as necessary to the tax levy to adjust for annual differences in the debt service due on the bonds and to meet the annual reserve

allowance. This reserve is available to the County to help address delinquencies in the collection of the *ad valorem* property tax levied to repay the bonds and any part of the principal and interest that is to become due before the proceeds of a tax may be available. Neither the District nor the Underwriter can provide any assurance that the County's current "reserve" practice, as described in this paragraph, will continue through the final maturity date of the Bonds.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in the typical tax rate area during the five-year period from 2004-05 to 2008-09.

TABLE 4
PALM SPRINGS UNIFIED SCHOOL DISTRICT
SUMMARY OF AD VALOREM TAX RATES
TYPICAL TAX RATE PER $100 OF ASSESSED VALUATION

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Palm Springs Unified School District	.05715	.05012	.05912	.05468	
Desert Community College District	.01994	.01995	.01995	.01995	
Desert Water Agency	.06000	.06000	.08000	.08000	
Total Tax Rate	1.13709	1.13007	1.15907	1.15463	

Source: California Municipal Statistics, Inc.

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2009-10.

TABLE 5
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Top Twenty Secured Property Taxpayers
Fiscal Year 2009-10

	Property Owner	Primary Land Use	2009-10 Assessed Valuation	% of Total (1)
1.	Tenet Healthsystem Desert Inc.	Medical Buildings	$ 110,200,866	0.46%
2.	Peter Solomon	Residential Properties	105,132,505	0.44
3.	River Retail	Shopping Center	85,147,305	0.36
4.	Marriott Ownership Resorts Inc.	Timeshare/Resort	83,271,404	0.35
5.	Mountain View Power Partners LLC	Industrial	82,885,263	0.35
6.	Desert Gold Ventures	Mixed Use Development	77,336,687	0.33
7.	GENLB Rancho	Hotel	65,978,739	0.28
8.	Starwood Mission Hills CMBS I	Hotel	64,279,996	0.27
9.	Donahue Schriber Realty Group	Shopping Center	58,059,398	0.24
10.	WVC Rancho Mirage Inc.	Timeshare/Resort	57,454,611	0.24
11.	Walter H. Annenberg	Residential Properties	55,881,308	0.24
12.	Wal Mart Real Estate Business Trust	Commercial	55,372,742	0.23
13.	John Wessman / Wessman Holdings	Shopping Center	54,735,968	0.23
14.	Palm Springs Art Museum Inc.	Commercial	50,856,974	0.21
15.	HH Palm Springs	Hotel	49,070,000	0.21
16.	San Gorgonio Westwinds II LLC	Industrial	45,608,000	0.19
17.	U Store It LP	Industrial	44,069,303	0.19
18.	Time Warner Entertainment	Communications	43,456,429	0.18
19.	Pacific Monarch Resorts Inc.	Timeshare/Resort	41,493,500	0.17
20.	Edom Hills Project 1 LLC	Industrial	41,303,584	0.17
			$1,271,594,582	5.36%

(1) 2008-09 Local Secured Assessed Valuation: $23,729,278,196
Source: California Municipal Statistics, Inc.

Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated October 1, 2009. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 6
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of October 1, 2009

2009-10 Assessed Valuation: $24,778,590,881
2008-09 Adjusted Assessed Valuation: $15,384,573,322

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 10/1/09	
Desert Community College District	41.665%	$134,975,645	
Palm Springs Unified School District	**100.**	**228,345,000**	(2)
Coachella Valley County Water District, I.D. Nos. 54 & 58	0.551 & 22.020	401,135	
Mission Springs Water District, I.D. No. 2	100.	1,500	
San Gorgonio Memorial Healthcare District	0.634	684,720	
City of Cathedral City Community Facilities District No. 2000-1	100.	11,910,000	
City of Desert Hot Springs Community Facilities District No. 2006-1	100.	2,025,000	
City of Palm Springs Community Facilities District No. 2005-1	100.	65,925,000	
1915 Act Bonds (Estimated)	Various	113,953,446	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$558,221,446	
OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	8.893%	$ 66,835,311	
Riverside County Pension Obligations	8.893	33,979,264	
Riverside County Board of Education Certificates of Participation	8.893	643,853	
City of Cathedral City Certificates of Participation	100.	4,835,000	
City of Desert Hot Springs Certificates of Participation	99.885	2,507,114	
City of Desert Hot Springs Judgment Obligations	99.885	9,713,816	
City of Palm Springs General Fund Obligations	99.942	107,532,595	
City of Palm Springs Pension Obligations	99.942	19,699,990	
City of Rancho Mirage Certificates of Participation	81.495	4,327,385	
Coachella Valley County Water District Storm Water Unit Certificates of Participation	16.359	658,450	
Coachella Valley Recreation and Park District Certificates of Participation	4.928	118,272	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$250,851,050	
Less: Riverside County self-supporting obligations		1,454,396	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$249,396,654	
GROSS COMBINED TOTAL DEBT		$809,072,496	(3)
NET COMBINED TOTAL DEBT		$807,618,100	

(1) Based on 2008-09 ratios.
(2) Excludes QSCBs to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2009-10 Assessed Valuation:
Direct Debt ($228,345,000) 0.92%
Total Direct and Overlapping Tax and Assessment Debt 2.25%

Ratios to 2008-09 Adjusted Assessed Valuation:
Gross Combined Total Debt 5.26%
Net Combined Total Debt 5.25%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

Source: California Municipal Statistics, Inc.

BONDOWNERS' RISKS

Failure to Comply with Certain Covenants

In order for the Bonds to be treated as "Qualified Tax Credit Bonds" as defined in the Tax Code and continue to be eligible for the Tax Credit, the Authority and the District must comply with certain requirements of the Tax Code. Failure to satisfy certain requirements, which the Authority and the District have covenanted to comply with, subsequent to the issuance of the Bonds may result in a delay or forfeiture of all or a portion of the Refundable Credit and may cause the Bonds to cease to be treated as "Qualified Tax Credit Bonds" under the Tax Code either prospectively from the date of determination of a failure to comply with the requirements or retroactively to the date of issuance of the Bonds. See also "TAX MATTERS."

Future Legislation or Court Decisions

Legislation affecting the availability of the Tax Credit with respect to the Bonds may be considered by the United States Congress. Federal and state court proceedings and the outcome of such proceedings could also affect the availability of the Tax Credit with respect to the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the status of the Bonds as "Qualified Tax Credit Bonds" or the market value of the Bonds.

Investment of Funds

The District's payments on the District Bonds are not sufficient, without investment, to pay the principal on the Bonds when due. Amounts received from the District and deposited in the Revenue Fund will be invested in _____, and held for payment of the Bonds. Investment earnings have been estimated as set forth under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Cash Flow Projections." All investments contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held in the Revenue Fund could result in a shortage of funds to pay principal on the Bonds when due. In such event, the County, on behalf of the District, is not obligated to levy additional *ad valorem* taxes to pay debt service on the Bonds.

Secondary Market

There can be no assurance that there will be a secondary market for the Bonds, or if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

THE AUTHORITY

The California Qualified School Bond Joint Powers Authority was formed on May 12, 2009 as a joint exercise of powers authority pursuant to a Joint Exercise of Powers Agreement between the Lemon Grove School District and the South Bay Union School District pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 et seq.) of the State of California, for the purpose of assisting the financing and refinancing of Public Capital

Improvements of public school districts and community college districts in the State of California. The Authority is governed by a Board of two directors, consisting of the Assistant Superintendents of Business of its members. Except for the assignment of Revenues to the Trustee, the Authority has no financial obligation to the Owners of the Bonds. The Authority has no taxing power.

CONTINUING DISCLOSURE

The District will covenant for the benefit of owners of the District Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the District's fiscal year (which date would be the March 31 following the current end of the District's fiscal year on June 30), commencing with the report for the 2008-09 fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. These covenants have been made in order to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2 12(b)(5) (the "Rule").

The District has had no instance in the previous five years in which it failed to comply in all material respects with any previous continuing disclosure obligation under the Rule. The County of Riverside is not obligated to undertake any continuing disclosure in connection with the Bonds.

LEGAL OPINION

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel for the Authority. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond. The proposed form of Bond Counsel's opinion relating to the Bonds is set forth in APPENDIX D. Certain legal matters will also be passed upon for the Authority and the District by Jones Hall as Disclosure Counsel. Bowie, Arneson, Wiles & Giannone, Newport Beach, California will serve as bond counsel to the District ("District Counsel"). *Payment of the fees of Bond Counsel, Disclosure Counsel and District Counsel is contingent upon issuance of the Bonds.*

TAX MATTERS

Tax Opinion

Federal Tax Status. In the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986 (the "Tax Code") and are eligible for the federal income tax credit as of the applicable credit allowance date under Section 54A of the Tax Code, subject to the limitations therein. However, the amount of the Tax Credit will be treated as interest for federal tax purposes and will be included in gross income for all Owners of Bonds, in accordance with each Owner's tax status.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the District comply with all requirements of the Tax Code that must be satisfied

subsequent to the issuance of the Bonds in order for the Bonds to be treated as "Qualified School Construction Bonds" and continue to be eligible for the Tax Credit. The Authority and the District have each covenanted to comply with each such requirement. Failure to comply with certain of such requirements may result in a delay or forfeiture of all or a portion of the Tax Credit and may cause the Bonds to cease to be treated as "Qualified School Construction Bonds" either prospectively from the date of determination of a failure to comply with the requirements or retroactively to the date of issuance of the Bonds.

The Tax Credit and interest received on the Bonds, if any, are not excluded from gross income for federal income tax purposes.

California Tax Status. In the opinion of Bond Counsel, interest, if any, paid with respect to the Bonds is exempt from personal income taxation imposed by the State of California. Although the Tax Credit is treated as interest for federal tax purposes, there is no guidance whether the State of California will treat the Tax Credit as interest and, if it is treated as interest, whether said interest will be exempt from personal income taxation imposed by the State of California.

Form of Bond Counsel Opinion. At the time of issuance of the Bonds, Bond Counsel expects to deliver a final approving opinion for the Bonds in substantially the form set forth in Appendix D.

Other Tax Considerations. Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

Circular 230 Disclosure. To ensure compliance with the requirements imposed by the Internal Revenue Service, purchasers and Owners of the Bonds should be aware that any federal income tax advice contained in this Official Statement (including the Appendices hereto) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Tax Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed in this Official Statement.

Additional Tax Considerations

This section summarizes certain material federal income tax consequences relating to an investment in the Bonds and does not purport to be a complete discussion of all federal income tax consequences relating to the Bonds. Prospective investors are encouraged consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of owning the Bonds.

Tax Basis. An Owner's initial tax basis in a Bond generally will be equal to the purchase price paid by such Owner for such Bond. An Owner's tax basis in a Bond will be increased by the amount of original issue discount, if any, that is included in the Owner's income, and decreased by the amount of premium, if any, amortized as a reduction to interest income, as described below.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial

offering price to the public (excluding bond houses and brokers) at which each Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount is disregarded.

Under the Tax Code, original issue discount on Bonds is treated as ordinary interest for federal income tax purposes. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bond to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of Premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

Sale of Bonds. Upon the sale of a Bond for cash, an Owner will recognize gain or loss equal to the difference between the amount of cash received (other than cash attributable to accrued interest) and such owner's adjusted tax basis in the Bond. Such gain or loss will be capital gain or loss if the Bond is a capital asset to such owner. Cash received attributable to accrued interest will constitute ordinary interest income to a cash method Owner, and a return of capital with respect to interest accrued as income by an accrual method Owner.

Tax Credit Strips. Pursuant to Section 54A of the Tax Code, a Bond may be stripped into its Tax Credit and Principal components. An owner who purchases a tax credit strip or principal component strip or who elects to strip a Bond into its Tax Credit and Principal components should consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of stripping the Bonds. As of the date hereof, the United States Department of Treasury has not published guidance regarding the method of stripping Tax Credits.

Tax Reporting. To date, the United States Department of Treasury has not issued any rulings or regulations or otherwise provided any guidance with respect to the mechanics of reporting of the Tax Credits as the equivalent of interest income, the reporting of the availability of the Tax Credits to the Owners thereof, or the accrual of original issue discount on the Bonds. The Owner of a Bond, must include on its income tax return information with respect to the amount of taxable interest accrued as original issue discount during the taxable year.

Backup Withholding. Under current United States federal income tax law, a 28% backup withholding tax requirement may apply to certain payments of interest and original issue discount on, and the proceeds of a sale, exchange or redemption of, the Bonds. The IRS has not provided guidance regarding how the 28% backup withholding tax requirement will apply to the deemed interest payments represented by the Tax Credits. Therefore, it is not clear how or whether such withholding would occur. In addition, certain persons making such payments are required to submit information returns (i.e., IRS Forms 1099) to the IRS with regard to those payments. Backup withholding and information reporting will generally not apply with respect to payments made to certain exempt recipients such as corporations or certain exempt entities.

Foreign Investors. Payments (including deemed payments) on the Bonds to a non-U.S. holder that has no connection with the United States other than holding its Bond generally will be made free of withholding tax, as long as that the holder has complied with certain tax identification and certification requirements.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The Authority and the District are not aware of any litigation pending or threatened that (i) questions the political existence of the Authority or the District, (ii) contests the District's ability to receive ad valorem taxes or to collect other revenues, (iii) contests the Authority's ability to issue and repay the Bonds, or (iv) contest the District's ability to issue and repay the District Bonds.

RATING

Standard and Poor's ("S&P") has assigned its rating of "____" to the Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by such rating agency if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by _____ (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $_____ (which is equal to the initial principal amount of the Bonds). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter will receive a takedown fee of $_____ for the Bonds pursuant to the purchase contract.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Indenture and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Trustee in Seattle, Washington.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority, the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY

By: _____

APPENDIX A

FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE PALM SPRINGS UNIFIED SCHOOL DISTRICT AND RIVERSIDE COUNTY

GENERAL DISTRICT INFORMATION

General Information

The Palm Springs Unified School District comprises approximately 507 square miles of territory in the central portion of Riverside County, California. Although much of the District is desert, portions are mountainous and wooded. The District includes the incorporated cities of Palm Springs, Cathedral City, Desert Hot Springs, most of Rancho Mirage, the unincorporated community of Thousand Palms, and some unincorporated areas of Riverside County. The District's total population is approximately 137,000.

The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instructional support services.

The District is currently operating fifteen elementary schools, four middle schools, three high schools, one continuation high school, and one adult education program. The District is governed by a five member Board of Education. The members are elected to four-year staggered terms. Average daily attendance in the District for fiscal year 2008-09 was 22,666 students.

The District area is known for its sunshine and fine climate conditions for most of the year with its primary economic base being light industry and a strong tourist trade. In recent years, there has been increased development of new housing with residents attracted to the year-round warm climate and expanded employment opportunities.

Administration

The District is governed by a five-member Governing Board, with each member elected to a four-year term in alternate slates of three and four. Current members of the Governing Board, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Gary Jeandron	President	December 20__
Justin Blake	Clerk	December 20__
Richard Clapp	Member	December 20__
Meredy Shoenberger	Member	December 20__
Shari Stewart	Member	December 20__

The day-to-day operations are managed by a board-appointed Superintendent of Schools.

Recent Enrollment Trends

The following table shows enrollment history for the District for the last five fiscal years, with projected figures through fiscal year 2011-12.

Table A-1
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Annual Enrollment
Fiscal Years 2004-05 through 2011-12

School Year	Enrollment
2004-05	23,217
2005-06	23,689
2006-07	24,263
2007-08	24,400
2008-09	24,347
2009-10[(1)]	
2010-11[(1)]	
2011-12[(1)]	

(1) Estimates.
Source: California Department of Education.

Employee Relations

In the fall of 1974, the California State Legislature enacted a public school employee collective bargaining law known as the Rodda Act which became effective in stages on January 1, 1976, April 1, 1976, and July 1, 1976. This law provides that employees are to be divided into appropriate bargaining units which are to be represented by an exclusive bargaining agent.

The District has _____ full and part-time employees. Bargaining agents represent all but the _____ employees in management, supervisory and confidential categories.

Teachers, nurses, librarians, and other certificated employees, numbering _____ are represented by the Palm Springs Teachers Association ("PSTA"). The employees are covered by a contract that expired on June 30, 20___. The District is currently negotiating a new contract.

The Teamsters Union has been selected as the bargaining agent for _____ classified personnel and such personnel are covered by a contract that expires on June 30, 20___.

District Retirement Systems

STRS. The District participates in the State of California Teacher's Retirement System ("STRS"). This plan covers basically all full-time certificated employees. Active plan members are required to contribute 8.0% of their salary and the District is to contribute an actuarially determined rate, which was 8.25% of payroll for the 2007-08 fiscal year. The District's contribution to STRS for fiscal year 2007-08 was $7,761,238, for fiscal year 2008-09 was $8,106,650 (unaudited actual) and for fiscal year 2009-10 is $7,470,238 (budgeted).

PERS. The District also participates in the State of California Public Employees' Retirement System ("PERS"). This plan covers all classified personnel who are employed four or more hours per day. Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate, which was 9.306

percent of annual payroll for 2007-08. The District's contribution to PERS for fiscal year 2007-08 was $3,550,566, for fiscal year 2008-09 was $3,447,793 (unaudited actual) and for fiscal year 2009-10 is $3,600,820 (budgeted).

Both the PERS and STRS systems are operated on a statewide basis. District contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as liability. STRS has a substantial State unfunded liability. Since this liability has not been broken down by the state agency, information is not available showing the District's share.

Other Post Employment Benefits

Other Post-Employment Benefits. In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45 ("GASB 45"), which addresses how state and local governments should account for and report their costs and obligations related to post-employment health care and other non-pension benefits ("OPEB"). GASB 45 generally requires that local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most local governments will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

The Post-employment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 153 retirees and beneficiaries currently receiving benefits, 10 terminated plan members entitled to but not yet receiving benefits, and 1,977 active plan members.

The contribution requirements of Plan members and the District are established and may be amended by the District and the Palm Springs Teachers Association, the local California Service Employees Association, and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2007-08, the District contributed $1,191,234 to the Plan, all of which was used for current premiums.

The following table shows the components of the District's OPEB cost for the next year, the amount actually contributed to the plan, ad changes in the District's net OPEB obligation.

Table A-2
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Other Post Employment Benefit Cost - 2007-08

Annual required contribution	$ 1,332,408
Contributions made	(1,191,234)
Net OPEB obligation, beginning of year	0
Net OPEB obligation, end of year	$141,174

Year Ended June 30	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2008	$1,332,408	89.40%	$141,174

Source: Palm Springs Unified School District Audit Reports for fiscal year 2007-08.

For a description of the actuarial methods and assumptions used, see "APPENDIX B - FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS- Note 10 – Post Retirement Healthcare Plan and other Post-employment Benefits (OPEB) Obligation".

The County Investment Pool

Under the California Education Code, the District is required to deposit all monies received from any source into the County Treasury to be held on behalf of the District. The County Treasurer maintains one Pooled Investment Fund (the "**PIF**") for all local jurisdictions having funds on deposit in the County Treasury. As of July 31, 2009, the portfolio assets comprising the PIF had a market value of $5,339,200,377.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2007, the Auditor-Controller performed an analysis on the County Treasury which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. Collectively, these mandatory deposits constituted approximately 84% of the funds on deposit in the County Treasury, while approximately 16% of the total funds on deposit in the County Treasury represented discretionary deposits.

While State law permits other governmental jurisdictions, with the prior consent of the Board and the County Treasurer, to participate in the County's PIF, none have been authorized entry, nor are any pending consideration. The desire of the County is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2009 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the Pooled Investment Fund as of July 31, 2009, were as follows:

	Market Value	% of Pool
Federal Agency Securities	$4,357,976,250	81.6%
Cash Equivalents & Money Market Funds	414,838,000	7.8
Medium Tem Notes	326,772,162	6.1
Municipal Bonds	122,314,265	2.3
Bonds- U.S. Treasury	29,990,700	0.6
Local Agency Obligations (2)	87,309,000	1.6
Total	$5,339,200,377	100.0%

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS".

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30.

All governmental funds and fiduciary funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, both measurable and available to finance expenditures for the current period. For more information on the District's accounting method, see Note 1 of "APPENDIX B – FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS" attached hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting and (ii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iii) required supplementary information.

Financial Statements

The District's Audited Financial Statements for the fiscal year ending fiscal year 2007-08 were prepared by Vavrinek, Trine, Day & Co., Inc., Rancho Cucamonga, California. Audited financial statements for the District for the fiscal year ended June 30, 2008 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix B hereto for excerpts from the 2007-08 Audited Financial Statements. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District has not requested nor did the District obtain permission from Vavrinek, Trine, Day & Co., Inc. to include the audited financial statements as an appendix to this Official Statement. Accordingly, Vavrinek, Trine, Day & Co., Inc. has not performed any post-audit review of the financial condition or operations of the District.

The following table shows the audited income and expense statements for the District for the 2005-06 through 2007-08 fiscal years.

Table A3
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2005-06 through 2007-08 (audited)

	Audited 2005-06	Audited 2006-07	Audited 2007-08
Revenues			
Revenue limit sources	$115,879,469	$127,730,502	$132,793,513
Federal revenues	19,537,136	16,271,332	15,999,724
Other state revenues	26,296,903	38,050,229	35,087,516
Other local revenues	17,930,416	22,964,049	25,403,192
Total Revenues	179,643,924	205,016,112	209,283,945
Expenditures			
Instruction	111,062,229	121,319,844	130,055,745
Instruction-related activities:			
Supervision of instruction	6,696,821	8,014,702	8,758,597
Library, media and technology	1,606,386	1,715,898	1,955,751
School site administration	11,458,065	12,110,248	12,862,656
Pupil services:			
Home-to-school transportation	3,179,959	3,476,391	4,116,569
Food services	117,845	176,382	170,335
All other pupil services	6,564,572	7,709,148	9,055,428
Administration:			
Data processing	1,705,598	2,317,606	2,596,047
All other administration	7,628,877	8,176,913	8,783,469
Plant services	19,254,544	20,066,048	20,956,022
Facility acquisition and construction	1,318,804	1,613,790	440,681
Ancillary services	1,324,198	1,460,809	1,751,346
Debt service: principal	--	--	256,806
Debt service: interest	--	--	16,107
Total Expenditures	171,917,898	188,157,779	201,775,559
Excess of Revenues Over/(Under) Expenditures	7,726,026	16,858,333	7,508,386
Other Financing Sources (Uses)			
Operating transfers in	448,376	211,342	75,639
Operating transfers out	(6,692,826)	(6,162,873)	(934,857)
Other sources	--	974,325	
Total Other Fin. Source(Uses)	(6,244,450)	(4,977,206)	(859,218)
Net change in fund balance	1,481,576	11,881,127	6,649,168
Fund Balance, July 1	28,390,986	29,872,562	41,753,689
Fund Balance, June 30	$29,872,562	$41,753,689	$48,402,857

Source: Palm Springs Unified School District Audit Reports for fiscal years 2005-06 through 2007-08.

The following table shows the District's Budget, as adopted by the Governing Board, for fiscal year 2008-09, compared to estimated actuals for the General Fund for fiscal year. The table also shows the fiscal year 2009-10 District General Fund Budget.

Table A4
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Adopted Budgets
For Fiscal Year Ended June 30, 2009 and June 30, 2010

	Adopted Budget 2008-09	Estimated Actuals 2008-09 (1)	Adopted Budget 2009-10
Revenues			
Revenue Limit Sources		$130,407,392	$129,077,146
Federal revenues		19,654,075	21,170,885
Other state revenues		28,659,370	25,023,818
Other local revenues		24,535,498	19,171,922
Total Revenues		203,256,335	194,443,771
Expenditures			
Certificated Salaries		100,017,056	92,442,024
Classified Salaries		27,120,920	27,361,993
Employee Benefits		42,111,093	42,350,574
Books and Supplies		14,925,298	7,443,340
Services and Other Operating Expenditures		25,902,638	22,075,100
Capital Outlay		1,052,774	163,075
Other Outgo		6,449	6,449
Transfers of Indirect Costs		(484,461)	(512,487)
Total Expenditures		210,651,767	191,330,068
Excess of Revenues Over/(Under) Expenditures		(7,395,432)	3,113,703
Other Financing Sources (Uses)			
Operating Transfers In		3,095,567	650,000
Operating Transfers Out		(1,106,492)	
Total Other Financing Sources (Uses)		1,989,075	650,000
Net Change in Fund Balance		(5,406,357)	3,763,703
Fund Balance, July 1		48,402,857	42,996,500
Fund Balance, June 30		$42,996,500	$46,760,203

Source: Palm Springs Unified School District.

[The District Board has adopted a policy of keeping its reserve funded at ___% of _____]. For 2007-08, the reserve was ___%, for 2008-09 was ___% and is projected to be ___% for 2009-10.

In order to address reductions in State funding of education (see "STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS"), the District has _____

Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. A district may be on either a dual or single budget cycle. The dual budget option requires a revised and readopted budget by September 1 that is subject to State-mandated standards and criteria. The revised budget must reflect changes in projected income and expenses subsequent to July 1. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

For both dual and single budgets submitted on July 1, the county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than August 20, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budget has been disapproved.

For all dual budget options and for single and dual budget option districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

[CONFIRM] The District has never had an adopted budget disapproved by the county superintendent of schools or received qualified certifications of interim financial reports.

Long-Term Debt

The District has never defaulted on the payment of principal of or interest on any of its indebtedness.

General Obligation Bonds: Shown in the following table are the outstanding general obligation bonds of the District as of October 1, 2009 (excluding the Bonds).

Issue	Date Issued	Final Maturity Date	Original Principal Amount	Principal Outstanding as of October 1, 2009
1992 Authorization				
2001 GO Refunding Bonds	06/2001	02/2020	$19,510,000	
2002 GO Refunding Bonds	07/2002	02/2019	9,265,000	
2002 GO Refunding Bonds, Series B	10/2002	02/20221	14,470,000	
2004 GO Refunding Bonds	06/2004	02/2018	4,615,000	
2005 GO Refunding Bonds	11/2005	02/2023	17,300,000	
2000 Authorization				
Series A	02/2001	02/2030	10,000,000	
Series B	11/2001	08/2031	20,000,000	
Series C	08/2002	08/2032	10,000,000	
Series D	04/2003	08/2032	20,000,000	
Series E	10/2004	08/2033	12,500,000	
2004 Authorization				
Series A	06/2006	08/2035	80,000,000	
Series B	11/2007	08/2036	42,000,000	41,335,000

State Funding of Education and Revenue Limitations

Annual State apportionments of basic and equalization aid to school districts for general purposes are computed up to a revenue limit per unit of average daily attendance (**"A.D.A."**). Such apportionments will, generally speaking, amount to the difference between the District's revenue limit and the District's local property tax allocation. Revenue limit calculations are adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among California school districts.

In the event that a school district's property tax revenue exceeds its calculated revenue limit entitlement, that school district retains all of its property tax revenue, and State apportionments to that district are limited to the minimum "basic aid" amount of $120 per A.D.A. set forth in the Constitution. Currently the State allocates basic aid funding to categorical entitlements that would have been received in any event. Such districts are commonly known as "Basic Aid Districts." The District is not a Basic Aid district.

A schedule of the District's A.D.A. and base revenue limit during the past five years, as well as projections for two years, is shown below. Projections are based on a spring 2009 demographic study, and the District expects flat or minimally declining enrollment.

Table A5
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2004-05 through 2011-12 (projected)

Fiscal Year	P-2 ADA	Base Revenue Limit Per ADA
2004-05	21,591	$_____
2005-06	21,971	_____
2006-07	22,585	_____
2007-08	22,666	5,797
2008-09	22,666	5,533
2009-10[2)]	_____	_____
2010-11[(1)]	_____	_____

(1) Projected.
Source: Palm Springs Unified School District.

California school districts receive a significant portion of their funding from State appropriations. As a result, decreases in State revenues may affect appropriations made by the Legislature to school districts.

Revenue Sources

The District categorizes its general fund revenues into four sources:

Table A6
PALM SPRINGS UNIFIED SCHOOL DISTRICT
District Revenue Sources

	Percentage of Total District General Fund Revenues		
Revenue Source	2006-07	2007-08	2008-09
Revenue limit sources (1)	62.3%	63.5%	64.2%
Federal revenues	7.9	7.6	9.7
Other State revenues	18.6	16.8	14.1
Other local revenues	11.2	12.1	12.1

(1) Consists of a mix of State apportionments of basic and equalization aid and local property tax revenues.
Source: Palm Springs Unified School District.

Each of these revenue sources is described below.

Revenue Limit Sources. Since fiscal year 1973-74, California school districts have operated under general purpose revenue limits established by the State Legislature. In general, revenue limits are calculated for each school district by multiplying (1) the average daily attendance for such district by (2) a base revenue limit per unit of A.D.A. The revenue limit calculations are adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type.

Funding of the District's revenue limit is provided by a mix of (1) local property taxes and (2) State apportionments of basic and equalization aid. Generally, the State apportionments will amount to the difference between the District's revenue limit and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives substantial other State revenues.

These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Class Size Reduction Program, home-to-school transportation, Economic Impact Aid, School Improvement Program, Educational Technology Assistance Grants, mandated cost reimbursements, instructional materials and mentor teachers.

The District receives State aid from the California State Lottery (the **"Lottery"**), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Lottery revenues generally comprise approximately 2% of general fund revenues.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings and other local sources.

Effect of State Budget on Revenues Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - State Funding of Education and Revenue Limitations" below). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs. Revenues received by the District from all State sources generally accounted for about half of total general fund revenues.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process.

State Funding of Education and Recent State Budgets

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a

large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "– State Funding of Education and Revenue Limitations" above). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the County, nor the Underwriter is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the **"Governor's Budget"**). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State

of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office (the **"LAO"**) prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Tax Shifts and Triple Flip. Assembly Bill No. 1755 (**"AB 1755"**), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required ERAF shift to $135 million. Legislation commonly referred to as the "Triple Flip," was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip", one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction are redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds were repaid, which is currently expected to occur in approximately 9 to 13 years.

2008-09 State Budget. On September 23, 2008, the Governor signed the 2008-09 State Budget into law (the **"2008-09 Budget"**). The 2008-09 Budget attempted to resolve the $24.3 billion budget deficit identified in the May (2008) Revision to the Governor's Proposed Budget. The 2008-09 Budget projected revenues of $103.027 billion in 2007-08 and $101.991 billion in 2008-09, provided a modest reserve of $1.7 billion, but projected a deficit of $1.0 billion in 2009-10.

Special Session – Revisions to 2008-09 Budget; 2009-10 Adopted State Budget. The following is a summary of legislative actions from November 5, 2008 through February 20, 2009, on which date the Governor signed a budget package addressing the 2008-09 Budget deficit, and adopting the 2009-10 Budget.

November 5, 2008. The Governor called the State Legislature into special session to address the $11 billion budget deficit that had arisen since the 2008-09 budget was adopted.

January 9, 2009. The Governor submitted his proposed 2009-10 Budget (the **"2009-10 Proposed Budget"**) to the State Legislature. The 2009-10 Proposed Budget assumed that, without corrective action, the State would face a deficit of $39.6 billion at the end of 2009-10. The 2009-10 Proposed Budget proposed $41.7 billion in budgetary solutions to close the gap and establish a $2.2 billion reserve, including: the issuance of $4.7 billion in revenue anticipation warrants, capturing savings in K-14 education through spending reductions, accounting changes and cost deferrals and raising $5 billion in proceeds with the securitization of lottery revenues. Many of the Governor's proposals required voter approval to be implemented.

The LAO stated that while the 2009-10 Proposed Budget was generally reasonable it would likely be subject to risks associated with continued deterioration of the economy, noting that it relied heavily on State borrowing, which was subject to voter approval, the favorable resolution of legal issues, and the State's access to credit markets. On January 14, 2009, the LAO released its report entitled "California's Cash Flow Crisis" stating that the State's cash flow had deteriorated steadily since the end of calendar year 2007 due to, among other things, sharply weakened General Fund revenues and limited access to credit markets.

February 19, 2009. The California Legislature voted to approve a budget package (the **"Budget Package"**) addressing the State's $42 billion deficit, which included $15 billion in State spending reductions, $12.8 billion in temporary tax increases (including an increase in the vehicle license fee and an increase in State sales and income taxes), $11.4 billion in borrowing and a $1 billion reserve. The Budget Package included revisions to the 2008-09 Budget and adoption of the 2009-10 Budget, covering a 17-month period ending July 1, 2010 (the "budget year"), addressing spending reductions, revenue increases, economic stimulus and increasing governmental efficiency. Certain measures contained in the Budget Package were rejected by the voters at a special State-wide election which was held on May 19, 2009, meaning that further revisions to the Budget would be required (see "May 14, 2009 Budget Revision" below). Key provisions of the Budget Package were:

- *Education Spending Reductions*: Significant Proposition 98-related reductions, consisting of approximately $7.4 billion in reductions in Proposition 98 funding in 2008-09 compared to the adopted 2008-09 Budget, comprised of $2.4 billion in program reductions and savings and $5 billion in Proposition 98 funding deferrals and fund swaps. The 2009-10 Budget provided for $400 million in fund swaps and a total Proposition 98 funding of $55.3 billion, which was $400 million less than the total amount proposed in 2008-09.

- *Health and Human Services Reductions*: Approximately $1.6 billion in reductions by eliminating cost-of-living increases, reductions in public assistance benefit payments and delaying projects.

- *State Employee Payroll Reductions*: Approximately $1.4 billion in reductions by implementing furloughs, reducing overtime and eliminating certain paid holidays.

- *Sales Tax Increase*: A 1-cent increase in the State sales tax, generating approximately $5.9 billion (2 years).

- *Vehicle License Fee Increase*: Increasing the fee from 0.65 percent to 1.15 percent (2 years).

- *State Personal Income Tax Increase*: Imposing a 0.25 percent surcharge on personal income tax and reducing the dependent tax credit (2 years).

- *State Lottery*: Provisions modernizing the State Lottery to generate approximately $5 billion in revenues in 2009-10.

- *Reducing State Categorical Funding for Education; Increasing Categorical Flexibility*: Reductions in K-12 categorical programs estimated at approximately 15 percent. However, to mitigate program reductions, the Budget Package provided for categorical funding flexibility over 5 years, allowing the transfer of funds from 40 categorical programs to the general fund, commencing in 2008-09. In addition, categorical ending balances could be used for general purpose activities in the current and budget year with certain exclusions.

February 13, 2009. The U.S. House of Representatives and the Senate approved the American Recovery and Reinvestment Act, committing a total of $787 billion nationwide. A report issued by the LAO entitled "Federal Economic Stimulus Package: Fiscal Effect on California" estimated that the State will receive over $31 billion in aid and billions more in competitive grants, about $8 billion of which would be available in 2008-09 and 2009-10.

February 20, 2009. The Governor signed the Budget Package. The Governor used his line item veto power in an attempt to achieve $1 billion more in savings, including replacing General Fund appropriations for higher education with federal funds, and reforms and cost-saving measures for state prisons.

March 13, 2009 LAO Report. On March 13, 2009, the LAO updated its revenue forecast, projecting that revenues would fall short of the assumptions in the 2009-10 Budget by $8 billion and foreseeing huge operating shortfalls in future years.

May 7, 2009 LAO Report. On May 7, 2009, the LAO reported that, as result of the budget and cash pressures of recent months, the General Fund's "cash cushion"—the monies available to pay State bills at any given time—currently is projected to end fiscal year 2008-09 at a much lower level than normal, meaning that the State would not be able to pay many of its bills on time for much of fiscal year 2009-10. The LAO concluded that the State would have difficulty borrowing anywhere close to the needed amounts from the short-term bond markets based on the State's own credit. The LAO advised the Legislature to reduce the State's short-term borrowing need to an amount under $10 billion for fiscal year 2009-10, which would require pursuit of two options: (i) additional actions to increase revenues or decrease expenditures in order to return the fiscal year 2009-10 budget to balance and (ii) additional actions to delay or defer scheduled payments to schools, local governments, service providers, and others.

May 14, 2009 Budget Revision. Under California law, in May of each year the Governor issues a revised budget with changes he or she can support, based on the debate, analysis and changes in the economic forecasts. On May 14, 2009, the Governor released the May Revision, which included two alternative proposals to revise the State budget to address the State's increasing deficit, based on the success or failure of the statewide ballot measures on the May 19, 2009 special election ballot.

Because the voters of the State rejected the three propositions on the special election ballot intended to help balance the State's budget, the May Revision estimated a budget shortfall of $21 billion in 2009-10, meaning that the legislature and the Governor would need to agree to billions of dollars in additional spending cuts, tax increases or other budgetary solutions to bring the budget back into balance.

May 21, 2009 LAO Report. On May 21, 2009, the LAO commented on the May Revision, stating that the Governor's estimate of a new $21 billion budget problem was reasonable and the May Revision proposals included major spending reductions and serious efforts for long–term state efficiencies and savings. The LAO urged the legislature to act quickly to return the budget to balance and prevent another state cash crunch.

Governor Declares Fiscal Emergency; State Begins Issuing IOU's; Budget Compromise Announced. The Governor announced on July 1 that the budget deficit had grown by $2 billion to $26.3 billion due to the failure of State lawmakers to adopt immediate education cuts and money-shifting plans by the June 30 fiscal year end. He declared a fiscal emergency and ordered a Proposition 58 special session of the Legislature to solve the State's deficit, ordered State employees to take three unpaid furlough days every month and proposed closing the additional $2 billion shortfall largely by cutting school spending even further. To address the State's cash crisis, on July 2 the State began issuing registered warrants, or IOU's, to several classes of creditors, including certain local governments.

2009-10 State Budget Amendments. On July 24, the California legislature approved amendments to the 2009-10 budget involving 30 separate pieces of legislation to close the $26.3 billion shortfall in the State's 2009-10 general fund budget. The Governor signed the budget plan on July 28. Total general fund spending in 2009-10 will be more than $84 billion, down from nearly $91.7 billion in 2008-09 and nearly $103 billion in 2007-08. The budget amendments combine deep spending cuts, borrowing from local governments and accounting maneuvers.

The $15.3 billion in additional spending cuts include:

- $6.1 billion from the K-14 education budget.
- $2.8 billion from the California State University and University of California systems.
- $1.3 billion in savings by furloughing nearly 200,000 state workers three days out of each month.
- Approximately $3. 2 billion from health and human services, including $1.3 billion in cuts to Medicaid.

The approved amendments include borrowing from local governments and various accounting maneuvers to generate additional revenues in the 2009-10:

- $2 billion borrowed from counties' property tax collections under provisions of Proposition 1A approved by the voters in 2004, but the State must repay counties with interest within three years.
- $1.7 billion shift from redevelopment agencies into State funds in exchange for extending the number of years the agencies could collect tax increment.

- $1 billion in revenues to be generated by selling a portion of the State Compensation Insurance Fund's workers compensation insurance portfolio.

- $1.2 billion in savings from a one-time deferment of state worker paychecks for one day, moving them into the next fiscal year.

- $1.7 billion in revenues by requiring taxpayers who make quarterly estimated payments to pay more in the first six months. This will result in lower revenues in the first half of the next fiscal year.

- $600 million in revenues by increasing income tax withholdings from paychecks. This allows the State to grab more tax revenue earlier but will result in lower revenue later due to higher tax refunds or less taxes owed.

The accounting shifts rely on the assumption that an economic recovery will be well underway in the next fiscal year and many economists believe that they will result in a huge budget shortfall next year. Additionally, borrowing revenues from local governments is likely to result in litigation.

The approved budget amendments discarded plans to take $1 billion in gasoline tax revenues from local governments and failed to approve $100 million in revenue from oil leases to be sold in the Santa Barbara Channel. Instead, the legislature intended the $1.1 billion difference was to be made up by tapping out the general fund reserve. The Governor, however, exercised his line-item veto power to make nearly $500 million in additional cuts to social services, state prisons and higher education, and providing for a general fund reserve of $500 million.

K-14 Spending Cuts. Total Proposition 98 funding is reduced by $2.1 billion in 2008-09 and $4.5 billion in 2009-10 compared to the levels appropriated in the February Budget Act. However, Proposition 98 General Fund savings are $5.3 billion in 2009-10 because of the property tax shift of $850 million from redevelopment agencies to schools.

Additional detail with respect to the effect of the budget amendments relating to K-14 education follows:

- A $1.6 billion "recapture" of 2008-09 categorical funding for schools that had been appropriated but not actually sent to districts and county offices. This was seen as the only way to reduce funding for the fiscal year ending 2008-09, thereby lowering the base for 2009-10. To equalize the impact among all districts, the categorical cuts will be restored in 2009-10 and an equal amount of approximately $250 per ADA will be reduced from revenue limits statewide.
- $2.4 billion from 2009-10 general-purpose spending for local educational agencies resulting in cuts of approximately $390 per ADA.
- $1.7 billion of 2009-10 payments that will be deferred from April and May into August of fiscal year 2010-11.

Additional changes include provisions to permit school districts to reduce the number of school days by five days to 175 days through 2012-13 and lowering the reserve requirement for economic uncertainty to one-third of the usual requirement.

Redevelopment Agencies. The approved budget amendments include a take of $2.05 billion in redevelopment funds ($1.7 billion in 2009-10 and $350 million in 2010-11), to be deposited in county "Supplemental" Educational Revenue Augmentation Funds ("SERAF") in

order to meet the State's Proposition 98 obligations to schools. The structure for the redevelopment take is similar to last year's budget trailer bill, AB 1389, which attempted to take $350 million. The Department of Finance will determine each agency's SERAF payment by November 15 of each year, calculated based on half of each agency's net tax increment (net of pass-throughs) and half on gross tax income. Payments are due by May 10 of the applicable year and agencies that do not make their payment by this date will suffer the "death penalty" and must increase their housing set aside to 25% for the remainder of the redevelopment project area's life. The "death penalty" lasts until the required payments have been made and means that an agency could not adopt a new redevelopment plan, amend an existing plan to add territory, issue bonds, further encumber funds or expend any moneys derived from any source except to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on agency administration for the preceding fiscal year.

The California Redevelopment Association ("**CRA**") has begun preparation of a lawsuit to challenge the State's take of redevelopment funds approved in the budget amendments. CRA was successful in overturning the ERAF shift authorized by AB 1389 last year.

Information about State budgets is regularly available at various State-maintained websites. See: www.dof.ca.gov, under the heading "California Budget". Additionally, an impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

The State has not entered into any contractual commitment with the District, the County, the Underwriter or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated by reference in this Official Statement.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the District Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "SECURITY FOR THE DISTRICT BONDS" in the Official Statement.) The provisions of law discussed below are included in this section to describe the potential effect of Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes. It should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the District Bonds. The tax levied by the County for payment of the District Bonds was approved by the District's voters in compliance with all applicable laws.

Article XIIIA of the California Constitution

Proposition 13-Article XIIIA. On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978.

Proposition 46. Under Proposition 46, approved by the voters on December 13, 1986, Article XIIIA was amended to allow bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-third of the voters on such indebtedness.

Proposition 39. Proposition 39, approved by voters on November 7, 2000, further amended Article XIIIA to permit bonded indebtedness to be incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, if approved by 55% of the voters of the district voting at the election, but only if certain accountability measures are included in the proposition.

"Cash Value." Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies (such as the District) are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies in the county. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated

among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Article XIIIB of the California Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District's budgeted appropriations from "proceeds of taxes" for the 2001-02 fiscal year are equal to the allowable limit. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Articles XIIIC and XIIID of the California Constitution

Proposition 218 – Articles XIIIC and XIIID. On November 5, 1996, the voters approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, containing provisions affecting the ability of local agencies, including cities, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies, such as the District, from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two thirds vote. Article XIIIC also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power is not limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a mandatory, statutory duty on the County Treasurer to levy a property tax sufficient to pay debt service on any Bonds coming due in each year. The initiative power cannot be used to reduce or repeal the Authority and obligation to levy such taxes or to otherwise interfere with performance of the mandatory, statutory duty of the District and the County with respect to such taxes which are pledged as security for payment of the District

Bonds. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; no such fees or charges are imposed by the District and pledged or expected to be used to pay the District Bonds.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("**SBE**") as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formula generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, non-utility companies may affect how those assets are assessed and which local agencies are to receive the property taxes. The California energy markets have also experienced recent and severe disruption, which has and will affect State finances. The District is unable to predict the impact of these changes and events on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring or the market disruption, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula.

Propositions 98 and 111

Proposition 98. On November 8, 1988, the voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changes State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9 %, or (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of General Fund revenues to be allocated to K-14 districts than the 40.9% percentage, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to schools is four percent of the minimum State spending for education mandated by the Accountability Act, as described above.

Proposition 111. On June 5, 1990, California voters approved Proposition 111 which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of four percent of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if SCA 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of General Fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of General Fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita General Fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita General Fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when General Fund revenue growth exceeds personal income growth.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding, see "DISTRICT FINANCIAL INFORMATION."

Future Initiatives

From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

THE CITY OF PALM SPRINGS AND RIVERSIDE COUNTY

General

The District is located in Riverside County, California. Set forth below is certain demographic information in Riverside County that could affect the economic environment within which the District operates.

Riverside County

Riverside County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 24 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

Riverside County Population

The largest cities in Riverside County are the cities of Riverside, Moreno Valley, Corona, Palm Springs, Indio, Palm Springs, Murrieta, Temecula and Cathedral City. The areas of most rapid population growth continue to be those more populated and industrialized cities in the western and central regions of Riverside County and the southwestern unincorporated region of Riverside County between Sun City and Temecula. Growth in Palm Springs has been 9.3% over the past five-year period.

The following table sets forth annual population figures, as of January 1, for the City of Palm Springs, Riverside County and the State, for each of the years listed:

COUNTY OF RIVERSIDE
Population Estimates

Year (January 1)	City of Palm Springs	Riverside County	State of California
2005	45,824	1,882,812	36,675,346
2006	46,621	1,962,801	37,114,598
2007	46,893	2,034,840	37,559,440
2008	47,019	2,078,601	37,883,992
2009	47,601	2,107,653	38,292,687

Source: State of California Department of Finance, Demographic Research Unit.

Employment

The District is included in the Riverside-San Bernardino-Ontario labor market area. The unemployment rate in the Riverside-San Bernardino-Ontario MSA was 14.5 percent in August 2009, unchanged from a revised 14.5 percent in July 2009, and above the year-ago estimate of 9.3 percent. This compares with an unadjusted unemployment rate of 12.1 percent for California and 9.6 percent for the nation during the same period. The unemployment rate was 15.0 percent in Riverside County, and 13.9 percent in San Bernardino County.

The following table shows the average annual estimated numbers of wage and salary workers by industry. The table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

RIVERSIDE-SAN BERNARDINO-ONTARIO METROPOLITAN STATISTICAL AREA
(RIVERSIDE COUNTY)
Civilian Labor Force, Employment and Unemployment
(Annual Averages)

	2004	2005	2006	2007	2008
Civilian Labor Force [1]	1,653,300	1,713,500	1,758,800	1,782,700	1,795,200
Employment	1,555,900	1,622,300	1,672,100	1,678,900	1,646,300
Unemployment	97,400	91,200	86,700	103,800	148,900
Unemployment Rate	5.9%	5.3%	4.9%	5.8%	8.3%
Wage and Salary Employment: [2]					
Agriculture	18,700	18,300	17,300	16,400	16,200
Natural Resources and Mining	1,200	1,400	1,400	1,300	1,200
Construction	111,800	123,300	127,500	112,500	90,500
Manufacturing	120,100	121,000	123,400	118,500	107,000
Wholesale Trade	45,600	49,900	54,200	56,800	55,100
Retail Trade	153,800	165,700	173,200	175,600	168,000
Transportation, Warehousing and Utilities	55,500	60,200	63,800	69,500	70,200
Information	14,000	14,500	15,300	15,400	14,800
Finance and Insurance	28,000	30,100	31,700	30,700	27,800
Real Estate and Rental and Leasing	17,700	18,900	19,900	19,500	18,500
Professional and Business Services	125,500	133,200	142,300	145,000	136,700
Educational and Health Services	118,400	119,900	122,100	127,000	131,700
Leisure and Hospitality	116,700	122,600	128,100	132,600	130,100
Other Services	39,300	40,800	42,500	41,200	40,900
Federal Government	17,300	18,700	19,300	19,400	19,600
State Government	26,500	27,000	27,400	28,700	29,400
Local Government	168,700	174,800	175,700	177,200	181,000
Total All Industries	1,178,700	1,240,300	1,285,000	1,287,300	1,238,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
Source: State of California Employment Development Department.

Largest Employers in Riverside County

The following table lists the largest employers within the County:

COUNTY OF RIVERSIDE
Major Employers
(As of January 1, 2009)

Employer Name	Location	Industry
Corrections Dept	Norco	State Govt-Correctional Institutions
Crossroads Truck Dismantling	Mira Loma	Automobile Wrecking (Whls)
Desert Sands Unified School District	La Quinta	Schools
Eisenhower Medical Ctr	Rancho Mirage	Hospitals
Eisenhower Medical Ctr	Rancho Mirage	Laboratories-Medical
Fantasy Springs Resort Casino	Indio	Bowling Centers
Handsome Rewards	Perris	Internet & Catalog Shopping
Palm Springs Valley Medical Ctr	Palm Springs	Hospitals
Hub International Of CA Ins	Riverside	Insurance
J W Marriott-Desert Spgs Resrt	Palm Desert	Hotels & Motels
Kaiser Permanente	Riverside	Physicians & Surgeons
La Quinta Resort & Club	La Quinta	Resorts
Morongo Casino Resort & Spa	Cabazon	Casinos
Mountain & Dunes Golf Courses	La Quinta	Golf Courses-Private
Pechanga Development Corp	Temecula	Casinos
Riverside City Council	Riverside	Government Offices-City, Village & Twp
Riverside Community Hospital	Riverside	Hospitals
Riverside County Regional Med	Moreno Valley	Hospitals
Riverside Forklift Training	Riverside	Trucks-Industrial (Whls)
Robertson's Ready-Mix	Corona	Concrete-Ready Mixed
Starcrest Of California	Perris	Internet & Catalog Shopping
Starcrest Products-California	Perris	Gift Shops
Sun World Intl LLC	Coachella	Fruits & Vegetables-Growers & Shippers
University Of Cal-Riverside	Riverside	Schools-Universities & Colleges Academic
Watson Pharmaceuticals Inc	Corona	Marketing Programs & Services

Source: California Employment Development Dept., America's Labor Market Information System (ALMIS) Employer Database, 2009 2nd Edition

Riverside County Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

COUNTY OF RIVERSIDE
Effective Buying Income
For Calendar Years 2004 through 2008

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2004	City of Palm Springs	n/a	n/a
	Riverside County	$ 29,468,208	$40,275
	California	705,108,410	43,915
	United States	5,692,909,567	39,324
2005	City of Palm Springs	$ 1,075,005	$34,019
	Riverside County	32,004,438	41,326
	California	720,798,106	44,681
	United States	5,894,663,364	40,529
2006	City of Palm Springs	$ 1,172,955	$35,695
	Riverside County	35,656,620	43,490
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	City of Palm Springs	$ 1,232,928	$36,988
	Riverside County	38,631,365	45,310
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	City of Palm Springs	$ 1,284,293	$37,933
	Riverside County	40,935,408	46,958
	California	832,531,445	48,952
	United States	6,443,994,426	42,303

Source: Sales & Marketing Management Survey of Buying Power.

Construction Trends

Provided below are the building permits and valuations for the City and the County, for calendar years 2004 through 2009. Annual figures are not yet available for 2009.

COUNTY OF RIVERSIDE
Total Building Permit Valuations
(valuations in thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$5,997,513.2	$6,243,791.7	$4,412,255.1	$2,207,519.5	$1,214,753.0
New Multi-family	404,615.9	407,432.1	431,580.9	238,315.9	243,741.9
Res. Alterations/Additions	135,176.6	164,312.5	158,099.4	141,997.0	118,488.7
Total Residential	6,537,305.6	6,815,536.3	5,001,935.4	2,587,832.4	1,576,983.5
New Commercial	580,057.8	552,666.9	648,065.7	682,331.0	539,943.4
New Industrial	203,311.9	120,367.6	288,352.6	184,505.6	70,410.8
New Other	334,001.0	344,703.2	290,006.3	240,767.0	138,765.2
Com. Alterations/Additions	222,495.5	274,337.7	303,408.9	350,539.1	292,693.8
Total Nonresidential	1,339,866.1	1,292,075.4	1,529,833.4	1,458,142.7	1,041,813.1
New Dwelling Units					
Single Family	29,478	29,994	20,692	9,763	3,815
Multiple Family	4,748	4,140	4,519	2,690	2,104
TOTAL	34,226	34,134	25,211	12,453	5,919

Source: Construction Industry Research Board, *Building Permit Summary.*

CITY OF PALM SPRINGS
Total Building Permit Valuations
(valuations in thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$126,616.0	$116,997.8	$88,676.3	$54,654.7	$18,751.5
New Multi-family	12,851.1	32,053.9	7,968.4	1,158.0	308.0
Res. Alterations/Additions	16,261.0	20,121.3	13,535.8	12,762.0	12,785.5
Total Residential	155,728.1	169,173.0	110,180.5	68,574.7	31,844.9
New Commercial	10,539.3	39,000.8	20,498.2	43,111.2	25,618.6
New Industrial	2,052.4	0.0	0.0	0.0	0.0
New Other	12,927.3	13,221.0	10,487.2	7,572.6	6,768.5
Com. Alterations/Additions	27,390.7	15,141.7	9,819.2	22,436.8	26,024.7
Total Nonresidential	52,909.7	67,371.6	40,804.7	73,120.6	58,411.7
New Dwelling Units					
Single Family	536	458	347	218	60
Multiple Family	109	312	78	11	4
TOTAL	645	770	425	229	64

Source: Construction Industry Research Board, *Building Permit Summary.*

Riverside County Commercial Activity

Commercial activity is an important factor in Riverside County's economy. Much of Riverside County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are eight regional shopping malls in Riverside County: Riverside Plaza, Galleria at Tyler (Riverside), Palm Springs Mall, Desert Fashion Mall, Indio Fashion Mall, Palm Springs Valley Mall, Palm Desert Town Center and Moreno Valley Mall at Towngate. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in Riverside County.

Total taxable sales during the first two quarters of calendar year 2008 in the City were reported to be $452,469,000, a 2.3% decrease over the total taxable sales of $463,302,000 reported in the City during the first two quarters of calendar year 2007. The valuations of taxable transactions in the City are presented in the following table. Annual figures are not yet available for 2008.

CITY OF PALM SPRINGS
Taxable Transactions
(figures in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	1,123	$531,038	2,232	$675,487
2004	1,173	592,896	2,237	747,391
2005	1,192	652,807	2,202	822,735
2006	1,122	695,764	2,055	876,619
2007	1,078	671,753	2,072	852,473

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first two quarters of calendar year 2008 in the County were reported to be $13,495,271,000, a 8.8% decrease over the total taxable sales of $14,789,713,000 reported during the first two quarters of calendar year 2007. The valuations of taxable transactions in the County are presented in the following table. Annual figures are not yet available for 2008.

COUNTY OF RIVERSIDE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	18,300	$16,030,952	40,833	$21,709,135
2004	20,642	18,715,949	42,826	25,237,148
2005	22,691	20,839,212	44,222	28,256,491
2006	23,322	21,842,345	43,672	29,816,237
2007	22,918	21,242,516	45,279	29,023,609

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Riverside County Agriculture

Agriculture remains a leading source of income in Riverside County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, dates, lemons and avocados. Four areas in Riverside County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of Riverside County, the Coachella Valley in the central portion and the Palo Verde Valley near Riverside County's eastern border.

Riverside County Transportation

Easy access to job opportunities in Riverside County and nearby Los Angeles, Orange and San Diego Counties is important to Riverside County's employment picture. Several major freeways and highways provide access between Riverside County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of Riverside County, the western-most portion of which links up with major cities and freeways in the eastern part of Los Angeles County and the southern part of San Bernardino County. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. The Moreno Valley Freeway (U.S. 60) provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, Metrolink provides commuter rail service to Los Angeles and Orange Counties from several stations in Riverside County. Transcontinental passenger rail service is provided by Amtrak with a stop in Indio. Freight service to major west coast and national markets is provided by two transcontinental railroads – Burlington Northern/Santa Fe and Union Pacific. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The City of Banning also operates a local bus system.

Riverside County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Palm Springs, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Force Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of Riverside County and the Cities of Riverside, Moreno Valley and Perris.

APPENDIX B

EXCERPTS FROM AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2008

APPENDIX C

SUMMARY OF INDENTURE OF TRUST

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2008 Election, Series A
(Qualified School Construction Bonds)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Palm Springs Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Palm Springs Unified School District School District (County of Riverside, California) General Obligation Bonds 2008 Election, Series A (Qualified School Construction Bonds) (the "Bonds"). The Bonds are being issued pursuant to Resolutions adopted by the Board of Education of the District on September 22, 2009 and October 13, 2009 and a Resolution adopted by the Board of Supervisors of Riverside County on November 3, 2009 (together, the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2010 with the report for the 2008-09 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the

preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year and for the current budget year;

(vi) property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in the County of Riverside's Teeter Plan; and

(vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

(viii) Amount of Bond proceeds, if any, remaining on deposit in the Building Fund.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders.

(8) Contingent or unscheduled bond calls.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the

requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful

misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Palm Springs Unified School District

Name of Bond Issue: $_____ aggregate principal amount of Palm Springs Unified School District (County of Riverside, California) General Obligation Bonds, 2008 Election, Series A (Qualified School Construction Bonds)

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has not provided an Annual Report with respect to the above-named Bonds as required by the District's Bond Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By_____
Superintendent

APPENDIX F

BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the Authority, the District, nor the Trustee take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Bonds"). The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one Bond will be issued with respect to each $500 million of principal amount and an additional Bond will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation

(NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from The District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or The District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, security Bonds are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security Bonds will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

7.26A

FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Resolution No. 2009-317 - Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series B (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2009-317, Authorizing the Issuance and Sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series B in a Maximum Aggregate Principal Amount not to Exceed $110,000,000 and approving related matters

BACKGROUND: Education Code Section 15140 requires that general obligation bonds of a school district be offered for sale by the Riverside County Board of Supervisors, when the Riverside County Superintendent of Schools has jurisdiction over that district, and when the district wishes to offer its bonds via a competitive sale under the provisions of the Education Code. Although California law permits a schoo district to sale bonds on its own behalf utilizing the provisions for competitive bond sales under the Government Code, school districts often opt to utilize the provisions of the Education Code when some perceived benefit will result.

Don Kent

Don Kent, Treasurer - Tax Collector

FINANCIAL DATA	**Current F.Y. Total Cost:**	$	**In Current Year Budget:**	
	Current F.Y. Net County Cost:	$	**Budget Adjustment:**	
	Annual Net County Cost:	$	**For Fiscal Year:**	

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Christopher M. Hans

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: [signature] DATE 10/21/09
PAMELA A. GARDNER
Departmental Concurrence

☒ Policy ☐ Consent — Dep't Recomm.:
☑ Policy ☐ Consent — Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 4 | **Agenda Number:** 3.53

Form 11 (Rev 06/2003)

The Riverside County Superintendent of Schools has jurisdiction over the Palm Springs Unified School District (the "District") which is planning to issue and sell bonds via a competitive sale utilizing the provisions of the Education Code. Therefore the Education Code provides that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a competitive sale, on behalf of the District. To that end, the District's Board of Education adopted its resolution 2009/2010-23 requesting this Board to sell the District's general obligation bonds Series B in an aggregate principal amount not to exceed $110,000,000.

An election was held on February 5, 2008, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Sections 15266, 15100 *et seq.* and 15140 *et seq.* of the Education Code which codify, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed $516,000,000 was approved by more than 55% of the qualified voters voting on the measure.

On November 3, 2008, the Board is scheduled to consider the adoption of Resolution No. 316 which would authorize the first series of bonds to be issued under the $516,000,000 authorization. Resolution No. 316 would authorize the issuance and sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds Series A in an aggregate principal amount not to exceed $25,000,000.

Resolution No. 2009-317 authorizes the issuance and sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds Series B in an aggregate principal amount not to exceed $110,000,000; prescribes the terms of the bonds and conditions of their sale; and authorizes the execution of other necessary documents related to the transaction.

The proceeds of the Series B Bonds are to be expended for identified school facilities and improvements. Expenditures are subject to the review of a citizens' oversight committee appointed by the District's Board of Education.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these bonds.

The Office of County Counsel has reviewed Resolution No. 2009-317 and has approved it as to form.

RESOLUTION NO. 2009-317

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED TEN MILLION DOLLARS ($110,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORMS OF OFFERING AND BIDDING DOCUMENTS; AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

APPROVED COUNTY COUNSEL
BY DALE A. GARDNER DATE 10/21/09

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EXHIBITS:

EXHIBIT "A"	FORM OF OFFICIAL NOTICE OF SALE	A 1
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EXHIBIT "C"	FORM OF NOTICE OF INTENTION TO SELL BONDS	C 1
EXHIBIT "D"	FORM OF SERIES B BOND	D 1

RESOLUTION NO. 2009-317

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED TEN MILLION DOLLARS ($110,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORMS OF OFFERING AND BIDDING DOCUMENTS AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

WHEREAS, the Palm Springs Unified School District ("District") is a public unified school district duly organized and operating pursuant to the Constitution and the laws of the State of California; and

WHEREAS, an election was duly called and regularly held in the District, County of Riverside ("County"), State of California ("State"), on February 5, 2008 ("Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at such Election there was submitted to, and approved by the requisite fifty-five percent (55%) favorable vote of the qualified electors of the District, as certified by the Riverside County Register of Voters in the official canvassing of the voters, a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot measure submitted to the voters, in the maximum principal amount of $516,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District ("Authorization"); and

FORM APPROVED COUNTY COUNSEL
BY DALE A. GARDNER DATE 10/21/09

WHEREAS, the Board of Education of the District ("District Board") has previously adopted resolutions directing the issuance and sale of the Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, in a par amount not to exceed $25,000,000, leaving not less than $491,000,000 of bonds of the Authorization authorized and unissued; and

WHEREAS, pursuant to the California Constitution, the Authorization, and the Education Code, the District Board has adopted its Resolution No. 2009/2010-23 on October 13, 2009 ("District Resolution"), a certified copy of which has been filed with this County Board of Supervisors ("County Board") requesting the County Board to issue, in the name of and on behalf of the District, a series of such authorized bonds to be designated "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B" in an aggregate principal amount not to exceed $110,000,000 ("Bonds" or "Series B Bonds"); and

WHEREAS, the Series B Bonds are hereby authorized to be issued by the County, on behalf of the District, pursuant to the California Constitution, the Authorization, Sections 15100 et seq. and 15140 et seq. of the Education Code of the State of California and other applicable law; and

WHEREAS, in the District Resolution, the District Board found and informed this County Board that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing and sale of the Series B Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and met, in regular and due form as required by law; and

WHEREAS, the District Board has further requested this County Board to sell the Series B Bonds through a competitive bid sale process, subject to the limitations set forth in the District Resolution; and

WHEREAS, this County Board desires to make certain determinations and to authorize the issuance of the Series B Bonds upon the terms and conditions set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FOLLOWS:

SECTION 1. **Recitals; Incorporation of District Resolution.** The foregoing recitals are true and correct and are incorporated herein by this reference. The District Resolution adopted on October 13, 2009, together with the exhibits thereto, and findings and determinations contained therein, is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the Series B Bonds, except as otherwise specified herein.

SECTION 2. **Purpose of the Series B Bonds.** Bonds of the District shall be issued in the name and on behalf of the District in the aggregate principal or issue amount of not to exceed $110,000,000 for the purposes of: (a) raising money for acquiring and constructing the projects set forth in the bond measure submitted to, and approved by, the voters at the Election, as further described above; (b) funding interest on the Series B Bonds for a specified period of time as authorized by California law; and (c) to pay all necessary legal, financial, printing, insurance and other contingent costs in connection with the issuance and delivery of the Series B Bonds, as further set forth herein and subject to the applicable provisions of the California Constitution and State law including, but not limited to, the Education Code.

SECTION 3. **Statutory Authorization.** The Series B Bonds are authorized to be issued and sold by the County in the name of the District pursuant to the Election, the Authorization, the District Resolution, the California Constitution, this Resolution, Education Code Sections 15266, 15100 *et seq.* and 15140 *et seq.* and other applicable State law.

SECTION 4. **Certain Definitions.** Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

(a) **"Authorized Denominations"** means, with respect to the Series B Bonds, $5,000 Principal Amount and integral multiples thereof.

(b) **"Authorized Investments"** means the Riverside County Investment Pool (or other investment pools of the County into which the District may lawfully invest its funds), the Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and 53601 of the Government Code, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, or in guaranteed investment contracts in direct general obligations of the United States of America (including State and Local Government Securities) (provided that such contracts comply with the requirements of Section 148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be applicable).

(c) **"Authorized Newspaper"** means a newspaper selected by the District which is customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, published in the English language, of general circulation in the County of Riverside and which has been adjudicated or designated as a "newspaper of general circulation" pursuant to California law.

(d) **"Bond Counsel"** means (a) the firm of Bowie, Arneson, Wiles & Giannone, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

(e) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring of the payment of Principal of, and interest on, all or a portion of the Series B Bonds.

(f) **"Bond Payment Date"** or **"Interest Payment Date"** means, unless otherwise provided in Official Notice of Sale, bid form and award of bid, February 1 and August 1, with respect to interest payments on the Series B Bonds, commencing August 1, 2010, and August 1 of each year, commencing on such August 1 as shall be designated in the bidding documents as confirmed by the award of bid with respect to the principal payments of the Series B Bonds.

(g) **"Bond Register"** or **"Registration Books"** means the listing of names and addresses of the current registered owners of the Series B Bonds, as maintained by the Paying Agent in accordance with Section 15 hereof.

(h) **"Bonds"** or **"Series B Bonds"** means the Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B.

(i) **"Building Fund"** shall have the meaning set forth in Section 22 hereof.

(j) **"Business Day"** means a day which is not a Saturday or Sunday or a day on which banking institution are authorized or required by law or executive order to be closed in California and New York for commercial banking purposes and on which the Federal Reserve system is not closed.

(k) **"Code"** means the Internal Revenue Code of 1986, as amended, and any successor provisions thereto, and may also include the applicable regulations of the Department of Treasury thereunder, and any successor provisions thereto.

(l) **"County"** means the County of Riverside, a political subdivision of the State of California organized and existing under the Constitution and laws of the State of California, and any successor thereto.

(m) **"County Treasurer"** means the County Treasurer-Tax Collector of the County, or any authorized deputy.

(n) **"Date of Issuance"** means the delivery date of the Series B Bonds, or such other dates for the Series B Bonds as shall be designated by the bidding documents as confirmed by the award of bid.

(o) **"Debt Service Fund"** shall have the meaning set forth in Section 22 hereof.

(p) **"Designated Officer(s)"** means the District's Superintendent, Assistant Superintendent Business Services, or other persons designated in writing by the District's Superintendent as a Designated Officer of the District.

(q) **"District"** or **"School District"** means the Palm Springs Unified School District, a public school district organized and operating under the Constitution and the laws of the State of California, and any lawful successor thereto.

(r) **"District Board"** means the Board of Education of the District.

(s) **"DTC"** or **"Depository"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

(t) **"Informational Services"** means Financial Information, Inc.'s "Daily Called Bond Service," 1 Craigwood Road, 2nd Floor, Jersey City, New Jersey 07080, Attention: Editor; Standard & Poor's Ratings Group "Called Bond Data," 55 Water Street, 45th Floor, New York, New York, 10041; FIS/Mergent, 5250 77 Center Drive, Suite 150, Charlotte, North Carolina, 28217, Attention: Called Bond Department, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Paying Agent.

(u) **"Letter of Representations"** or **"Representation Letter"** shall have the meaning set forth in Section 16 hereof.

(v) **"Moody's"** means Moody's Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(w) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 16 hereof.

(x) **"Office of the Paying Agent"** means the principal corporate trust office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the District by the Paying Agent in writing.

(y) **"Official Notice of Sale"** means the Official Notice of Sale for the Series B Bonds, the form of which is attached hereto as Exhibit "A", in its final form as approved by the Designated Officer of the District.

(z) **"Official Statement"** shall have the meaning set forth in Section 25 hereof.

(aa) **"Outstanding"** means all Series B Bonds theretofore issued by the District, except:

(1) Series B Bonds theretofore canceled by the District or surrendered to the District for cancellation;

(2) Series B Bonds for the transfer or exchange of or in lieu of or in substitution for which other Series B Bonds shall have been authenticated and delivered pursuant to the terms hereof; and

(3) Series B Bonds paid and discharged pursuant to Section 20 or 21 hereof.

(bb) **"Owner"** or **"Bond Owner"** means, with respect to a Series B Bond, the Person in whose name such Series B Bond is registered on the Registration Books.

(cc) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry certificates as securities depository.

(dd) **"Paying Agent"** means U.S. Bank National Association, or such other party as selected by the Designated Officer of the District, or any successor thereto, acting as the authenticating agent, bond registrar, transfer agent and paying agent.

(ee) **"Person"** means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

(ff) **"Principal"** or **"Principal Amount"** means, with respect to any Series B Bond, the stated principal amount thereof.

(gg) **"Rebate Fund"** shall have the meaning set forth in Section 22 hereof.

(hh) **"Record Date"** means, with respect to a Series B Bond, the 15th calendar day of the month preceding each Bond Payment Date, whether or not such day is a Business Day.

(ii) **"Redemption Notice"** shall have the meaning set forth in Section 11 hereof.

(jj) **"Representation Letter"** means the Letter of Representations from the District to DTC, or any successor securities depository for Book-Entry Notes, in which the District makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

(kk) **"Resolution"** or **"Bond Resolution"** means this Resolution, including the Exhibits hereto, as adopted by the County Board of Supervisors and as such may be amended pursuant to Section 32.

(ll) **"Securities Depositories"** means the following: The Depository Trust Company, with Cede & Co. as its nominee, 55 Water Street, 25th Floor, New York, New York, 10041-0099, Attn: Call Notification Department, Fax (212) 855-5004, and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

(mm) **"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the law of the State of

New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(nn) **"State"** means the State of California.

(oo) **"Tax Certificate"** means the Tax Certificate executed by the District at the time of issuance of the Series B Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time.

(pp) **"Term Bonds"** means those Series B Bonds for which mandatory sinking fund redemption dates have been established in the bidding documents as confirmed by the award of bid.

(qq) **"Transfer Amount"** means, with respect to any Outstanding Series B Bond, the aggregate Principal Amount thereof.

(rr) **"Treasurer"** means the Treasurer-Tax Collector of the County of Riverside, California, or any authorized deputy thereof.

(ss) **"Underwriter"** means the initial purchaser of the Series B Bonds as identified in the award of the bid.

(tt) **"Written Request"** of the District means a written certificate or written requested signed in the name of the District by a Designated Officer. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single

instrument.

Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

Headings of sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Sections" and other subdivisions are to the corresponding Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby", "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof.

SECTION 5. **Official Notice of Sale.** That the Series B Bonds are hereby ordered to be sold by competitive bid in accordance with the terms and conditions set forth in the District Resolution, herein and in the Official Notice of Sale, the form of which is attached hereto as Exhibit "A" and incorporated herein by this reference. The Official Notice of Sale, substantially in the form attached hereto as Exhibit "A" is hereby approved, and the distribution of the Official Notice of Sale is hereby authorized and approved with such changes, insertions and deletions as may be approved by the Designated Officer (as defined below) and District Bond Counsel (Bowie, Arneson, Wiles & Giannone), which approval shall be conclusively evidenced by execution and delivery thereof.

SECTION 6. **Notice and Bid Form.** The Bid Form and Notice of Intention to Sell Bonds, forms of which are attached hereto as Exhibits "B" and "C" respectively, and incorporated herein by this reference, are hereby approved as to form. The Designated Officer,

in consultation with the Treasurer, may make such changes, insertions and deletions from such form as shall be necessary or desirable for the sale of the Series B Bonds, which shall be conclusively evidenced by the execution and delivery thereof.

SECTION 7. **Publication of Notice of Intention to Sell Bonds.** The publication by the District of the Notice of Intention, in the final form thereof, in *The Bond Buyer* one time at least five (5) days prior to the date set to receive bids is hereby approved and ratified.

SECTION 8. **Sale of Bonds.** The Series B Bonds are hereby ordered to be sold by competitive bid. The Designated Officer, on behalf of the Treasurer and the County Board, is hereby delegated the authority to accept the best responsible bid for the purchase of the Series B Bonds, determined in accordance with the final Official Notice of Sale. The Designated Officer is hereby authorized and directed to accept such bid(s), for and in the name of the District and the County, by notice to the successful respective bidder(s). The Designated Officer is further authorized to direct the inclusion of term bonds as part of the final structure of the bond issue, if term bonds have been included in the bid of the successful bidder in accordance with the final Official Notice of Sale. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Designated Officer, on behalf of the District and the County, may exercise his or her own discretion and judgment in making the aware and may award the Series B Bonds on a pro rata basis in such denominations as the Designated Officer shall determine. The Designated Officer, on behalf of the District and the County, shall award the Series B Bonds or reject all bids not later than twenty-six (26) hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

SECTION 9. **General Authorization.** The District's Financial Advisor (Dale Scott & Co.) and or District Bond Counsel are hereby authorized and directed to open the bids at the time and place specified in the final Official Notice of Sale, and to report the results thereof to

the Designated Officer and the Treasurer. The District's Financial Advisor and/or District's Bond Counsel (as identified in the District Resolution) are hereby authorized and directed to receive and record the receipt of all bids made pursuant to such final Official Notice of Sale, to cause the submitted bids to be examined for compliance with such final Official Notice of Sale, to cause computations to be made as to which bidder has bid the lowest true interest cost, as provided in such final Official Notice of Sale, along with a report as to the foregoing and any other matters deemed pertinent to the award of the Series B Bonds and the proceedings for the issuance thereof.

SECTION 10. **Terms of Bonds.** The Series B Bonds shall be issued in one series designated **"Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B."**

The Series B Bonds shall be issued as fully registered bonds, without coupons, in the denominations of, Five Thousand Dollar ($5,000) Principal Amount, or any integral multiple thereof.

The Series B Bonds shall be dated the Date of Issuance, and shall bear interest form the date of the Series B Bonds to maturity of each of the Series B Bonds at a rate or rates such that the interest rate shall not exceed twelve percent (12%) per annum unless otherwise specified in the final form of the Official Notice of Sale. Interest on the Series B Bonds shall be payable on February 1 and August 1 of each year (the "Interest Payment Dates"), commencing August 1, 2010, until the Principal Amount has been paid or provided for. Each Series B Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof using a year of 360 days, comprised of twelve 30-day months, unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest form such Interest Payment Date, or unless it is authenticated on or before July 15, 2010, in which event it shall bear interest

form such date as shall be specified in the final form of the Official Notice of Sale.

The Series B Bonds will be sold as provided in Sections 8, 9 and 10 hereof. Notwithstanding anything herein to the contrary, the terms of the Series B Bonds, as set forth in this Resolution, may be modified prior to delivery in accordance with the provisions of the bid documents, as finally approved and executed. The Series B Bond maturities may be adjusted by the Designated Officer(s), in consultation with the Financial Advisor and Bond Counsel, as appropriate to provide funds to finance school facilities as set forth in the Authorization and pay for the costs of issuance of the Series B Bonds, provided that the total par amount of the Series B Bonds shall not exceed $110,000,000. In the event of a conflict or inconsistency between this Resolution and the within-referenced bid documents relating to the terms of the Series B Bonds, the provisions of the within-referenced bid documents shall be controlling.

SECTION 11. Redemption Provisions.

(a) Optional Redemption. Unless otherwise specified in the final form of the Official Notice of Sale, the Series B Bonds maturing on or before August 1, 2019, are not subject to redemption prior to maturity. The Series B Bonds maturing on August 1, 2020, or any time thereafter, are subject to redemption prior to their respective stated maturity dates at the option of the District, in whole or in part on any date, on or after August 1, 2019, and may be redeemed prior to the maturity thereof by payment of all principal, plus accrued interest to date of redemption, plus the payment of a premium (expressed as a percentage of the principal amount), payable from any source lawfully available therefor, as follows:

Redemption Date	Redemption Price
August 1, 2019 and thereafter	100.0%

(b) Mandatory Sinking Fund Redemption Term Bonds. If, pursuant to Section 8

hereof, Term Bonds have been included in the successful bid, the provisions of this Section shall become applicable, and the Term Bonds shall be redeemed on the Term Bond redemption date(s) so specified from monies which shall be deposited into the Debt Service Fund on August 1 of the years and in the amounts as so designated.

If applicable, the Terms Bonds to be so redeemed shall be determined by lot and shall be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(c) Selection of Bonds for Redemption. Whenever less than all of the outstanding Series B Bonds are to be redeemed, the Paying Agent, upon written direction from the District shall select the Series B Bonds to be redeemed as so directed by the District, and if not so directed in inverse order of maturity, and within a maturity, the Paying Agent shall select Series B Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof, and the portion of any Capital Appreciation Bonds to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value of such Capital Appreciation Bond. The Paying Agent shall promptly notify the District of the Bonds so selected for redemption on such date.

(d) Form of Notice of Redemption. The Paying Agent shall give notice of each designated redemption ("Redemption Notice") of the Series B Bonds at the expense of the School District. Such Redemption Notice shall specify: (a) that the Series B Bonds or a designated portion thereof are to be redeemed; (b) if less than all of the then outstanding Bonds are to be called for redemption, shall designate the numbers (or state that all Series B Bonds between two stated numbers both inclusive have been called for redemption) and CUSIP® numbers, if any, of the Series B Bonds to be redeemed; (c) the date of notice and the date of redemption; (d) the place or places where the redemption will be made; and (e) descriptive

information regarding the Series B Bonds and the specific Series B Bonds to be redeemed, including the dated date, interest rate and stated maturity date of each. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series B Bond to be redeemed, the portion of the principal amount of such Series B Bond to be redeemed, together with interest accrued or accreted, as applicable, to the date of redemption, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue or accrete, as applicable.

(e) Provision of Notice of Redemption. Any Redemption Notice shall be mailed, first class postage, to the registered owners of the Series B Bonds, to a Securities Depository and to a national Information Service, and by first class mail, postage prepaid, to the School District and County and the respective Owners of any registered Series B Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least thirty (30) days, but not more than forty-five (45) days, prior to the designated redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series B Bonds nor entitle the Owner thereof to interest beyond the date given for redemption. A certificate provided by the Paying Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and it shall not be open to a Bond Owner to show that he or she failed to receive notice of such redemption. In case of the redemption as permitted herein of all the Outstanding Bonds of any one maturity, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Series B Bonds of such maturity.

Neither failure to receive or failure to send, to the Securities Depositories or Informational Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the

sufficiency of the proceedings for the redemption of such Series B Bonds or the cessation of accrual or accretion of interest, as applicable, represented thereby from and after the redemption date.

(f) Contingent Redemption; Rescission of Redemption. Any Redemption Notice may specify that redemption of the Series B Bonds designated for redemption on the specified date will be subject to the receipt by the District of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and neither the District or the County will have any liability to the Owners of any Series B Bonds, or any other party, as a result of the District's failure to redeem the Series B Bonds designated for redemption as a result of insufficient monies therefor.

Additionally, the District may rescind any optional redemption of the Series B Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Series B Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series B Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. Neither the District nor the County will have any liability to the Owners of any Series B Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Series B Bonds pursuant to the provisions of this subsection.

(g) Payment of Redeemed Series B Bonds. When a Redemption Notice has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Series B Bonds called for redemption (Principal and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Series B Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon

presentation and surrender of said Series B Bonds at the place specified in the Redemption Notice, said Series B Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Series B Bonds shall bear or include the CUSIP® number identifying, by issue and maturity, the Series B Bonds being redeemed with the proceeds of such check or other transfer.

If on such redemption date, money for the redemption of all the Series B Bonds to be redeemed as provided in this Section, together with interest to such redemption date, shall be available therefor, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series B Bonds to be redeemed shall cease to accrue. All money held for the redemption of Series B Bonds shall be held in trust for the account of the registered Owners of the Series B Bonds so to be redeemed. All unpaid interest payable at or prior to the designated redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(h) Partial Redemption of Series B Bonds. Upon the surrender of any Series B Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Series B Bond or Series B Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series B Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(i) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the Debt Service Fund, the Series B Bonds to be redeemed shall become due

and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series B Bonds to be redeemed as provided in this Section 11, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series B Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Series B Bonds shall be held in trust for the account of the Owners of the Series B Bonds so to be redeemed.

All Series B Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 11 shall be canceled upon surrender thereof. All or any portion of a Series B Bond purchased by the County or the District shall be canceled and destroyed by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District.

(j) Purchase in lieu of Redemption. In lieu of, or partially in lieu of, any mandatory sinking fund redemption of Series B Bonds pursuant to the terms hereof, monies in the Debt Service Fund may be used to purchase the Outstanding Series B Bonds that were to be redeemed with such funds in the manner hereinafter provided. Purchases of Outstanding Series B Bonds may be made by the District or the Treasurer through the Paying Agent prior to the selection of Series B Bonds for redemption at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest. Any accrued interest payable upon the purchase of Series B Bonds may be paid from the Debt Service Fund for payment of interest on the next following Interest Payment Date. Any Series B Bond purchased in lieu of redemption shall be transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender

thereof, as provided for in Section 11(k) below and shall not be re-issued or resold.

(k) Cancellation of Redeemed Bonds. All Series B Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section and Section 19 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Series B Bond purchased by the Treasurer or the District pursuant to subsection (i) above shall be canceled by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District and the County.

(l) Bonds No Longer Outstanding. When any Series B Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Series B Bonds or portions thereof, and, in the case of Series B Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series B Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

SECTION 12. Form of Bonds; Temporary Bonds; CUSIP® Numbers. The Series B Bonds shall be substantially in conformity with the standard form of registered school district bonds, the form of which is attached hereto as Exhibit "D" and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution and the winning bid(s) for the Series B Bonds, as shall be applicable.

The Series B Bonds may be initially issued in temporary form exchangeable for

definitive Series B Bonds when ready for delivery. The temporary Series B Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Treasurer and the Designated Officer, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Series B Bond shall be executed by the County upon the same conditions and in substantially the same manner as the definitive Series B Bonds. If the County issues temporary Series B Bonds it will execute and furnish definitive Series B Bonds without delay, and thereupon the temporary Series B Bonds may be surrendered, for cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Series B Bonds an equal aggregate Principal Amount of definitive Series B Bonds of authorized denominations. Until so exchanged, the temporary Series B Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Series B Bonds executed and delivered hereunder.

"CUSIP®" identification numbers shall be imprinted on the Series B Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series B Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of and pay for the Series B Bonds. In addition, failure on the part of the District to use such CUSIP® numbers in any notice to Owners of the Series B Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

SECTION 13. Execution of Bonds. The Series B Bonds shall be executed by the manual or facsimile signature of the Chairperson of the Board of Supervisors, attested by the manual or facsimile signature of the Treasurer, and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors or any designated deputy. The facsimile signatures of the Chairperson, the Treasurer and the Clerk of the Board of Supervisors may be printed, lithographed, engraved, or otherwise mechanically reproduced. The provisions of Education Code Sections 15181 and 15182 shall apply to such execution of the Series B Bonds.

No Series B Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series B Bond is signed by the Paying Agent as authenticating agent for the Series B Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series B Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 14. Delivery of Bonds. The proper officials of the County shall cause the proper officials of the District to cause the Series B Bonds to be prepared and, following their sale, shall have the Series B Bonds executed and delivered to the original purchaser upon payment of the purchase price in immediately available funds.

SECTION 15. Bond Registration; Transfers. As hereinafter provided, the Series B Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, deposited with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Series B Bonds as provided in this Section ("Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Series B Bonds will be represented by one Series B Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Series B Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Series B Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Series B Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge

the District's liability upon the Series B Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series B Bond may be exchanged for Series B Bonds of the same series of any other authorized denomination upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Series B Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Series B Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Series B Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Series B Bonds only after the new Series B Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Series B Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Series B Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Series B Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Series B Bonds surrendered upon that exchange or transfer.

Any Series B Bond surrendered to the Paying Agent for payment, retirement, exchange,

replacement or transfer shall be canceled by the Paying Agent. The District and the County may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Series B Bonds that the District and the County may have acquired in any manner whatsoever, and those Series B Bonds shall be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Series B Bonds shall be made to the District and the County by the Paying Agent and updated annually. The canceled Series B Bonds shall be destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the District.

Neither the District, the County nor the Paying Agent will be required to: (a) issue or transfer any Series B Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Interest Payment Date or any date of selection of Series B Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Series B Bonds which have been selected or called for redemption in whole or in part.

SECTION 16. Book-Entry System. Except as provided below, the owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC" or "Depository"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Series B Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, New York, New York, and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee"). With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District nor the Paying Agent shall have any responsibility or obligation to any broker-

dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository ("Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District nor the Paying Agent shall have any responsibility or obligation (unless the District is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest. Upon delivery by the Depository to the Owners of the Bonds and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book-entry system, the District is executing and delivering to the Depository a Representation Letter. The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the District of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to the owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds Outstanding or an advance refunding of part of the Bonds Outstanding, DTC in its discretion, (a) may request the District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the District records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the

Paying Agent prior to payment.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to Principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository and acceptable to the District. The initial Depository under this Section shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

SECTION 17. Paying Agent.

(a) At the request and direction of the District, U.S. Bank National Association is hereby confirmed as the initial authenticating agent, bond registrar, transfer agent and paying agent (collectively, "Paying Agent") for the Series B Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District, subject to the terms hereof. The Paying Agent may, at the election of the District, also function as the dissemination agent and if so acting, shall perform all duties and obligations as set forth in the Continuing Disclosure Certificate, as described in the District Resolution and in Section 26 hereof.

(b) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the District. A successor Paying Agent shall be appointed by the District and shall be a bank or trust company organized under the laws of the state of California, of any state or the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating to at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and

obligations hereunder by executing and delivering to the District and the County a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective only upon appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The District shall promptly cause to be mailed, at its expense, the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Informational Services and to DTC.

(d) Any company or association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 17(b), shall be the successor to the Paying Agent and vested with all of the title to the trust estate and all of the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. All costs associated with the Paying Agent's merger or consolidation with another bank or trust company shall be paid by the successor Paying Agent. No expense resulting from such merger or consolidation shall be billed to the District or the County.

(e) To the extent permitted by law, the Paying Agent may become the Owner of any of the Series B Bonds.

(f) The District shall be responsible to pay all fees, costs and expenses of the Paying

Agent, subject to the provisions of Section 18 hereof.

(g) All documents received by the Paying Agent under the provisions of the Resolution shall be retained in its possession at the Office of the Paying Agent and shall be subject during business hours and upon reasonable notice to the inspection of the County, the District or the Owners and their agents and representatives duly authorized in writing.

SECTION 18. Security for the Series B Bonds. Pursuant to the California Constitution, the Authorization and California law, there shall be levied by the County, pursuant to Education Code Sections 15250 et seq., on all the taxable property in the District located within the County, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series B Bonds are Outstanding, commencing in Fiscal Year 2010-2011, in an amount sufficient to pay the Principal Amount, and interest on, the Series B Bonds when due, which monies when collected will be placed in the Debt Service Fund. The Debt Service Fund is irrevocably pledged for the payment of the Principal of, and interest on, the Series B Bonds when and as the same fall due along with administrative costs and expenses for the Series B Bonds including fees and expenses of the Paying Agent.

The monies in the Debt Service Fund, to the extent necessary to pay the Principal of, and interest on, the Series B Bonds as the same become due and payable, shall be transferred by the Treasurer, or his or her designee or deputy, to the Paying Agent who in turn, shall pay such monies to DTC to pay the Principal of, and interest on, the Series B Bonds when due. DTC will thereupon make payments of Principal of, and interest on, the Series B Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series B Bonds. Any monies remaining in the Debt Service Fund after the Series B Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District pursuant to the Education Code Section 15235 or any successor section thereto.

SECTION 19. Payment of Principal and Interest. The Principal of, and interest on, the Series B Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Interest on Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Series B Bond is registered, and to that person's address appearing on the Bond Register (as described in Section 15 above) on the Record Date. The Owner of an aggregate Principal Amount of Current Interest Bonds of $1,000,000 or more may request, in writing, prior to the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Payments of principal and redemption premiums, if any, with respect to the Series B Bonds, shall be payable at maturity or redemption upon surrender at the Office of the Paying Agent. In the event the Paying Agent shall provide written notice of a change in the location for payment of Principal and redemption premiums on the Series B Bonds, the Paying Agent shall thereafter provide notice of such change to the Informational Services and Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Series B Bonds when duly presented for payment at maturity, and to cancel all Series B Bonds upon payment thereof.

In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

The Series B Bonds are the general obligations of the District secured by *ad valorem* taxes levied and collected pursuant to the Authorization, the California Constitution and State

law and do not constitute an obligation of the County except to provide for the levy and collection of the *ad valorem* taxes and payment of funds to the Paying Agent as set forth in Section 18 hereof. No part of any fund of the County is pledged or obligated to the payment of the Series B Bonds.

SECTION 20. Defeasance. The Series B Bonds may be defeased prior to maturity in the following ways:

(a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series B Bonds Outstanding, including all principal and interest and premium, if any; or

(b) Defeasance Obligations: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Obligations, permitted under Section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series B Bonds (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any Series B Bonds shall not have been surrendered for payments, all obligations of the District and the County with respect to all Outstanding Series B Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 20, to the Owners of the Series B Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 20, "Defeasance Obligations" shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case or direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Defeasance Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Defeasance Obligations; and (c) the underlying Defeasance Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claims of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's Ratings' Services and "Aaa" by Moody's Investors Service.

For purposes of this Section 20, and Section 21, the escrow agent bank or trust company and verification agent shall be selected by the District. Any such escrow bank or trust company shall conform to the successor paying agent requirements of Section 17 hereof. All costs for defeasance of the Series B Bonds shall be paid by the District.

SECTION 21. Partial Defeasance. A portion of the then-Outstanding maturities of the Series B Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Series B Bonds, including all principal and interest and premium, if any; or

(b) Defeasance Obligations: by irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Obligations, permitted under Section 149(d) of the Code together with cash, if required, in such an amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated maturities of Series B Bonds (including all principal and interest represented thereby and redemption premiums, if any,) at or before their maturity date;

then, notwithstanding that any of such designated maturities of Series B Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to such Outstanding maturities of Series B Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 21, to the Owners of the Series B Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 21, Defeasance Obligations shall have the same meaning as set forth in Section 20 hereof.

SECTION 22. Establishment of Funds; Disposition of Proceeds; Investment.

(a) The proceeds from the sale of the Series B Bonds, to the extent of the Principal Amount thereof, shall be paid and credited to the fund established and held by the Treasurer and designated as the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B Building Fund" ("Building Fund") of the District, and shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Series B Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely to authorized purposes for which the Series B Bonds were authorized as directed in writing by the District.

The County shall have no obligation to ensure that the proceeds are applied in accordance with the preceding sentence. The interest earned on the monies deposited to the Building Fund shall be deposited to said Fund and such monies shall be used for any lawful purpose of the District at the direction of the District.

(b) The accrued interest, if any, and any premium received by the County from the sale of the Series B Bonds (if any after all or a portion of the Underwriter's discount or costs of issuance are paid), as well as tax revenues collected by the County pursuant to Section 18 hereof and Sections 15250 *et seq.* of the Education Code, shall be deposited and kept separate and apart in the fund established and held by the Treasurer and designated as the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B Bond Debt Service Fund" ("Debt Service Fund") for the Bonds and used only for payments of Principal and interest on the Bonds when due. *Ad valorem* taxes collected by the County pursuant to State law and Section 18 hereof shall be deposited by the County into the Debt Service Fund and applied, pursuant to the provisions of State law and this Resolution, only for payments of Principal of, interest on and redemption premium, if any, on the Series B Bonds when due. Funds held in the Debt Service Fund are irrevocably pledged to the payment of Principal of, interest on and redemption premium, if any, on the Series B Bonds when due. Except as required below to satisfy the requirements of Section 148(f) of the Code, as may be applicable, interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal of, interest on, and redemption premium, if any, on the Series B Bonds when and as such become due. The monies in the Debt Service Fund, to the extent necessary to pay the Principal of and interest on the Series B Bonds, as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial Owners of the Series B Bonds. The Debt Service Fund shall be administered by the Treasurer, and shall be kept separate and distinct from all other District and County funds.

(c) The District shall, at such time as shall be necessary, establish and create the

"Palm Springs Unified School District General Obligation Bonds, Series B, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District funds, and into which the District shall deposit, or direct deposit of, funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder ("Code") as shall be applicable to the Series B Bonds. The principal requirements for rebate payments applicable to the Series B Bonds shall be as set forth in the Tax Certificate as executed and delivered by the District. The Rebate Fund (if and when established pursuant to the requirements of the Tax Certificate) may, at the discretion of the District, be held by the Paying Agent or the County. Responsibility for determining and calculating rebate payments, if any, due with regard to the Series B Bonds are the responsibility of the District as further set forth in Section 27. Monies in the Rebate Fund shall be invested in compliance with the limitations of the Code.

(d) Any proceeds of the Bonds not needed for the authorized purposes set forth herein for which Bonds are being issued, and not needed for rebate purposes, shall, at the direction of the District, be transferred to the Debt Service Fund and applied to the payment of Principal of, and interest on the Series B Bonds. If, after payment in full of the Series B Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District, as provided for herein, to be applied in accordance with applicable law.

(e) All proceeds of the Bonds and interest earning thereon shall be invested by the County, on behalf of, and pursuant to the written direction(s) of, the District, in Authorized Investments. Absent other written investment directions provided to the County from the District, the Treasurer shall invest monies in the Building Fund and the Debt Service Fund pursuant to the State law and the investment policy of the County.

SECTION 23. <u>County Books and Accounts</u>. The Treasurer, the County and the Paying Agent will keep, or cause to be kept, proper books or record and accounts to record (i) the

amount of taxes collected pursuant to Section 18 hereof, (ii) all deposits, expenditure and investment earnings on the Debt Service Fund and the Building Fund and any and all accounts or subaccounts thereof, and (iii) all transfers of funds for the payment of Principal of, or interest or redemption premiums on, the Series B Bonds. Such books of record and accounts shall, upon two days prior notice, at all times during business hours be subject to the inspection of the District, the Paying Agent (if other than the Treasurer) and the Owners of not less than ten percent (10%) of the Principal Amount of the Series B Bonds then Outstanding, or their representatives authorized in writing.

SECTION 24. Bond Insurance. In the event that a policy of bond insurance is purchased for the Series B Bonds, and to the extent that the Bond Insurer makes payment of the Principal of, or interest on, the Series B Bonds, as applicable, it shall become subrogated to the rights of such Owner(s) of such Series B Bonds with the right to payment of Principal of, or interest on, the Series B Bonds, and the rights of the Owners shall be fully subrogated to all of the Bond Insurer's rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Registration Books upon receipt of a copy of the canceled check issued by the Bond Insurer for the payment of such interest to the Owners of the Series B Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register upon surrender of the Series B Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. In the event that the Bond Insurer requires additional agreements, covenants or conditions to the issuance of the bond insurance policy, the Designated Officer may deliver or agree to such; provided, however, that applicable law(s) shall be complied with and any such agreement, covenants or conditions shall be consistent with the provisions of the Resolution and shall be satisfactory to the Designated Officer.

SECTION 25. Preliminary Official Statement; Official Statement. The School

District has authorized, and shall be responsible for, preparing a preliminary and final Official Statement for the Series B Bonds meeting the requirements of Securities and Exchange Commission ("SEC") Rule 15c2-12. Such Preliminary Official Statement and final Official Statement are collectively referred to herein as the "Official Statement." Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the Official Statement, and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to one or more section(s) contained, or to be contained, therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the School District held by the Treasurer, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in preliminary Official Statement, and to certify to the District prior to or upon the issuance of the Series B Bonds that the information contained in such section(s) does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

SECTION 26. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below), which shall be executed by District and delivered at the time of delivery of the Series B Bonds. Notwithstanding any other provisions of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series B Bonds; however, any underwriter or any holder or beneficial Owner of the Series B Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed and delivered by the District and dated the date of issuance and delivery of

the Series B Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

SECTION 27. Tax and Arbitrage Matters.

(a) The District has represented that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Series B Bonds under Section 103 of the Code.

(b) The District has covenanted to restrict the use of the proceeds of the Series B Bonds in such manner and to such extent, if any, as may be necessary, so that the Series B Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the applicable regulations prescribed under that section or any successor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

(c) The District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series B Bonds, has covenanted to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, as set forth in the Tax Certificate to be provided by the District on the date of initial delivery of the Series B Bonds and incorporated herein by this reference as a source of guidance for compliance with such provisions.

(d) The District has covenanted that it shall at all times do and perform all other acts and things necessary or desirable and within its powers to assure, for the purposes of California personal and federal income taxation, that the tax-exempt status of the interest paid on the Series B Bonds to the recipients thereof will be preserved.

(e) Notwithstanding any other provision of this Resolution to the contrary, upon the

District's failure to observe, or refusal to comply with, the above covenant, no person other than the owners of the Series B Bonds shall be entitled to exercise any right or remedy provided to such owners under this Resolution on the basis of the District's failure to observe, or refusal to comply with, the above covenant.

SECTION 28. Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Resolution to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the County, and the School District, if made in the manner provided in this Section 28.

The fact and date of the execution by any person of any such request consent or other Instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request consent or other Instrument or writing acknowledged to him the execution thereof.

The ownership of the Series B Bonds shall be proved by the Bond Register. Any request, consent or vote of the Owner of any Series B Bond shall bind every future Owner of the same Series B Bond and the Owner of any Series B Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the County or the School District, in pursuance of such request, consent or vote.

SECTION 29. Unclaimed Monies. Notwithstanding any of the foregoing provisions of this Resolution and subject to State law, any monies held by the Paying Agent for the payment of the Principal of, redemption premium, if any, or interest on the Series B Bonds remaining

unclaimed for one year after the corresponding maturity or redemption date for such Series B Bonds shall be returned by the Paying Agent to the Treasurer, with any and all interest accrued thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal of, redemption premium, if any, or interest on Series B Bonds and remaining unclaimed for one year after the Principal of all of the Series B Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Series B Bonds, transferred to the General Fund of the District to be applied in accordance with law; provided, however, that the Paying Agent, or Treasurer, as may be the case, before making such payment, shall cause notice to be mailed to the Owners of all Series B Bonds that have not been paid, by first-class mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the date of such payment.

SECTION 30. Compliance With Law. All acts, conditions and things required by law to be done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of the Series B Bonds, is within all limits prescribed by law.

SECTION 31. Conditions Precedent. This County Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Series B Bonds, in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series B Bonds.

SECTION 32. Amendments. The County may from time to time (which may be at the request of the District, made in writing to the County), and at any time, without notice to or

consent of any of the Owners, by action of the County Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Owners;

(b) to add to the covenants and agreements of, and the limitations and the restrictions, contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and/or

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Owners.

In the event of any such amendment, the County shall promptly provide the School District and the Paying Agent with copies of such amendment and the action of the County Board approving such amendment. Notice of any such amendment shall also be provided to the Owners by the School District in the next occurring Annual Report provided by the School District under the terms of the Continuing Disclosure Agreement.

No such amendment shall: (i) extend the fixed maturity of any Series B Bond, reduce the amount of Principal thereof or the rate of interest thereon or extend the time of payment thereof, without the consent of the Owner of each Series B Bond so affected, or (ii) modify or amend this Section without the consent of the Owners of all the Series B Bonds then outstanding.

Upon the adoption of any amendment pursuant to this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties

and obligations under this Resolution of the County, the District, the Paying Agent and all Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

The provisions of this Section shall not prevent any Owner from accepting any modification or amendment as to the particular Series B Bonds held by such Owner.

SECTION 33. Benefits Limited to Parties. Nothing in this Resolution, express or implied, is intended to give to any person other than the County, the District, the Paying Agent and the Owners of the Series B Bonds, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District or the County, are for the sole and exclusive benefit of the County, the District, the Paying Agent and the Owners.

SECTION 34. Approval of Actions. Officers of the Board and County officials and staff, including the Treasurer, or the Treasurer's designee(s), are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance, sale and delivery of the Series B Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 35. Partial Invalidity; Severability. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall in no way affect the validity of this Resolution or of the Series B

Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The County Board hereby declares that it would have adopted Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series B Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 36. Effective Date. This Resolution shall take effect immediately upon its passage.

SECTION 37. Furnishing of Clerk Certifications. The Clerk of the Board is hereby authorized to furnish up to four (4) certified copies of this Resolution to Bowie, Arneson, Wiles & Giannone, District Bond Counsel, at or prior to closing.

[Remainder of this page is blank]

The foregoing Resolution was on the 3rd of November, 2009, adopted by the Board of Supervisors of the County of Riverside.

COUNTY OF RIVERSIDE:

By:_____

Chairman

ATTEST:

Kecia Harper-Ihem, Clerk to the
Board of Supervisors of the
County of Riverside

By: _____

Deputy

EXHIBIT "A"

FORM OF OFFICIAL NOTICE OF SALE

OFFICIAL NOTICE OF SALE

$_____ PALM SPRINGS UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B
(Riverside County, California)

NOTICE IS HEREBY GIVEN that unconditional proposals for the purchase of $_____ par value general obligation bonds ("Bonds") of the Palm Springs Unified School District ("District"), Riverside County ("County"), California, will be received by the Financial Advisor for the District (Dale Scott & Company, Inc.) ("Financial Advisor") at the place and up to the time below specified in any one of the following forms: (i) delivery to the Financial Advisor in a sealed envelope; (ii) telefax/facsimile submission; or (iii) electronic submission via PARITY® (as defined and set forth herein):

TIME: **_____, _____, 20__ at 9:30 a.m. (Pacific Time)**

PLACE: Office of the Financial Advisor
Dale Scott & Company, Inc.
Attn: Michelle Ogawa
400 Montgomery Street, Suite 805
San Francisco, California 94104.

MAILED BIDS: Palm Springs Unified School District
c/o Dale Scott & Company, Inc.
Attn: Michelle Ogawa
400 Montgomery Street, Suite 805
San Francisco, California 94104

FACSIMILE BIDS: Bids may be transmitted by telefax/facsimile to (415) 956-1322. Such bids must be transmitted and received by 9:30 a.m. on the date set forth above, and the District, Bond Counsel and Dale Scott & Co., Inc., assume no responsibility for the failure of such bids to be received prior to that time.

For additional instructions regarding submission of bids, see "Terms of Sale - Submission of Bids; Form; Award" herein.

ELECTRONIC BIDS: Bids may be transmitted via the Thompson Financial Municipals Group PARITY® system ("PARITY") (see discussion under the heading "Electronic Bids" as set forth herein). Such bids must be submitted and transmitted by 9:30 a.m. on the date set forth above, and the District, Bond Counsel and Dale Scott & Co., Inc., assume no responsibility for the failure of such bids to be received prior to that time.

Additionally, the Preliminary Official Statement for the Bonds is available at no cost in an electronic version from the District's Financial Advisor on the internet at www.dalescott.com.

ISSUE; BOOK-ENTRY:

$_____* consisting of fully registered Bonds, without coupons. The Bonds will be issued in minimum denominations of $5,000. The Bonds will be issued in a book-entry only system with no physical distribution of the Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of CEDE & CO., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds designated, "**Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B**."

MATURITIES:

The Bonds will mature on August 1 in each of the years and in the amounts as follows:

MATURITY (August 1)	PRINCIPAL AMOUNT ($)*	MATURITY (August 1)	PRINCIPAL AMOUNT ($)*
2011		2023	
2012		2024	
2013		2025	
2014		2026	
2015		2027	
2016		2028	
2017		2029	
2018		2030	
2019		2031	
2020		2032	
2021		2033	
2022		2034	

(The Bonds will be dated the date of delivery - Expected to be _____, 20__)

* Subject to change, see "**TERMS OF SALE** – Adjustment of Principal Amounts".

Important note **- The winning bidder will be required to pay, from the underwriter's gross spread, certain costs of issuance of the Bonds - see "TERMS OF SALE - Payment of Issuance Costs", and will be required to provide funds for a stated interest payment on the Bonds - see "TERMS OF SALE - Funding of Interest", below.**

Authority: The Bonds will be issued pursuant to the Constitution and laws of the State of California. The issuance of the Bonds was authorized by a greater than the required fifty-five percent (55%) affirmative vote of the qualified electors of the District voting at a special bond election held on February 5, 2008. Issuance and sale of the Bonds was authorized by a resolution adopted by the Board of Education of the District on October 13, 2009, and a resolution of the Board of Supervisors of the County on _____, 2009 (collectively the "Bond Resolution").

Interest: The Bonds shall bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed 12% per annum, payable initially on August 1, 2010, for the first period, and semi-annually thereafter on February 1 and August 1.

Payment: Principal of the Bonds will be payable upon surrender at the designated offices of U.S. Bank National Association ("Paying Agent"). Interest on the Bonds will be payable by check mailed to the owner at the address listed on the registration books maintained by the Paying Agent for such purpose. The Owner of an aggregate Principal Amount of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. Both the payment of principal of and interest and premium (if any) on the Bonds are payable in lawful money of the United States of America.

Registration: The Bonds will be issued as fully registered bonds as to both principal and interest. All of such exchanges shall be made in such manner and upon the terms and conditions as prescribed in the Bond Resolution. Any transfer of ownership or exchange may be subject to a reasonable fee and any tax or governmental change that may be imposed in connection therewith. The Bonds will be issued in a book-entry only system with no physical distribution of the Bonds made to the public.

Optional Redemption: The Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. The Bonds maturing on August 1, 20__, or any time thereafter, are subject to redemption prior to their respective stated maturity dates at the option of the District, in whole or in part on a pro rata basis among maturities and by lot within a maturity on any date, on or after August 1, 20__, and may be redeemed prior to the maturity thereof by payment of all principal, plus accrued interest to date of redemption, plus the payment of a premium (expressed as a percentage of the principal amount), payable from any source lawfully available therefor, as follows:

Redemption Date	Redemption Price
August 1, 20__ and thereafter	100.0%

Special Bidders Option; Term Bonds: Any bidder may elect to combine any number of consecutive maturities of Bonds, for which an identical yield to maturity has been specified, to comprise term bonds, by indicating such an election on the bid form. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the principal amount of the corresponding serial bond maturities. Bonds designated as term bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, at a redemption price equal to the designated amount thereof together with accrued interest thereon to the redemption date, without premium.

Notice of Redemption: Notice of redemption of the Bonds, either by Optional Redemption, or sinking fund redemption (Term Bonds) shall be provided on the basis set forth in the Official Statement.

Purpose: The proceeds of the Bonds will be applied to: (a) real property acquisition or improvements, including renovation and repair of existing District schools and school facilities, construction of new school facilities and upgrading, repairing, rehabilitating, acquiring and constructing classrooms and property throughout the District all as described in the bond authorization; and (b) to pay all necessary legal, financial, engineering and contingent costs in connection therewith and certain costs of issuance of the Bonds.

Security: Pursuant to State law, the Bonds represent the general obligation of the Palm Springs Unified School District secured by *ad valorem* property taxes, and the Board of Supervisors of Riverside County has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property) and as further discussed in the Preliminary Official Statement.

Right to Modify or Amend Official Notice of Sale: The District reserves the right to modify or amend this Official Notice of Sale including, but not limited to, the right to adjust and change the principal amounts and principal amortization schedule of the Bonds being offered; however, such modifications and amendments, if any, shall be made not later than 11:00 a.m. (California time) on the business day prior to the date specified for the receipt of bids for the Bonds and shall be communicated through *The Bond Buyer Wire*, *Thompson Municipal Market Monitor (TM3)* or the *Bloomberg Business News Wire*.

Terms and Conditions of Offer and Sale: All bids submitted shall be subject to all of the terms and conditions set forth in this Official Notice of Sale. Bond bidders are advised to review and consider all of the terms and conditions set forth in this Official Notice of Sale prior to submission of a bid.

TERMS OF SALE

Interest Rate: The maximum rate bid may not exceed 12% per annum. Each rate bid must be a multiple of one-twentieth of one percent (1/20%) or one-eighth of one percent (1/8%) or any combination thereof. No Bond shall bear more than one interest rate, and all Bonds of the same maturity shall bear the same rate. Each Bond must bear interest at the rate specified in the bid from its date to its fixed maturity date. The rate on any maturity or group of maturities shall not be more than three percent (3.00%) higher than the interest rate on any other maturity or group of maturities.

Submission of Bids; Form; Award: The Bonds shall be sold for cash only. All bids must be for not less than all of the Bonds hereby offered for sale. **The purchase price to be paid for the Bonds may not be less than the par amount thereof.** Each bid shall state that the bidder offers par, the premium, if any, and the rate or rates not to exceed those specified herein, at which the bidder offers to buy the Bonds. Each bid must be delivered in accordance with the requirements set forth herein, to be received not later than the date and time of sale set forth above. Each bidder shall state in its bid the total interest cost in dollars and the true interest rate determined thereby, which shall be considered informative only and not a part of the bid.

Each bidder is requested to furnish the names of all firms participating in the bid.

All bids must be accompanied by a good faith deposit as more fully described below under the heading "Bid Security".

Delivered bids must be presented in a sealed envelope, addressed to the Palm Springs Unified School District, with the envelope and bid clearly marked "**Proposal for Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B.**"

Any bidder may submit its bid by telefax/facsimile as set forth above. Bids submitted by facsimile transmission (fax) will be deemed late and will not be evaluated unless, at precisely the time indicated above for receipt of bids, the entire bid form has been fully ejected from the receiving fax machine at the place of the bid opening, and the interest rates and name and signature of the bidder are clearly readable by that time. **NEITHER THE DISTRICT NOR ITS REPRESENTATIVES TAKE ANY RESPONSIBILITY FOR ANY DIFFICULTIES IN RECEIVING FAX TRANSMITTALS PRIOR TO THE DEADLINE FOR RECEIPT OF BIDS. BIDS SUBMITTED BY FAX ARE AT THE RISK OF THE BIDDER.** No attempt will be made prior to the deadline for opening/receiving bids to inform any bidder that its bid was incomplete, illegible, or not received. Bids may, alternatively, be submitted electronically through PARITY. The PARITY system can be accessed on the internet at www.newissuehome.i-deal.com.

A prescribed form of bid for the Bonds has been prepared and all delivered and facsimile bids must be submitted on such form. Bids submitted electronically shall conform to the requirements under the heading "Electronic Bids" herein.

Electronic Bids: Electronic bids must conform with the procedures established by PARITY. Solely as an accommodation to bidders, electronic bids will be received exclusively through PARITY in accordance with this Official Notice of Sale until 9:30 a.m. California Time, on the specified bid date, but no bid will be received after the time specified herein for receiving bids. To the extent any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about PARITY, potential bidders may contact the District's Financial Advisor, Dale Scott & Co., Inc., 400 Montgomery Street, Suite 805, San Francisco, California 94104, telephone (415) 956-1030, Dalcomp at telephone (212) 806-8304 or Parity at telephone (212) 404-8102.

Warning Regarding Electronic Bids: The District will accept bids in electronic form solely through PARITY on the Official Bid form created for such purpose. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with PARITY, that the District neither endorses nor explicitly encourages the use of PARITY, and that PARITY is not acting as an Agent of the District. Instructions and forms for submitting electronic bids must be obtained from PARITY, and the District assumes no responsibility for ensuring or verifying bidder compliance with the procedures of PARITY. The District shall assume that any bid received through PARITY has been made by a duly authorized Agent of the bidder.

The District will make its best efforts to accommodate electronic bids; however the District, the Financial Advisor and Bond Counsel assume no responsibility for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted; received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the District at the place of bid opening, and the District shall not be required to accept the time kept by PARITY as the official time.

In the event of a malfunction in the electronic bidding process, bidders should submit their bids on the official designated bid form by facsimile to: (415) 956-1322.

Adjustment of Principal Amounts: The principal amounts of each maturity and the aggregate principal amount of Bonds set forth above reflect certain assumptions of the District and its Financial Advisor with respect to the likely interest rates of the winning bid. Correspondingly, following the determination of the successful bidder, the Superintendent or the Superintendent's designee, acting on behalf of the District, reserves the right to increase or decrease the principal amount of any and each maturity of the Bonds (or, in the case of term Bonds, the principal amount thereof which is subject to mandatory redemption on August 1 in any year) in $5,000 increments of principal amounts in order to comply with such requirement. **The aggregate principal amount of the Bonds shall not exceed $_____ under any circumstances.** Such adjustment shall be made within twenty-six (26) hours following the bid opening and in the sole discretion of the Superintendent or the Superintendent's designee, upon recommendation of the District and the Financial Advisor, and notice of any such adjustment shall be given to the successful bidder as soon as practical following the notification of the award

of bid, as set forth below. IN THE EVENT OF ANY SUCH ADJUSTMENT, NO REBIDDING OR RECALCULATION OF THE BIDS SUBMITTED WILL BE REQUIRED OR PERMITTED AND THE SUCCESSFUL BID MAY NOT BE WITHDRAWN, AND THE SUCCESSFUL BIDDER WILL NOT BE PERMITTED TO CHANGE THE INTEREST RATE(S) IN ITS BID FOR THE BONDS.

Best Bidder: The Bonds will be awarded to the best responsible bidder offering the lowest true interest cost to the District. The true interest cost for the best bid will be determined on the basis of the aggregate present value of each semi-annual payment. The present value will be calculated to the dated date of the Bonds and will be based on the bid amount (par value plus any premium or less any discount, specified in the bid), excluding the accrued interest from the date of the Bonds to the date of the delivery of the Bonds. The determination of the bid representing the lowest true interest cost will be made without regard to any adjustments made or contemplated to be made after award by the District, as described herein under the heading "Adjustment of Principal Amounts," even if such adjustments have the effect of raising the true interest cost of the successful bid to a level higher than the bid containing the next lowest true interest cost prior to adjustment.

Right of Rejection: The District reserves the right, in its sole discretion, to reject any and all bids and, to the extent not prohibited by law, to waive any irregularity or informality in any bid.

Prompt Award: The Superintendent, or the Superintendent's designee, will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of proposals; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to the District notice in writing of the withdrawal of such proposal.

Rebidding: In the event that the Superintendent or the Superintendent's authorized designee does not award a bid on the date specified above, proposals will be received the following Wednesday at the same time and place specified above, and each Wednesday thereafter, until such time as a bid is awarded or notice to the contrary is given.

Payment of Issuance Costs: The successful bidder will be required to pay $_____ in costs of issuance of the Bonds from the underwriter's gross compensation at the time of delivery of the Bonds. This amount should not be added to the price paid for the Bonds. *Payment of this amount is not optional* and is in addition to any premium paid for the policy of municipal bond insurance for the Bonds (see "TERMS OF SALE - Qualification for Insurance" below). The winning bidder will be required to pay to the Paying Agent bank (as fiscal agent) such costs of issuance prior to, or concurrent with, the close of the Bonds and may not transmit this amount directly to the District or the County. Bidders should include payment of such costs in calculating their bids.

Funding of Interest: The successful bidder will be required to provide not less than $_____ ("Interest Payment Amount") in funded interest to pay the interest payment

on the Bonds for the August 1, 2010, interest payment. This amount is in addition to the purchase price paid for the Bonds and is separate and in an addition to the payment of issuance costs described above. *Funding and payment of this amount is not optional*. The winning bidder will be required to pay to the County Treasurer the Interest Payment Amount prior to, or concurrent with, the closing of the Bonds (which may be in the form of a consolidated wire transfer with the purchase price of the Bonds). Bidders shall include the funding of the Interest Payment Amount in calculating their bids.

Place of Delivery; Cancellation for Late Delivery: It is expected that said Bonds will be delivered to DTC for the account of the successful bidder within thirty (30) days from the date of sale thereof. The successful bidder shall have the right, at its option, to cancel the contract of purchase if the Bonds are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

Bid Security: A good faith deposit of $_____ (one percent (1%) of the par amount of the Bonds) in the form of a certified or cashier's check or a Financial Surety Bond in the amount of $_____ payable to the order of the Riverside County Treasurer-Tax Collector ("Treasurer-Tax Collector") must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said Bonds in accordance with the terms of this bid. If a certified or cashier's check is used, it must accompany the bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of California, and such bond must be submitted to the County or Financial Advisor prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a Financial Surety Bond, then such bidder must submit its Deposit to the Treasurer-Tax Collector or the District's Financial Advisor in the form of a cashier's check (or wire transfer such amount as instructed by the Treasurer-Tax Collector or the Financial Advisor) not later than 3:30 p.m. California time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Treasurer-Tax Collector, on behalf of the District, to satisfy the Deposit requirement. The proceeds of the check accompanying any accepted proposal shall be applied on the purchase price or, if such proposal is accepted but not performed, unless such failure of performance shall be caused by any act or omission of the District, shall then be retained by the Treasurer-Tax Collector for the benefit of the District. The check accompanying each unaccepted proposal will be returned promptly.

No interest will be paid upon the deposit made by any bidder. Deposit checks of all bidders (except the successful bidder) will be returned by the Treasurer-Tax Collector promptly following the award of the Bonds to the successful bidder. The principal amount of such deposit(s) made by the successful bidder shall be applied to the purchase price of the Bonds at the time of delivery thereof.

If the purchase price for an awarded lot of Bonds is not paid in full upon tender of such Bonds, the successful bidder therefor shall have no right in or to the Bonds or to the recovery of its deposit, or to any allowance or credit by reason of such deposit, unless it shall appear that

such Bonds would not be validly issued if delivered to the successful bidder in the form and manner proposed. In the event of nonpayment by the successful bidder, the amount of the deposit shall be retained by the District as and for liquidated damages for such failure by the successful bidder, and such retention shall constitute a full release and discharge of all claims by the District against the successful bidder arising from such failure. The District's actual damages in such event may be greater or may be less than the amount of the Deposit. Each bidder waives any right to claim that the District's actual damages are less than such amount.

Change in Tax Exempt Status: At any time before the Bonds are tendered for delivery, the successful bidder may disaffirm and withdraw its proposal if the interest received by private holders from Bonds of the same type and character as the Bonds shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable, or be required to be taken into account in computing federal income taxes (except alternative minimum taxes payable by corporations) by any federal income tax law enacted subsequent to the date of this notice.

Qualification for Insurance: If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, **any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs, including rating agency fees other than the ratings provided by [Standard & Poor's] (which shall be paid by the District), shall be paid by such bidder.** In particular, the District will neither amend or supplement its issuance resolution in any way nor will it agree in advance of the sale of the Bonds to enter into any additional agreement(s) with respect to the provision of such policy. ANY FAILURE OF THE BONDS TO BE SO INSURED OR ANY FAILURE OF SUCH POLICY OF INSURANCE TO BE ISSUED SHALL NOT IN ANY WAY RELIEVE THE PURCHASER OF ITS CONTRACTUAL OBLIGATIONS ARISING FROM THE ACCEPTANCE OF ITS PROPOSAL TO PURCHASE THE BONDS.

Each Purchaser must provide the District with the municipal bond insurance commitment and information with respect to the municipal bond insurance policy and the insurance provider for inclusion in the final Official Statement within two (2) business days following the award of the bid. The District will require (i) a certificate from the insurance provider regarding disclosure in the Official Statement about the insurance provider and its policy on or prior to the date of delivery of the Bonds, (ii) a certificate establishing that the municipal bond insurance policy is a "qualified guarantee" within the meaning of Treasury Regulations section 1.148-4(f), (iii) an opinion of counsel to the insurance provider concerning the enforceability of the municipal bond insurance policy, in form reasonably satisfactory to the District and the respective Purchaser, and (iv) an opinion of counsel to the insurance provider, in form reasonably satisfactory to the District and Bond Counsel, to the effect that the information furnished by such insurance provider and contained in the Official Statement is accurate in all material respects.

Closing Papers: Bond Printing: Each proposal will be understood to be conditioned upon the District's furnishing to the purchaser, without charge, concurrently with payment for and

delivery of the Bonds, the following closing papers, each dated the date of delivery. The cost of printing the Bonds will be borne by the District.

(a) Legal Opinion: The opinion of Bowie, Arneson, Wiles & Giannone, Bond Counsel, approving the validity of the Bonds and stating that, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of preference for present purposes of the federal alternative minimum tax imposed on individuals and corporations; however, noting that with respect to corporations, such interest is taken into account in determining certain income and earnings for the purpose of computing the alternative minimum tax imposed on such corporations, and that such interest is also exempt from personal income taxes of the State of California under present state income tax laws. Other federal tax consequences to holders of the Bonds, if any, are not addressed in the opinion. A copy of the opinion will be printed on each Bond. No charge will be made to the purchaser for such printing or certification;

(b) A certificate of the District certifying that on the basis of the facts, estimates, expectations and circumstances in existence on the date of issue, neither will the proceeds of the Bonds be used in a manner that would cause the Bonds to be arbitrage bonds, nor shall the District engage in any other acts which would cause the Bonds to be arbitrage bonds;

(c) The receipt of the County showing that the purchase price of the Bonds, including interest accrued to the date of delivery thereof, has been received by the County on behalf of the District;

(d) A certificate executed by an officer for the District, certifying that there is no known litigation threatened or pending affecting the validity of the Bonds;

(e) A certificate of the District, signed by an officer of the District, acting in their official capacity, to the effect that at the time of the sale of the Bonds, and at all times subsequent thereto up to and including the time of the delivery of the Bonds, the Official Statement relating to the Bonds did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(f) A Continuing Disclosure Certificate, signed by an officer of the District, certifying that the District will make available annual reports and provide notices of certain events, in order to assist the successful bidder in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The form of the Continuing Disclosure Certificate will be printed in the Preliminary Official Statement relating to the Bonds. Bidders are advised to review this form to determine that it will satisfy their responsibilities under Securities and Exchange Commission Rule 15c2-12(b)(5). The successful bidder will be required to confirm to the District, in writing, that the provision of such executed and completed Continuing Disclosure Certificate will satisfy their responsibilities under Securities and Exchange Commission Rule 15c2-12(b)(5).

Certification of Reoffering Price: The successful bidder shall be required to notify the District within twenty-four (24) hours of the submittal of bidder's bid, and as a condition to the delivery of the Bonds by the District, to deliver to the District a certificate, in form and substance satisfactory to the District and Bond Counsel, including the following:

(i) that, as of the date of award, the Bonds were expected to be resold in a bona fide public offering;

(ii) the initial offering price at which a substantial amount (at least 10%) of each maturity of the Bonds were sold to the public; and

(iii) that no Bonds of a single maturity were offered at one price to the general public and at a discount from that price to institutional or other investors.

Such certificate shall be in a form and substance satisfactory to Bond Counsel and shall include such additional information as may be requested by Bond Counsel.

CUSIP® Numbers: It is anticipated that CUSIP® numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses of printing CUSIP® numbers on the Bonds and the CUSIP® Service Bureau charge for the assignment of such numbers shall be paid by the successful bidder.

Payment of Fees: In addition to the payment of the Costs of Issuance identified herein, the successful bidder shall be required to pay all fees required by The Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds. The successful bidder shall be required, pursuant to State Law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will invoice the successful bidder after the closing of the Bonds.

Official Statement: Reference is made to the Preliminary Official Statement adopted by the District for more details regarding the Bonds. In addition, the Preliminary Official Statement is available at no cost in an electronic version from the Financial Advisor on its website at www.dalescott.com. Requests for copies of the Preliminary Official Statement may be made to the District's Financial Advisor, Sale Scott & Company, Inc., 400 Montgomery Street, Suite 805, San Francisco, CA 94104, telephone (415) 956-1030, fax (415) 956-1322. The District has covenanted that it has adopted a Preliminary Official Statement meeting the requirements of Securities and Exchange Commission Rule 15c2-12 relating to the Bonds, a copy of which will be furnished upon request to Dale Scott & Company, Inc., 400 Montgomery Street, Suite 805, San Francisco, CA 94104, telephone (415) 956-1030. Within seven (7) business days from the sale date, the District will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the District and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the

Rule and to satisfy the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as shall have been approved by the District ("Final Official Statement"). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. The District will furnish to the successful bidder, at no charge, not in excess of _____ (___) copies of the Official Statement for use in connection with any resale of the Bonds.

[Remainder of this page is blank]

GIVEN BY ORDER of the Board of Education of the Palm Springs Unified School District, California, adopted October 13, 2009, and by the Board of Supervisors if the County of Riverside on _____, 2009.

_____

Clerk of the Board of Education
Palm Springs Unified School District

EXHIBIT "B"

BID FORM

BID FORM FOR THE PURCHASE OF
$_____ PALM SPRINGS UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B
(Riverside County, California)

Palm Springs Unified School District
c/o Dale Scott & Company, Inc.
400 Montgomery Street, Suite 805
San Francisco, CA 94104

Ladies and Gentlemen:

By authorized signature below, we offer to purchase **PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B** ("Bonds"), in the amount of $_____, in the denomination of $5,000 or any integral multiple thereof, and maturing and bearing interest as follows:

Maturity (August 1)	Principal Amount ($)	Interest Rate	Maturity (August 1)	Principal Amount ($)	Interest Rate
2011		_____%	2023		_____%
2012		_____%	2024		_____%
2013		_____%	2025		_____%
2014		_____%	2026		_____%
2015		_____%	2027		_____%
2016		_____%	2028		_____%
2017		_____%	2029		_____%
2018		_____%	2030		_____%
2019		_____%	2031		_____%
2020		_____%	2032		_____%
2021		_____%	2033		_____%
2022		_____%	2034		_____%

(The Bonds will be dated the date of delivery - Expected to be _____, 20__)

We will pay therefor the principal amount thereof, plus a premium of $_____.

This proposal is made subject to all the terms and conditions of the Official Notice of Sale for such Bonds, dated _____, 20__ ("Official Notice of Sale"), all of which terms and conditions are made a part hereof as fully as though set forth in full in this proposal.

The following maturities of Bonds shall be retired by mandatory sinking fund payments rather than serial maturities:

Bonds Maturing on August 1 in the Years:

_____ through _____

_____ through _____

_____ through _____

We have received and reviewed the Preliminary Official Statement with respect to the Bonds ("Preliminary Official Statement") and as a condition to bidding on the Bonds, have determined that we can comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

This proposal is subject to acceptance, in whole or in part, within twenty-six (26) hours after expiration of the time for the receipt of proposals, as specified in said Official Notice of Sale.

Enclosed herewith a certified or cashier's check for $_____, payable to the order of the Riverside County Treasurer-Tax Collector, or alternatively, a Financial Surety Bond for that amount has been secured in accordance with the terms and conditions set forth in the Official Notice of Sale. We understand that no interest will be paid on good faith checks.

We hereby request that _____ printed copies of the Official Statement (not to exceed ____ copies) pertaining to the Bonds be furnished to us in accordance with the terms of such Official Notice of Sale.

As of the date of award and as of the date of delivery of the Bonds, all members of our syndicate either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

This bid is submitted with our intention to purchase a bond insurance policy from _____ _____. (Fill in if applicable), an insurer that satisfies the terms and conditions of the Official Notice of Sale. Such insurance will be obtained at our expense.

The following is our computation made as provided in the Official Notice of Sale, but not constituting any part of the foregoing, of the true interest cost under the foregoing proposal:

Gross Interest Cost ..... $_____

Less Premium ..... $_____

Net Interest Cost ..... $_____

True Interest Cost ..... _____ %

These estimates are provided for informational purposes only and are not binding on the District or the undersigned.

Authorized Signature:

_____

Name of Firm: _____

By: _____
(Print Name)

Address: _____

_____

Phone: _____ Fax: _____

Date of Submission: _____

Name, address, and phone number of Bidder's representative to be contacted for closing procedures:

Name: _____

Address: _____

_____

Phone: _____ Fax: _____

EXHIBIT "C"

FORM OF NOTICE OF INTENTION TO SELL BONDS

NOTICE OF INTENTION TO SELL BONDS

$_____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B
(Riverside County, California)

NOTICE IS HEREBY GIVEN, pursuant to California Government Code Section 53692 and Education Code Section 15147, that the Board of Education of the Palm Springs Unified School District, Riverside County ("County"), California, acting through the County, intends to sell $_____ principal amount of Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B. Bids will be received on:

_____, _____, 20__

at 9:30 a.m. (Pacific Time), at the offices of Dale Scott & Company, Inc. ("Financial Advisor"), 400 Montgomery Street, Suite 805, San Francisco, California 94104, phone (415) 956-1030 / facsimile (415) 956-1322. Bids may be submitted in any one of the following forms: (i) delivery to the Financial Advisor in a sealed envelope; (ii) telefax/facsimile submission at (415) 956-1322; or (iii) electronic submission via the Thompson Financial Municipals Group PARITY© system as further set forth in the Official Notice of Sale, and the sale will be awarded by the Superintendent of the Palm Springs Unified School District, or the Superintendent's authorized designee, on behalf of the Board of Education of the Palm Springs Unified School District and the County, within twenty-six (26) hours after the bid opening is completed. In the event that the Superintendent, or the Superintendent's authorized designee, does not award a bid on the date specified above, proposals will be received the following _____ at the same time and place specified above, and each _____ thereafter, until such time as a bid is awarded or notice to the contrary is given. Further information, including copies of the Preliminary Official Statement, Official Notice of Sale and Bid Form, may be obtained from the Financial Advisor at the above address or on the internet at www.dalescott.com beginning on or about _____, 20__. The Preliminary Official Statement will be available for viewing on the internet at www.dalescott.com beginning on or about _____, 20__.

BOND COUNSEL: Bowie, Arneson, Wiles & Giannone,
Newport Beach, California

DATED: _____, 2009

EXHIBIT "D"

FORM OF SERIES B BOND

REGISTERED **REGISTERED**

NO. **$**

PALM SPRINGS UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B

(Riverside County, California)

INTEREST RATE:	**MATURITY DATE:**	**DATED AS OF:**	**CUSIP®:**
_____%	August 1, 20___	_____, 20__	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The **PALM SPRINGS UNIFIED SCHOOL DISTRICT** ("District") in Riverside County, California ("County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 ("Bond Payment Dates"), commencing August 1,

2010. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2010, in which event it shall bear interest from _____, 20__. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, on one or more predecessor bonds) is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association ("Paying Agent"). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this Bond at the principal office of the Paying Agent in Los Angeles, California. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date ("Record Date"). The Owner of an aggregate Principal Amount of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This Bond is one of a aggregate amount of $_____ of bonds issued to be used for the acquisition and construction of school facilities to serve the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) vote of the electors of the District obtained at an election held on February 5, 2008, upon the question of issuing bonds in the amount of $516,000,000, the resolution of the Board of Trustees of the District adopted on October 13, 2009 ("District Resolution"), and the resolution of the County Board of Supervisors adopted on _____, 2009, ("County Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District,

which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 2019, are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 2020, are subject to redemption at the option of the District, as a whole or in part as selected and directed by the District, and, if not so directed, in inverse order of maturity and by lot within each maturity, from any source of available funds, on August 1, 2019, or on any Bond Payment Date thereafter at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest represented thereby to the redemption date:

Redemption Dates	Redemption Price
August 1, 2019 and thereafter	100.0%

[THE FOLLOWING TO APPEAR ON THE FACE OF TERM BONDS, IF ANY:]

[The Bonds maturing on August 1, 20__, are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, 20__, and on each August 1 thereafter in accordance with the schedule set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Redemption Year	Principal Amount
_____	_____
_____	_____
_____	_____]

If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be as directed by the District, and if not so directed, in inverse order of maturity and by lot within a maturity. If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP® numbers, if any, of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be

made, and (e) descriptive information regarding the issue of Bonds and the specific bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District, the County and the respective owners of any registered Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 45 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds, nor entitle the owner thereof to interest beyond the date given for redemption.

Any Redemption Notice may specify that redemption of the Series B Bonds designated for redemption on the specified date will be subject to the receipt by the District of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and neither the District or the County will have any liability to the Owners of any Series B Bonds, or any other party, as a result of the District's failure to redeem the Series B Bonds designated for redemption as a result of insufficient monies therefor. The District may rescind any optional redemption of the Series B Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Series B Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th business day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The rights and obligations of the District and of the Registered Owners of the Bonds may be amended at any time, and in certain cases without the consent of the Registered Owners to the extent and upon the terms and conditions provided in the County Resolution.

The County Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution and the laws of the State of California governing the issue of the Bonds.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the

Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Riverside, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

RIVERSIDE COUNTY, CALIFORNIA

-EXHIBIT-

By:_____

Chairperson, Board of Supervisors

-EXHIBIT-

By:_____

Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By:_____

Clerk to the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By:_____

Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

_____

_____

_____

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date:_____

-EXHIBIT-

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond is every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

_____

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any

Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[Text of Opinion]

RESOLUTION NO. 2009/2010-23

RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT AUTHORIZING ISSUANCE OF NOT TO EXCEED $110,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B; MAKING CERTAIN FINDINGS AND DETERMINATIONS, APPROVING A PRELIMINARY OFFICIAL STATEMENT, APPROVING CERTAIN RELATED DOCUMENTS AND AUTHORIZING RELATED ACTIONS

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed $516,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on February 5, 2008 (further identified as "Measure E") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Board of Education of the District ("District Board") by adoption of Resolution No. 2007/2008-74, adopted on May 13, 2008, pursuant to State law, and which Resolution No. 2007/2008-74 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 2007/2008-11, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, pursuant to the provisions of State law and certain federal programs and requirements, the District Board has previously adopted Resolution No. 2009/2010-16 on September 22, 2009, and Resolution No. 2009/2010-22 on October 13, 2009, providing for the issuance and sale of the Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A ("Series A Bonds") in an amount not to exceed $25,000,000, leaving not less than $491,000,000 of the Bond Authorization unissued; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code ("Education Code"), proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") to borrow funds through the issuance of general obligation bonds in the name and for the benefit of the District pursuant to a resolution adopted by the District; and

WHEREAS, the District has determined that it is in the best interests of the District at this time to authorize the issuance of a portion of the authorized but unissued bonds of the bond authorization in the total principal amount of not to exceed One Hundred Ten Million dollars ($110,000,000) ("Bonds" or "Series B Bonds") and requests the County Board to offer the Series B Bonds for sale upon the terms and conditions set forth herein; and

WHEREAS, Proposition 39, and related California statutory provisions, require that the District comply with various accountability measures, as further described below, which the District has either previously complied with, is complying with or will comply with, during the course of issuing the Series B Bonds and/or expending the Series B Bond proceeds; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations concerning the issuance and sale of the Series B Bonds and the levy of taxes to pay principal and interest on the Series B Bonds pursuant to State law; and

WHEREAS, the District Board, on behalf of the School District, has previously retained the services of certain consultants in connection with the issuance and sale of the Series B Bonds and desires to take certain related actions in connection therewith; and

WHEREAS, a form of the Preliminary Official Statement relating to the Series B Bonds has been presented to this District Board; and

WHEREAS, the proposed forms of the Notice of Intention to Sell Bonds, Bid Form, the form of the Official Notice of Sale and the Continuing Disclosure Certificate relating to the Series B bonds have been presented to this District Board; and

WHEREAS, the District Board desires that the Series B Bonds be sold by a competitive sale process; and

WHEREAS, the District Board requests that the Auditor-Controller of the County levy on its 2010/2011 tax roll, and all subsequent tax rolls, taxes to be levied against property within the boundaries of the District, in an amount sufficient to pay the principal and interest on the Series B Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including the Series B Bonds, is within all limits prescribed by law; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain related actions concerning the Series A Bonds be issued through the County on behalf of the School District.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Conditions Precedent. The District Board determines that all acts and conditions necessary to be performed by the District Board or to have been met precedent to and in the issuing and sale of the Series B Bonds in order to make them legal, valid and binding general obligations of the District secured by the levy of *ad valorem* taxes have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and met, in regular and due form as required by law; that the Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the Series B Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series B Bonds.

Section 3. Purpose of Bonds. The Series B Bonds, in the aggregate principal amount of not to exceed $110,000,000, shall be offered for sale, the proceeds of which are to be used for the purposes of: (a) raising money for real property acquisition or improvements, including renovation and repair of existing District schools and school facilities, construction of new school facilities and upgrading, repairing, rehabilitating, acquiring and construction classrooms, property furnishings and equipment all as described in District Resolution No. 2007/2008-11, as approved as part of the Bond Authorization; (b) providing for the payment of interest coming due on the Series B Bonds for a period of time within statutory limits and as stated herein; and (c) to pay all necessary legal, financial and contingent costs in connection with the issuance of the Series B Bonds pursuant to the applicable provisions of Education Code Sections 15145 and 15146 and other applicable State law.

Section 4. Authority for Issuance of Bonds. The Series B Bonds shall be issued and sold by the County, on behalf of the District, pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, this Resolution, the Supplemental Issuance Resolution (as defined herein) such issuance and sale be subject to the matters set forth herein and in the County Resolution (as defined herein) and and Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.*

Section 5. Designation. The Series B Bonds authorized pursuant to this Resolution, and the County Issuance Resolution shall be designated as **"Palm Spring Unified School District General Obligation Bonds, 2008 Election, Series B"** or such other designation as the

Superintendent of the District ("Superintendent") or the Superintendent's designee(s) (each a "Designated Officer") may approve. The resolution of the County Board providing for the issuance and sale of the Series B Bonds is in certain instances herein referred to as the "County Resolution." The Series B Bonds shall otherwise conform to the requirements set forth herein, the County Resolution and the sale documents referenced herein. The final principal amount of the Series B Bonds shall be as specified by the Superintendent in consultation with the District's Bond Counsel and Financial Advisor.

Section 6. Approval of Notices and Bid Form.

(a) That the County Board is hereby requested to offer the Series B Bonds for sale in the manner provided by law on such date as shall be designated by the District, in accordance with the terms and conditions set forth in the Official Notice of Sale, the form of which has been presented to this District Board (the "Official Notice of Sale"). The Official Notice of Sale, substantially in the form presented to this District Board, is hereby approved by the District Board and the distribution of the final form of the Official Notice of Sale pursuant to the County Resolution is hereby authorized and approved. The District's Clerk is hereby authorized and directed to execute and deliver the final form of the Official Notice of Sale.

(b) That the Notice of Intention to Sell Bonds and the Bid Form, the forms of which have been presented to this District Board, are hereby approved, and the publication of such Notice of Intention pursuant to the provisions of the County Resolution is hereby approved and authorized.

(c) Notwithstanding the foregoing, the form of the Official Notice of Sale, Notice of Intention to Sell Bonds, and Bid Form, are approved with such changes, insertions and deletions as may be approved by the Superintendent, the Financial Advisor and Bond Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

Section 7. Sale of Bonds; Designation of Authority. The Series B Bonds are hereby ordered to be sold by competitive bid as referenced herein and as set forth in the County Resolution. The Superintendent or the Superintendent's designee(s), on behalf of the District Board, are hereby delegated the authority to accept the best responsible bid for the purchase of the Series B Bonds, determined in accordance with the Official Notice of Sale. The Superintendent, or the Designated Officers are hereby authorized and directed to accept such bid, for and in the name of the District Board, by notice to the successful bidder, subject to the provisions and terms of the County Resolution. The Superintendent, or the Designated Officers, are further authorized to direct the inclusion of term bonds as part of the final structure of the bond issue, if term bonds have been included in the bid of the successful bidder in accordance with the Official Notice of Sale. In the event two or more bids setting forth identical interest rates and premium, if any, are received, the Superintendent, or the Designated Officers, on behalf of the District Board, may exercise their own discretion and judgment in making the award and may award the Series B Bonds on a pro rata basis in such denominations as the Superintendent shall determine. The Superintendent, or the Superintendent's designee, on behalf of the District Board, shall award the Bonds or reject all bids not later than twenty-six (26) hours after the

expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder, subject to the provisions and terms of the County Resolution.

Section 8. General Authorization. The Financial Advisor and/or Bond Counsel are hereby authorized and directed to open and/or receive the bids at the time and place specified in the final Official Notice of Sale and to report the results thereof to the County and to the Designated Officer. The Financial Advisor and/or Bond Counsel are hereby authorized and directed to receive and record the receipt of all bids made pursuant to such Official Notice of Sale, to cause such bids to be examined for compliance with such Official Notice of Sale, to cause computations to be made as to which bidder has bid the lowest true interest cost, as provided in such Official Notice of Sale, along with a report as to the foregoing and any other matters deemed pertinent to the award of the Series B Bonds and the proceedings for the issuance thereof.

Section 9. Building Fund; Debt Service Fund and Rebate Fund.

(a) Building Fund. Upon the issuance and sale of the Series B Bonds, the District Board shall request that the Treasurer of the County establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series B, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series B Bonds (except any premium or accrued interest received from the sale) to be expended as set forth herein and in the County Resolution. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series B Bonds, the District Board shall request that the Treasurer establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series B, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series B Bonds, as the case may be, and administrative costs and expenses for the Series B Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series B Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series B, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 10. Book-Entry Form. The Series B Bonds shall be initially issued in book-entry form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Series B Bonds issued at the closing in the form of a single, certificated Bond for each maturity. The Designated Officer is hereby authorized to take

all actions necessary or appropriate to facilitate such filing and lodgement. The Financial Advisor and Bond Counsel are requested to assist the District and the County in qualifying the Series B Bonds for deposit with DTC.

Section 11. Paying Agent. U.S. Bank National Association shall be the initial Paying Agent for the Series B Bonds, recognizing that any fees incurred therefore in the first year shall be paid from proceeds of the Series B Bonds and subsequent annual fees, if any, shall be paid out of the Debt Service Fund to be established for the Series B Bonds to the extent that there are funds remaining after payment of the principal and interest on the Series B Bonds in that year, and if such funds are insufficient, from the General Fund of the District. The Paying Agent may be replaced as and when determined by the District, subject to such terms and conditions as may be set out in the County Resolution.

Section 12. Levy and Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the District, upon sale and delivery of the Series B Bonds, requests that the County Board take action to levy, or cause to be levied, on all the taxable property in the District, commencing with the 2010/2011 tax year, and subsequent tax years, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series B Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series B Bonds when due in accordance with the terms of the Series B Bonds and the County Resolution.

Section 13. Tax Covenants; Findings and Determinations.

(a) The District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series B Bonds, hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, as set forth in the nonarbitrage (tax) certificate to be provided to the District by Bond Counsel, and executed by the District on the date of initial delivery of the Series B Bonds and incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The District, hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Series B Bonds, or of any of the property financed or refinanced with the proceeds of the Series B Bonds, or other funds of the District, or take or omit to take any action that would cause the Series B Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the District, shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that section or any successor section to the extent that such requirements are in effect and applicable to the Series B Bonds.

(c) The District covenants that it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate or excess investment earnings on the proceeds of the Series B Bonds due to the United States Treasury; and (ii) cause to be segregated and set aside from lawfully available sources held in the County treasury the amount such calculations indicate may be required to be paid to the United States Treasury. Based on such rebate calculations, the District will, to the extent required, cause to be set aside, from monies lawfully available, the

amount of such rebate in a separate fund that the District hereby agrees to cause to be established and maintained as set forth in Section 12(c) hereof and in the County Resolution.

(d) The District, represents that it shall not take any action(s), or fail to take any action(s) if such action(s) or failure to take such action(s) would adversely affect the exclusion from gross income of the interest payable on the Series B Bonds under Section 103 of the Code.

(e) The District shall at all times do and perform all other acts and things necessary or desirable and within its powers to assure, for the purposes of California personal and federal income taxation, that the tax-exempt status of the interest paid on the Series B Bonds to the recipients thereof will be preserved.

Section 14. Expenditure of Bond Proceeds. The District hereby covenants to expend all Series B Bond proceeds in accordance with applicable law and the Bond Authorization, including, but not limited to, Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code of the State of California (commencing with Section 15100), as amended, and Article XIIIA of the California Constitution.

Section 15. Preliminary Official Statement; Official Statement. Pursuant to applicable State law and federal disclosure requirements, the Preliminary Official Statement relating to the Series B Bonds is hereby approved in substantially the form presented to the District Board, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the Series B Bonds is hereby authorized subject to the provisions of this Section. The Designated Officers are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Designated Officer shall approve, in their discretion, as being in the best interests of the District. Upon approval of such changes by such Designated Officer, the Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The District Board hereby authorizes and directs the Designated Officer to deliver to the Underwriter a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designated Officer, to be final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (except for the omission of certain final pricing, rating and related information as permitted under such Rule).

Section 16. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provisions of this Resolution, failure of the District to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series B Bonds; however, any underwriter or any holder or beneficial Owner of the Series B Bonds may take such actions as may be necessary and appropriate to compel performance therewith, including seeking mandate or specific performance by court order.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series B Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "A" and incorporated by reference herein. The Designated Officer(s) are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Designated Officer, Bond Counsel and/or Disclosure Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

Section 17. County Books and Accounts. The Treasurer and the County are requested to keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 12 hereof, (ii) all deposits, expenditures and investment earnings on the funds and accounts set out in the County Resolution, and (iii) all transfers of funds for the payment of principal, interest or redemption premiums on the Series B Bonds. The Treasurer is requested to provide regular periodic statements of such accounts to the District.

Section 18. Compliance with Proposition 39 Accountability Requirements. The District hereby determines that it has complied, or will comply, with the applicable requirements prescribed by Proposition 39, and related applicable State statutory provisions, as follows:

(a) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the proceeds of the sale of the Series B Bonds (exclusive of costs of issuance and delivery of the Series B Bonds) ("Bond Proceeds" or "Series B Bond Proceeds") shall be used only for the purposes specified in the list of specific school facilities projects set forth in Resolution No. 2007/2008-11 and approved by the voters in the Bond Election ("School Facilities Project List") and not for any other purpose, including teacher and administrator salaries and any other school operating expenses.

(b) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the School Facilities Project List was made available to the public for review prior to and during the Bond Election, which included the District Board's evaluation of safety, class size reduction and information technology needs in developing the School Facilities Project List as set forth in Resolution No. 2007/2008-11.

(c) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent performance audits to ensure that the Series B Bond Proceeds have been expended only on the school facilities projects identified in the School Facilities Project List.

(d) Pursuant to Section (1)(b)(3) of Article XIIIA of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent financial audits of the Bond Proceeds until all of the Series B Bond Proceeds have been expended for the school facilities projects identified in the School Facilities Project List.

(e) Measure E and the matters submitted to the voters as part of the Bond Election included statements in compliance with Education Code Section 15272.

(f) The Measure E election results have been certified by the District Board pursuant to Resolution No. 2007/2008-11, and such resolution has been filed as required under Education Code Sections 15124 and 15274.

(g) Pursuant to Education Code Section 15278 *et seq.*, the District Board has established its Citizens' Oversight Committee for the Measure E bond election ("Committee") has appointed initial members thereto pursuant to the Citizens' Oversight Committee Policy and Regulations previously adopted by the District Board.

(h) Pursuant to Education Code Section 15268, based on estimates that assessed valuation will increase in accordance with Article XIIIA of the California Constitution, the tax rate to be levied to meet the requirements of Section 18 of Article XVI of the California Constitution with regard to the outstanding Series B Bonds in the collective will not exceed Sixty Dollars ($60) per year per One Hundred Thousand Dollars ($100,000) of taxable property. The District shall provide, or be provided, a certificate specifying the estimated tax rate, and confirming compliance with this statutory requirement, at the time the Series B Bonds are delivered.

Section 19. Compliance with State Law; Additional Reporting Requirements. That pursuant to Government Code Section 53410, the District Board hereby finds, determines and directs as follows:

(a) The Series B Bond Proceeds shall be used only for the purposes set forth in the School Facilities Project List.

(b) One or more funds or accounts (which may include subaccounts), as further described herein and in the County Resolution, shall be created into which the Series B Bond Proceeds shall be deposited.

(c) The District's Assistant Superintendent, Operational Support Services, shall have the responsibility, no less often than annually, to provide to the District Board a written report which shall contain at least the following information:

(i) The amount of the Series B Bond Proceeds received and expended during the applicable reporting period; and

(ii) The status of the acquisition, construction or financing of the school facility projects, as identified in the School Facilities Project List, with the Series B Bond Proceeds.

The report(s) required by this Section 19(c) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission, reports to the Citizen's Oversight

Committee, continuing disclosure reports or other periodic reports made in connection with the Series B Bonds. The requirements of this Section 19(c) shall apply only until all the Series B Bonds are redeemed or defeased, but if the Series B Bonds, or any series of bonds, are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

Section 20. Additional Findings and Directives. Pursuant to Education Code Section 15146(b) and (c), the Board hereby finds, determines and directs as follows:

(a) The Series B Bonds shall be sold by competitive sale process as set forth in Sections 6, 7 and 8 of this Resolution, the terms and conditions of the County Resolution and elsewhere herein.

(b) The Series B Bonds shall be sold by competitive sale inasmuch as: (i) such method of sale is expected to result in a lower underwriter's discount than would be the case if a negotiated sale method was used; (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; and (iii) such a sale will allow the District to utilize the services of consultants at a lower cost than selecting, retaining and utilizing the services of consultants who are not familiar with the District, its financing needs and related matters.

(c) The District is represented by Dale Scott & Company, Inc., as Financial Advisor, Bowie, Arneson, Wiles & Giannone as Bond Counsel and Jones Hall as Disclosure Counsel. The underwriter(s) of the Series B Bonds ("Underwriter(s)") shall be selected as part of a competitive sale process and shall be disclosed once such Underwriter(s) are selected through such process.

(d) The District Board estimates that the costs associated with the issuance of the Series B Bonds, including compensation to the Underwriter and any such costs which the Underwriter shall agree to pay pursuant to the provisions of the bid and sale documents for the Series B Bonds, are set forth in Exhibit "B", attached hereto and incorporated herein by this reference. Such costs of issuance of the Series B Bonds include, but are not limited to, costs of bond insurance, Bond Counsel and Disclosure Counsel fees and expenses, Financial Advisor fees and costs, rating agency fees, County costs, printing costs and related costs and expenses. All such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series B Bonds pursuant to the directives and conditions set forth herein. It is currently expected that the Series B Bonds will be sold to the market at a premium, with such premium being utilized to cover such costs of issuance such that the net amount deposited into the Building Fund for the Series B Bonds (as described in the County Resolution) shall be substantially equal to the par amount of the Series B Bonds.

(e) The District Board hereby directs that following the sale of the Series B Bonds, the District Board shall be presented with the actual costs of sale, issuance and delivery costs of the Series B Bonds at the next occurring meeting of the District Board for which such information can be determined and presented in accordance with State law.

(f) The District Board hereby directs that following the sale and delivery of the Series B Bonds that an itemized summary of the costs of the sale, issuance and delivery costs of the Series B Bonds shall be provided to the California Debt and Investment Advisory Commission (CDIAC). The District Board hereby determines that submission of such information as part of the filing of the Report of Final Sale for the Series B Bonds made to CDIAC pursuant to State law, including Government Code Section 8855, shall constitute compliance with the applicable requirements of Education Code Section 15146(c)(2).

(g) The District Board hereby directs that as part of the authorization for issuance, sale, issuance and delivery of the Series B Bonds that all necessary filings with CDIAC shall be completed by the District staff and/or its consultants or legal counsel on behalf of the District. The District Board directs that confirmation of such filings shall be included in the transcript of agreements, resolutions, proceedings and documents prepared and delivered in connection with the authorization for issuance, sale, issuance and delivery of the Series B Bonds.

Section 21. District Consultant Costs; County Costs.

(a) The District has retained the services of Bowie, Arneson, Wiles & Giannone to represent the District as Bond Counsel, Dale Scott & Company, Inc., as Financial Advisor with regard to the issuance of the Series B Bonds, and the firm of Jones Hall to represent the District as Disclosure Counsel.

(b) U.S. Bank National Association will serve as the District's initial Paying Agent. The Superintendent is hereby authorized to retain such other and further consultants and services, including, but not limited to, printing services, legal service and assessment information as are necessary or desirable to facilitate the issuance and delivery of the Series B Bonds.

(c) That this District Board authorizes the payment to the County of out-of-pocket expenses and other costs incurred by the County in connection with the County's support of, and participation in, the issuance of the Series B Bonds.

(d) As provided in the bid documents, the selected underwriter may be required to pay a portion of the costs of issuance from allocated funds as a condition to the purchase of the Series B Bonds. The District Board hereby authorizes a Designated Officer(s) to enter into a Costs of Issuance Custodian Agreement, or equivalent agreement, with U.S. Bank National Association or another bank or financial institution. As may be provided in such agreement, amounts provided by the Underwriter for payment of costs of issuance shall be deposited thereunder and the payment of costs of issuance may be requisitioned by a Designated Officer(s) in accordance with such agreement.

Section 22. Approval of Actions. All actions heretofore taken by officers and agents of the District with respect to the sale and issuance of the Series B Bonds are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate

in order to consummate the lawful issuance, sale and delivery of the Series B Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable. Any reference to the District's Superintendent herein shall include any appointed and acting Interim Superintendent of the District.

Section 23. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series A Bonds pursuant to the terms hereof.

Section 24. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 25. Effective Date. This Resolution shall take effect immediately upon adoption.

Section 26. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 25. County Filing. The Clerk of the District Board is hereby directed to file, or cause to be filed, certified copies of this Resolution with the Clerk of the County Board and the Superintendent of Schools of the County.

[Remainder of this page is blank]

ADOPTED, SIGNED AND APPROVED this 13th day of October, 2009.

BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Gary Jeandron, President of the Board of Education

ATTEST:

By: _____
Justin Blake, Clerk of the Board of Education

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of such School District at a meeting of said Board held on the 13th day of October, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: Clapp, Jeandron, Shoenberger

NOES:

ABSTAIN:

ABSENT: Blake, Stewart

Clerk of the Board of Education

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2009/2010-23 of such Board and that the same has not been amended or repealed.

Dated: October 13, 2009

Clerk of the Board of Education
Palm Springs Unified School District

EXHIBIT "A"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2008 Election, Series B

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Palm Springs Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Palm Springs Unified School District School District (County of Riverside, California) General Obligation Bonds 2008 Election, Series B (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Education of the District on October 13, 2009 and a Resolution adopted by the Board of Supervisors of Riverside County on November 3, 2009 (the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2010 with the report for the 2008-09 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year and for the current budget year;

(vi) property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in the County of Riverside's Teeter Plan; and

(vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders.

(8) Contingent or unscheduled bond calls.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the

requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of

liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Palm Springs Unified School District

Name of Bond Issue: $_____ aggregate principal amount of Palm Springs Unified School District (County of Riverside, California) General Obligation Bonds, 2008 Election, Series B

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has not provided an Annual Report with respect to the above-named Bonds as required by the District's Bond Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By_____
Superintendent

EXHIBIT "B"

PALM SPRINGS UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES B

ESTIMATED COSTS OF ISSUANCE*

Underwriter's Discount (estimated)	$1,100,000 (1.00% of par amount of Bonds*)
Bond Insurance (if purchased)(estimated)	$1,700,000 (based on 70 basis points)*

Firm	Role/Service	Cost Est.*
Bowie, Arneson, Wiles & Giannone	Bond Counsel for General Obligation Bond Services	
Jones Hall	Disclosure Counsel to the District	
Dale Scott & Co.	Financial Consultant to the District	
Standard & Poor's	Rating	
TBD	Printing	
U.S. Bank	Paying Agent	
U.S. Bank	COI Custodian	
Other allocated costs		
Total Estimated for above-listed services		$440,000

*All costs of issuance listed herein are estimates. Such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series B Bonds pursuant to the directives and conditions set forth in District Resolution No. 2009/2010-23.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Draft of October 4, 2009

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER ___, 2009

NEW ISSUE -- FULL BOOK-ENTRY

Standard & Poor's: __
See "RATINGS" herein.

In the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California ("Bond Counsel") subject, however to certain qualifications described herein, under existing law, the interest on the Series B Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

$110,000,000*
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2008 Election, Series B

***Dated*: Date of Delivery** **_Due_: August 1, as shown on inside cover**

Issuance. The above-captioned General Obligation Bonds, 2008 Election, Series B (the "Series B Bonds" or the "Bonds") are being issued by the Palm Springs Unified School District (the "District") pursuant to a resolution of the Board of Education of the District adopted on October 13, 2009 (the "District Resolution"), a resolution of the Board of Supervisors of Riverside County (the "County") on October 27, 2009 (the "County Resolution"), and certain provisions of the Education Code of the State of California. The Series B Bonds were authorized at an election of the registered voters of the District held on February 5, 2008, which authorized a total of $516,000,000 principal amount of general obligation bonds to finance new construction and additions to and modernization of school facilities for the District. The Series B Bonds are the second series of bonds issued pursuant to such authorization.

Security. The Series B Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes. The Board of Supervisors of Riverside County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Series B Bonds. The District currently has outstanding general obligation bonds issued under previous authorizations that are similarly payable from *ad valorem* taxes levied on parcels in the District. See "THE SERIES B BONDS-Security."

Redemption. The Series B Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "THE SERIES B BONDS-Optional Redemption."

Book Entry Only. The Series B Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Series B Bonds. See Appendix F – "Book-Entry-Only System."

Payments. Interest with respect to the Series B Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2010, by check mailed to the person in whose name the Series B Bond is registered. Payments of principal and interest on the Series B Bonds will be paid by U.S. Bank National Association, Los Angeles, California, as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Series B Bonds.

MATURITY SCHEDULES
(See inside front cover)

Cover Page. This cover page contains information for quick reference only. It is not a summary of all the provisions of the Series B Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Series B Bonds will be sold at public sale to be held on Tuesday, November 17, 2009. The Series B Bonds are offered when, as and if issued, subject to the approval as to their legality by Bowie, Arneson, Wiles & Giannone, Newport Beach, California, Bond Counsel. Certain legal matters also will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel to the District. It is anticipated that the Series B Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about December___, 2009.

Dated: _____ __, 2009

*Preliminary; subject to change.

MATURITY SCHEDULE

Base CUSIP[†]: _____

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†]

$_____ _____% Term Series B Bond Due August 1, _____, Yield: ____%, Price: ____%; CUSIP† No.: _____

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† *Copyright 2009, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.*

* Preliminary, subject to change.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Series B Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Series B Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Series B Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Series B Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Series B Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

The Series B Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exception from the registration requirements contained in such act. The Series B Bonds have not been registered or qualified under the securities laws of any state.

PALM SPRINGS UNIFIED SCHOOL DISTRICT
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

DISTRICT BOARD OF TRUSTEES

Gary Jeandron, *President*
Justin Blake, *Clerk*
Richard Clapp, *Member*
Meredy Shoenberger, *Member*
Shari Stewart, *Member*

DISTRICT ADMINISTRATION

Lorri S. McCune, Ed.D., *Superintendent of Schools*
James Novak, *Assistant Superintendent, Business Services*
Christine Anderson, Ed.D., *Assistant Superintendent, Educational Services*
Mauricio Arellano, *Assistant Superintendent of Human Resources*
Craig Borba, Ed.D., *Assistant Superintendent of Pupil Personnel Services*

FINANCIAL ADVISOR

Dale Scott & Company Inc.
400 Montgomery Street, Suite 805
San Francisco, CA 94104

BOND COUNSEL

Bowie, Arneson, Wiles & Giannone
4920 Campus Drive
Newport Beach, California 92660

DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
650 California Street, 18th floor
San Francisco, California 94108

PAYING AGENT, TRANSFER AGENT, AND BOND REGISTRAR

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071

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$110,000,000*
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2008 Election, Series B

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the sale and delivery by the Palm Springs Unified School District (the "District") of the bonds captioned above (the "Series B Bonds"). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Bond Resolution (as defined below).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series B Bonds to potential investors is made only by means of the entire Official Statement.

The District. The Palm Springs Unified School District comprises approximately 507 square miles of territory in the central portion of Riverside County, California. Although much of the District is desert, portions are mountainous and wooded. The District includes the incorporated cities of Palm Springs, Cathedral City, Desert Hot Springs, most of Rancho Mirage, the unincorporated community of Thousand Palms, and some unincorporated areas of Riverside County. The District's 2008-09 average daily attendance is 22,666 students.

Description of the Series B Bonds. The Series B Bonds will be dated their date of delivery (the "Dated Date") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Series B Bonds will mature on August 1 in the years indicated on the inside cover page hereof.

Registration. The Series B Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Series B Bonds (the "Beneficial Owners") in the denominations set forth on the inside cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Series B Bonds. See "THE SERIES B BONDS -- Book-Entry-Only System." In the event that the book-entry-only system described below is no longer used with respect to the Series B Bonds, the Series B Bonds will be registered in accordance with the Bond Resolution described herein. See "THE SERIES B BONDS -- Registration, Transfer and Exchange of Bonds."

*Preliminary; subject to change.

Redemption. The Current Interest Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in "THE SERIES B BONDS - Optional Redemption" and " - Mandatory Sinking Fund Redemption." The Capital Appreciation Bonds are not subject to redemption.

Authority for Issuance of the Series B Bonds. Issuance of the Series B Bonds was approved by more than 55% of the voters of the District voting at an election held on February 5, 2008 (the "Bond Election") and will be issued pursuant to certain provisions of the Education Code of the State and pursuant to a resolution adopted by the Board of Supervisors of the County adopted on November 3, 2009. See "THE SERIES B BONDS - Authority for Issuance."

Security for the Series B Bonds. The Series B Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes for the payment of the Series B Bonds and the interest thereon upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SOURCES OF PAYMENT FOR THE BONDS."

Purpose of Issue. The net proceeds of the Series B Bonds will be used to finance school construction and improvements to the school facilities as approved by the voters at an election held in the District on February 5, 2008. See "THE SERIES B BONDS -- Purpose of Issue" and "ESTIMATED SOURCES AND USES OF FUNDS."

Offering and Delivery of the Bonds. The Series B Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Bond Counsel. It is anticipated that the Series B Bonds will be available for delivery in New York, New York on or about December ___, 2009.

Legal Matters. Issuance of the Series B Bonds is subject to the approving opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California ("Bond Counsel"), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will serve as Disclosure Counsel to the District. *Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Series B Bonds.*

Tax Matters. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, interest on the Series B Bonds will not be includable in gross income for federal income tax purposes although it may be includable in the calculation for certain taxes. Also in the opinion of Bond Counsel, interest on the Series B Bonds will be exempt from State of California (the "State") personal income taxes. See "TAX MATTERS."

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "THE SERIES B BONDS - Continuing Disclosure."

Other Information. For limiting factors about this Official Statement, see "General Information About This Official Statement" inside the cover hereof.

Copies of documents referred to herein and information concerning the Series B Bonds are available from the Superintendent, Palm Springs Unified School District,980 Tahquitz Canyon Way Suite 202, Palm Springs, California 92262, telephone: (760) 416-6126 (the "Superintendent's Office"). The District may impose a charge for copying, mailing and handling.

THE SERIES B BONDS

Description of the Series B Bonds

The Series B Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Series B Bonds.

Interest with respect to the Series B Bonds accrues from their Dated Date, and is payable semiannually on February 1 and August 1 of each year (each, an "Interest Payment Date") commencing February 1, 2010. Each Series B Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of a Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to a Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to January 15, 2010, in which event it shall bear interest from the date of original delivery; *provided, however*, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series B Bonds, including the final interest payment upon maturity, is payable by check of the Paying Agent mailed on the Interest Payment Date via first-class mail to the Owner thereof at such Owner's address as it appears on the bond register maintained by the Paying Agent at the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose, or upon written request filed with the Paying Agent as of the Record Date by an Owner of at least $1,000,000 in aggregate principal amount of Series B Bonds, by wire transfer.

The Series B Bonds shall be issued in the denomination of $5,000 principal amount each or any integral multiple thereof. The Series B Bonds mature on August 1, in the years and amounts set forth on the cover page hereof.

Authority for Issuance

The Series B Bonds are issued pursuant to the provisions of Chapter 1 of Part 10 of Division 1 of Title 1 (Section 15100 *et seq.*) of the Education Code of the State of California (the "Bond Law"), pursuant to a resolution adopted by the Board of Education of the District on October 13, 2009 and pursuant to a resolution adopted by the Board of Supervisors of the County on November 3, 2009 (the "Bond Resolution"). The District received authorization at the Bond Election, by a requisite 55% vote of the qualified electors to issue general obligation bonds in a principal amount not to exceed $516,000,000 (the "Authorization"). The Series B Bonds are the first series of bonds issued pursuant to the Authorization. In December, 2009, the District intends to issue its 2009 General Obligation Revenue Bonds, (Palm Springs Unified

School District Qualified School Construction Bonds) in the principal amount of not to exceed $_____.

The District currently has outstanding $228,345,000 of general obligation bonds issued under previous authorizations that are similarly payable from *ad valorem* taxes levied on parcels in the District. See "APPENDIX A - General and Financial Information About the District".

Purpose of Issue

The proceeds of bonds issued pursuant to the Authorization will be used for the specific school facilities projects set forth in the full text of the ballot measure, known as "Measure E", approved by the District's voters at the Bond Election.

Security

Ad Valorem Taxes. The Series B Bonds are general obligation bonds of the District. The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the Series B Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Series B Bonds are outstanding in an amount sufficient to pay the principal and interest on the Series B Bonds when due. Such taxes, when collected, will be deposited into an interest and sinking fund for the Series B Bonds (the "Debt Service Fund"), which is maintained by the County and which is created by statute for the payment of principal of and interest on the Series B Bonds when due. **Although the County is obligated to levy an *ad valorem* tax for the payment of the Series B Bonds, and will maintain the Debt Service Fund pledged to the repayment of the Series B Bonds, the Series B Bonds are not a debt of the County.**

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and interest on the Series B Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent (as defined herein) which, in turn, shall pay such moneys to DTC to pay the principal and interest on the Series B Bonds. DTC will thereupon make payments of principal and interest on the Series B Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series B Bonds.

The rate of the annual *ad valorem* tax levied by the County to repay the Series B Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Series B Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in the annual tax levy. For further information regarding the District's tax base, tax rates, overlapping debt and other matters concerning taxation, see "SOURCES OF PAYMENT FOR THE BONDS" herein.

Paying Agent

U.S. Bank National Association, Los Angeles, California, will act as the registrar, transfer agent, and paying agent for the Series B Bonds (the "Paying Agent"). As long as DTC is the registered owner of the Series B Bonds and DTC's book-entry method is used for the Series B Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Series B Bonds called for prepayment or of any other action covered by such notice.

The Paying Agent, the District, the County and the Underwriter of the Series B Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Series B Bonds.

Optional Redemption

The Series B Bonds maturing on or before August 1, 2019 are not subject to redemption prior to their respective stated maturities. The Series B Bonds maturing on or after August 1, 2020 are subject to redemption prior to maturity, as a whole or in part, in inverse order of maturity and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 2019 and on any date thereafter, at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption, without premium.

For the purpose of selection for optional redemption, Series B Bonds will be deemed to consist of $5,000 portions, and any such portion may be separately redeemed.

Mandatory Sinking Fund Redemption

The Series B Bonds maturing on August 1, 20___ (the "Term Bonds"), are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year in accordance with the schedules set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Redemption Year (August 1)	Principal Amount to be Redeemed

Selection of Bonds for Redemption

Whenever provision is made for the redemption of Series B Bonds and less than all Outstanding Series B Bonds of a series are to be redeemed, the Paying Agent, upon written instruction from the District received at least 30 days prior to the specified redemption date (unless a shorter notice is consented to by the Paying Agent and the Insurer), shall select Series B Bonds of such series for redemption in inverse order of maturity. Within a maturity, the Paying Agent shall select Series B Bonds for redemption by lot. Redemption by lot shall be in such a manner as the Paying Agent shall determine; *provided, however*, that the portion of any

Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Value of $5,000 or any integral multiple thereof.

Notice of Redemption

The Paying Agent is required to give notice of the redemption of the Series B Bonds, at the expense of the District. Notice of any redemption of Series B Bonds shall specify: (a) the Series B Bonds or designated portions thereof (in the case of redemption of the Series B Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Series B Bonds to be redeemed, (f) the Series B Bond numbers of the Series B Bonds to be redeemed in whole or in part and, in the case of any Series B Bond to be redeemed in part only, the Principal Amount of such Series B Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Series B Bond to be redeemed in whole or in part. Such notice shall further state that on the specified date there shall become due and payable upon each Series B Bond or portion thereof being redeemed the redemption price thereof, together with the interest accrued to the redemption date in the case of the Capital Appreciation Bonds, and that from and after such date, interest with respect thereto shall cease to accrete in value.

Neither failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Series B Bonds.

Partial Redemption of Bonds

Upon the surrender of any Series B Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor, series and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Series B Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Series B Bonds.

If the book entry system is discontinued, the person in whose name a Series B Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Series B Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Series B Bonds may be exchanged at the principal corporate trust office of the Paying Agent in Los Angeles, California for a like aggregate principal amount of Series B Bonds of authorized denominations and of the same series and maturity; provided that Current Interest Bonds may only be exchanged for Current Interest Bonds, and Capital Appreciation Bonds may only be exchanged for Capital Appreciation Bonds. Any Series B Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Series B Bonds, (ii) DTC determines to discontinue providing such services and no

successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series B Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Series B Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond after such Series B Bond has been selected for redemption.

Book-Entry Only System

The Series B Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Series B Bonds (the "Beneficial Owners") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Series B Bonds. See "APPENDIX F – The Book-Entry Only System." In event that the book-entry-only system described below is no longer used with respect to the Series B Bonds, the Series B Bonds will be registered in accordance with the Bond Resolution described herein. See "THE BONDS -- Description of the Bonds."

Continuing Disclosure

The District has covenanted, for the benefit of holders and beneficial owners of the Series B Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an "Annual Report") not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 2010 with the report for the 2008-2009 Fiscal Year, and to provide notices of the occurrence of certain enumerated events, if material. The notices of material events will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of material events is set forth below under the caption APPENDIX E – "Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

[CONFIRM] The District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

SOURCES OF PAYMENT FOR THE BONDS

The Series B Bonds are general obligation bonds of the District payable from ad valorem taxes. The Board of Supervisors of the County has the power and is obligated to levy ad valorem taxes upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates), for the payment of the Series B Bonds and the interest thereon, in accordance with and subject to the Bond Law. The Series B Bonds are not a debt of the County.

Ad Valorem Taxes

The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Series B Bonds, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates). Such taxes will be levied annually in addition to all other taxes during the period that the Series B Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series B Bonds when due. Such taxes, when collected, will be placed by the County in the District's Debt Service Fund, which is segregated and maintained by the County and which is irrevocably pledged for the payment of the Series B Bonds and interest thereon when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Series B Bonds, and will maintain the Debt Service Fund pledged to the repayment of the Series B Bonds, the Series B Bonds are not a debt of the County.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Series B Bonds as the same become due and payable, shall be transferred by the County Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Series B Bonds. DTC will thereupon make payments of principal and interest on the Series B Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series B Bonds. Any moneys remaining in the Debt Service Fund after the Series B Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to Section 15234 of the Education Code of the State.

The amount of the annual *ad valorem* tax levied by the County to repay the Series B Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Series B Bonds in any year. Fluctuations in the annual debt service on the Series B Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in annual tax levy.

Property Tax Collection Procedures

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a

tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10 percent penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10 percent penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5 percent attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the Riverside County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Property within the District had a net taxable assessed valuation for fiscal year 2009-10 of $24,778,509,881 (before deduction of the redevelopment increment). Shown in the following table are the assessed valuations for the District for the past five fiscal years.

TABLE 1
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2005-06 through Fiscal Year 2009-10

Fiscal Year	Locally Secured	Utility	Unsecured	Total	% Change
2005-06		[TO COME]			
2006-07					
2007-08	$25,254,474,802	$80,462,081	$857,824,507	$26,192,761,390	
2008-09	25,961,627,256	75,862,081	1,047,431,059	27,084,920,396	3.4
2009-10	23,729,278,196	81,239,700	967,991,985	24,778,509,881	(8.5)

Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "LIMITATIONS ON TAX REVENUES" below.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "LIMITATIONS ON TAX REVENUES" below.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

Parcels By Land Use

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2009-10.

TABLE 2
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use

	2009-10 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 303,269,360	1.28%	694	0.38%
Commercial/Industrial	3,730,179,438	15.72	6,685	3.65
Government/Social/Institutional	109,569,864	0.46	1,413	0.77
Subtotal Non-Residential	$4,143,018,662	17.46%	8,792	4.80%
Residential:				
Single Family Residence	$11,372,307,244	47.93%	41,226	22.52%
Condominium/Townhouse	4,682,756,493	19.73	22,415	12.24
Mobile Home	472,342,245	1.99	9,268	5.06
2-3 Residential Units	341,145,706	1.44	1,707	0.93
4+ Residential Units/Apartments	787,016,681	3.32	956	0.52
Timeshare Properties	687,206,922	2.90	70,594	38.56
Subtotal Residential	$18,342,775,291	77.30%	146,166	79.84%
Vacant Parcels	$1,243,484,243	5.24%	28,114	15.36%
Total	$23,729,278,196	100.00%	183,072	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

TABLE 3
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Per Parcel 2009-10 Assessed Valuation of Single Family Homes

	No. of Parcels	2009-10 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	41,226	$11,372,307,244	$275,853	$177,000

2009-10 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	231	0.560%	0.560%	$ 4,253,919	0.037%	0.037%
$25,000 - $49,999	1,381	3.350	3.910	54,350,209	0.478	0.515
$50,000 - $74,999	3,136	7.607	11.517	197,524,389	1.737	2.252
$75,000 - $99,999	4,287	10.399	21.916	375,813,423	3.305	5.557
$100,000 - $124,999	3,940	9.557	31.473	439,691,092	3.866	9.423
$125,000 - $149,999	3,549	8.609	40.082	488,311,544	4.294	13.717
$150,000 - $174,999	3,757	9.113	49.195	607,283,454	5.340	19.057
$175,000 - $199,999	3,008	7.296	56.491	559,812,715	4.923	23.980
$200,000 - $224,999	2,253	5.465	61.956	477,421,202	4.198	28.178
$225,000 - $249,999	2,131	5.169	67.125	503,922,512	4.431	32.609
$250,000 - $274,999	1,483	3.597	70.722	387,775,116	3.410	36.019
$275,000 - $299,999	1,118	2.712	73.434	321,339,606	2.826	38.844
$300,000 - $324,999	1,044	2.532	75.967	325,669,222	2.864	41.708
$325,000 - $349,999	1,013	2.457	78.424	342,308,601	3.010	44.718
$350,000 - $374,999	947	2.297	80.721	341,747,104	3.005	47.723
$375,000 - $399,999	781	1.894	82.615	301,913,967	2.655	50.378
$400,000 - $424,999	703	1.705	84.321	289,054,210	2.542	52.920
$425,000 - $449,999	656	1.591	85.912	286,434,477	2.519	55.438
$450,000 - $474,999	421	1.021	86.933	194,362,255	1.709	57.147
$475,000 - $499,999	434	1.053	87.986	211,081,288	1.856	59.004
$500,000 and greater	4,953	12.014	100.000	4,662,236,939	40.996	100.000
Total	41,226	100.000%		$11,372,307,244	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Property Tax Collections

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions for which the County acts as the tax-levying or tax-collecting agency.

However, the Teeter Plan is not applicable to *ad valorem* property taxes levied to pay the interest on and principal of the District's general obligation bonds, including the Bonds. Consequently, the District will receive *ad valorem* property taxes to pay debt service on the Bonds based on actual collections for that purpose rather than the amount levied.

The County's current practice is to levy an *ad valorem* property tax in the first fiscal year for which the County has sufficient information (based on either issuance of a new series of general obligation bonds or estimated debt service) in time to add the tax to the tax roll. It is also the County's practice to calculate a tax rate following Education Code 15250, which provides in relevant part: "The tax ... may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies." On an ongoing basis over the life of the general obligation bonds, the County makes adjustments as necessary to the tax levy to adjust for annual differences in the debt service due on the bonds and to meet the annual reserve

allowance. This reserve is available to the County to help address delinquencies in the collection of the *ad valorem* property tax levied to repay the bonds and any part of the principal and interest that is to become due before the proceeds of a tax may be available. Neither the District nor the Underwriter can provide any assurance that the County's current "reserve" practice, as described in this paragraph, will continue through the final maturity date of the Bonds.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in the typical tax rate area during the five-year period from 2004-05 to 2008-09.

TABLE 4
PALM SPRINGS UNIFIED SCHOOL DISTRICT
SUMMARY OF *AD VALOREM* TAX RATES
TYPICAL TAX RATE PER $100 OF ASSESSED VALUATION

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Palm Springs Unified School District	.05715	.05012	.05912	.05468	
Desert Community College District	.01994	.01995	.01995	.01995	
Desert Water Agency	.06000	.06000	.08000	.08000	
Total Tax Rate	1.13709	1.13007	1.15907	1.15463	

Source: California Municipal Statistics, Inc.

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2009-10.

TABLE 5
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Top Twenty Secured Property Taxpayers
Fiscal Year 2009-10

	Property Owner	Primary Land Use	2009-10 Assessed Valuation	% of Total (1)
1.	Tenet Healthsystem Desert Inc.	Medical Buildings	$ 110,200,866	0.46%
2.	Peter Solomon	Residential Properties	105,132,505	0.44
3.	River Retail	Shopping Center	85,147,305	0.36
4.	Marriott Ownership Resorts Inc.	Timeshare/Resort	83,271,404	0.35
5.	Mountain View Power Partners LLC	Industrial	82,885,263	0.35
6.	Desert Gold Ventures	Mixed Use Development	77,336,687	0.33
7.	GENLB Rancho	Hotel	65,978,739	0.28
8.	Starwood Mission Hills CMBS I	Hotel	64,279,996	0.27
9.	Donahue Schriber Realty Group	Shopping Center	58,059,398	0.24
10.	WVC Rancho Mirage Inc.	Timeshare/Resort	57,454,611	0.24
11.	Walter H. Annenberg	Residential Properties	55,881,308	0.24
12.	Wal Mart Real Estate Business Trust	Commercial	55,372,742	0.23
13.	John Wessman / Wessman Holdings	Shopping Center	54,735,968	0.23
14.	Palm Springs Art Museum Inc.	Commercial	50,856,974	0.21
15.	HH Palm Springs	Hotel	49,070,000	0.21
16.	San Gorgonio Westwinds II LLC	Industrial	45,608,000	0.19
17.	U Store It LP	Industrial	44,069,303	0.19
18.	Time Warner Entertainment	Communications	43,456,429	0.18
19.	Pacific Monarch Resorts Inc.	Timeshare/Resort	41,493,500	0.17
20.	Edom Hills Project 1 LLC	Industrial	41,303,584	0.17
			$1,271,594,582	5.36%

(1) 2008-09 Local Secured Assessed Valuation: $23,729,278,196
Source: California Municipal Statistics, Inc.

Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated October 1, 2009. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 6
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of October 1, 2009

2009-10 Assessed Valuation: $24,778,590,881
2008-09 Adjusted Assessed Valuation: $15,384,573,322

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 10/1/09	
Desert Community College District	41.665%	$134,975,645	
Palm Springs Unified School District	**100.**	**228,345,000**	(2)
Coachella Valley County Water District, I.D. Nos. 54 & 58	0.551 & 22.020	401,135	
Mission Springs Water District, I.D. No. 2	100.	1,500	
San Gorgonio Memorial Healthcare District	0.634	684,720	
City of Cathedral City Community Facilities District No. 2000-1	100.	11,910,000	
City of Desert Hot Springs Community Facilities District No. 2006-1	100.	2,025,000	
City of Palm Springs Community Facilities District No. 2005-1	100.	65,925,000	
1915 Act Bonds (Estimated)	Various	113,953,446	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$558,221,446	
OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	8.893%	$ 66,835,311	
Riverside County Pension Obligations	8.893	33,979,264	
Riverside County Board of Education Certificates of Participation	8.893	643,853	
City of Cathedral City Certificates of Participation	100.	4,835,000	
City of Desert Hot Springs Certificates of Participation	99.885	2,507,114	
City of Desert Hot Springs Judgment Obligations	99.885	9,713,816	
City of Palm Springs General Fund Obligations	99.942	107,532,595	
City of Palm Springs Pension Obligations	99.942	19,699,990	
City of Rancho Mirage Certificates of Participation	81.495	4,327,385	
Coachella Valley County Water District Storm Water Unit Certificates of Participation	16.359	658,450	
Coachella Valley Recreation and Park District Certificates of Participation	4.928	118,272	
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$250,851,050	
Less: Riverside County self-supporting obligations		1,454,396	
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$249,396,654	
GROSS COMBINED TOTAL DEBT		$809,072,496	(3)
NET COMBINED TOTAL DEBT		$807,618,100	

(1) Based on 2008-09 ratios.
(2) Excludes Bonds to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2009-10 Assessed Valuation:

Direct Debt ($228,345,000)	**0.92%**
Total Direct and Overlapping Tax and Assessment Debt	2.25%

Ratios to 2008-09 Adjusted Assessed Valuation:

Gross Combined Total Debt	5.26%
Net Combined Total Debt	5.25%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

Source: California Municipal Statistics, Inc.

DEBT SERVICE SCHEDULES

Series B Bonds. The following table shows the debt service schedule with respect to the Series B Bonds (assuming no optional redemptions).

Period Ending (August 1)	Series B Bond Principal	Series B Bond Interest	Annual Debt Service
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
Total			

Combined Debt Service Schedule. The following schedule shows the combined debt service with respect to general obligation bonds issued by the District pursuant to its 1992 Authorization, its 2000 Authorization, its 2004 Authorization, and its 2008 Authorization (which includes the Series B Bonds).

Bond Year Ending August 1	Combined Total From 1992 Authorization	Combined Total From 2000 Authorization	Combined Total From 2004 Authorization	Combined Total From 2008 Authorization*	Aggregate Debt Service*
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
TOTAL					

*Preliminary; subject to change.

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Series B Bonds are as follows:

Sources of Funds:

Principal Amount of Series B Bonds
Original Issue Premium

Total Sources

Uses of Funds:

Building Fund
Debt Service Fund
Costs of Issuance (1)

Total Uses

(1) Costs of Issuance include legal fees, financial advisor's fees, Underwriter's discount, printing costs, rating agency fees and other miscellaneous expenses.

APPLICATION OF PROCEEDS OF SERIES B BONDS

Building Fund

The proceeds from the sale of the Series B Bonds, to the extent of the principal amount thereof, shall be paid to the County to the credit of the funds created and established in the Bond Resolution and known as the "Palm Springs Unified School District General Obligation Bond, 2008 Election, Series B, Building Fund" (the "Building Fund"), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Series B Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Series B Bonds not needed for the authorized purposes for which the Series B Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the applicable series of Series B Bonds. If, after payment in full of the Series B Bonds, there remains excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Interest earnings on the investment of monies held in the Building Fund shall be retained in the Building Fund.

Debt Service Fund

The accrued interest and any premium received by the County from the sale of the Series B Bonds after payment of costs of issuance shall be deposited in a separate fund known as the "Palm Springs Unified School District General Obligation Bond, 2008 Election, Series B, Debt Service Fund" (the "Debt Service Fund"), which, together with the collections of *ad valorem* taxes, will be used only for payment of principal of and interest on each series of Series B Bonds. Interest earnings on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the principal of and interest on each series of Series B Bonds when due.

Investment of Proceeds of Bonds

Under California law, the District is generally required to pay all monies received from any source into the County Treasury to be held on behalf of the District. The proceeds of Series B Bonds to be deposited in the Building Fund and the Debt Service Fund initially will be deposited in the Treasury of the County which is administered by the County Treasurer (the "Treasurer"). The Bond Resolution provides that proceeds of the Series B Bonds held by the Treasurer shall be invested at the Treasurer's discretion pursuant to law and the investment policy of the County, unless the District otherwise requests the County to invest all or a portion of the funds on deposit in the Building Fund in certain permitted investments, including investment agreements which comply with the requirements of each rating agency then rating the Series B Bonds, as defined in the Bond Resolution. See "COUNTY INVESTMENT POOL" herein for a description of the County's investment policy and investment portfolio. Money on deposit in the Building Fund and the Debt Service Fund will be accounted for separately from other moneys held by the Treasurer. See also "COUNTY INVESTMENT POOL" herein.

The County Investment Pool

Under the California Education Code, the District is required to deposit all monies received from any source into the County Treasury to be held on behalf of the District. The County Treasurer maintains one Pooled Investment Fund (the "**PIF**") for all local jurisdictions having funds on deposit in the County Treasury. As of July 31, 2009, the portfolio assets comprising the PIF had a market value of $5,339,200,377.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2007, the Auditor-Controller performed an analysis on the County Treasury which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. Collectively, these mandatory deposits constituted approximately 84% of the funds on deposit in the County Treasury, while approximately 16% of the total funds on deposit in the County Treasury represented discretionary deposits.

While State law permits other governmental jurisdictions, with the prior consent of the Board and the County Treasurer, to participate in the County's PIF, none have been authorized entry, nor are any pending consideration. The desire of the County is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2009 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the Pooled Investment Fund as of July 31, 2009, were as follows:

	Market Value	% of Pool
Federal Agency Securities	$4,357,976,250	81.6%
Cash Equivalents & Money Market Funds	414,838,000	7.8
Medium Tem Notes	326,772,162	6.1
Municipal Bonds	122,314,265	2.3
Bonds- U.S. Treasury	29,990,700	0.6
Local Agency Obligations (2)	87,309,000	1.6
Total	$5,339,200,377	100.0%

LEGAL OPINION

The proceedings in connection with the issuance of the Series B Bonds are subject to the approval as to their legality of Bowie, Arneson, Wiles & Giannone, Newport Beach, California, Bond Counsel for the District. The opinion of Bond Counsel with respect to the Series B Bonds will be delivered in substantially the form attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Jones Hall as Disclosure Counsel. The fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance and delivery of the Series B Bonds.

TAX MATTERS

[Subject to review by Bond Counsel]

Federal Tax Status. In the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series B Bonds is excluded from gross income for federal income tax purposes, such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series B Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series B Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Series B Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Series B Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded. Owners of Series B Bonds with original issue discount or original issue premium, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of owning such Series B Bonds.

California Tax Status. In the opinion of Bond Counsel, interest on the Series B Bonds is exempt from California personal income taxes.

Other Tax Considerations. Owners of the Series B Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series B Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Series B Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Series B Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Series B Bonds.

RATINGS

Standard & Poor's Ratings Services ("S&P") have assigned its municipal bond rating of "_____" to the Series B Bonds. There is no assurance that any credit ratings given to the Series B Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series B Bonds. Such rating reflects only the views of such organization and an explanation of the significance of such ratings may be obtained from such rating agencies.

UNDERWRITING

The Series B Bonds were sold pursuant to competitive sale, and were awarded to _____ (the "Underwriter"), whose proposal represented the lowest true interest rate for the Series B Bonds. The Underwriter has agreed to purchase the Series B Bonds at a price of $_____ (which is equal to the initial principal amount of the Series B Bonds plus original issue premium ($_____) less original issue premium retained by the Underwriter in the amount of $_____to pay the Underwriter's discount of $_____ and estimated costs of issuance in the amount of $_____). The purchase contract relating to the Series B Bonds provides that the Underwriter will purchase all of the Series B Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell Series B Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Series B Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Series B Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

General Information

The Palm Springs Unified School District comprises approximately 507 square miles of territory in the central portion of Riverside County, California. Although much of the District is desert, portions are mountainous and wooded. The District includes the incorporated cities of Palm Springs, Cathedral City, Desert Hot Springs, most of Rancho Mirage, the unincorporated community of Thousand Palms, and some unincorporated areas of Riverside County. The District's total population is approximately 137,000.

The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instructional support services.

The District is currently operating fifteen elementary schools, four middle schools, three high schools, one continuation high school, and one adult education program. The District is governed by a five member Board of Education. The members are elected to four-year staggered terms. Average daily attendance in the District for fiscal year 2008-09 was 22,666 students.

Administration

The District is governed by a five-member Governing Board, with each member elected to a four-year term in alternate slates of three and four. Current members of the Governing Board, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Gary Jeandron	President	December 20__
Justin Blake	Clerk	December 20__
Richard Clapp	Member	December 20__
Meredy Shoenberger	Member	December 20__
Shari Stewart	Member	December 20__

The day-to-day operations are managed by a board-appointed Superintendent of Schools.

Recent Enrollment Trends

The following table shows enrollment history for the District for the last five fiscal years, with projected figures through fiscal year 2011-12.

Table A-1
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Annual Enrollment
Fiscal Years 2004-05 through 2011-12

School Year	Enrollment
2004-05	23,217
2005-06	23,689
2006-07	24,263
2007-08	24,400
2008-09	24,347
2009-10[1]	
2010-11[1]	
2011-12[1]	

(1) Estimates.
Source: California Department of Education.

Employee Relations

In the fall of 1974, the California State Legislature enacted a public school employee collective bargaining law known as the Rodda Act which became effective in stages on January 1, 1976, April 1, 1976, and July 1, 1976. This law provides that employees are to be divided into appropriate bargaining units which are to be represented by an exclusive bargaining agent.

The District has _____ full and part-time employees. Bargaining agents represent all but the _____ employees in management, supervisory and confidential categories.

Teachers, nurses, librarians, and other certificated employees, numbering _____ are represented by the Palm Springs Teachers Association ("PSTA"). The employees are covered by a contract that expired on June 30, 20___. The District is currently negotiating a new contract.

The Teamsters Union has been selected as the bargaining agent for _____ classified personnel and such personnel are covered by a contract that expires on June 30, 20___.

District Retirement Systems

STRS. The District participates in the State of California Teacher's Retirement System ("STRS"). This plan covers basically all full-time certificated employees. Active plan members are required to contribute 8.0% of their salary and the District is to contribute an actuarially determined rate, which was 8.25% of payroll for the 2007-08 fiscal year. The District's contribution to STRS for fiscal year 2007-08 was $7,761,238, for fiscal year 2008-09 was $8,106,650 (unaudited actual) and for fiscal year 2009-10 is $7,470,238 (budgeted).

PERS. The District also participates in the State of California Public Employees' Retirement System ("PERS"). This plan covers all classified personnel who are employed four or more hours per day. Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate, which was 9.306 percent of annual payroll for 2007-08. The District's contribution to PERS for fiscal year 2007-08 was $3,550,566, for fiscal year 2008-09 was $3,447,793 (unaudited actual) and for fiscal year 2009-10 is $3,600,820 (budgeted).

Both the PERS and STRS systems are operated on a statewide basis. District contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as liability. STRS has a substantial State unfunded liability. Since this liability has not been broken down by the state agency, information is not available showing the District's share.

Other Post Employment Benefits

Other Post-Employment Benefits. In June 2004, the Governmental Accounting Standards Board ("GASB") issued Statement No. 45 ("GASB 45"), which addresses how state and local governments should account for and report their costs and obligations related to post-employment health care and other non-pension benefits ("OPEB"). GASB 45 generally requires that local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most local governments will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

The Post-Employment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 153 retirees and beneficiaries currently receiving benefits, 10 terminated plan members entitled to but not yet receiving benefits, and 1,977 active plan members.

The contribution requirements of Plan members and the District are established and may be amended by the District and the Palm Springs Teachers Association, the local California Service Employees Association, and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2007-08, the District contributed $1,191,234 to the Plan, all of which was used for current premiums.

The following table shows the components of the District's OPEB cost for the next year, the amount actually contributed to the plan, ad changes in the District's net OPEB obligation.

Table A-2
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Other Post Employment Benefit Cost - 2007-08

Annual required contribution	$ 1,332,408
Contributions made	(1,191,234)
Net OPEB obligation, beginning of year	0
Net OPEB obligation, end of year	$141,174

Year Ended June 30	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2008	$1,332,408	89.40%	$141,174

Source: Palm Springs Unified School District Audit Reports for fiscal year 2007-08.

For a description of the actuarial methods and assumptions used, see "APPENDIX B - FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS- Note 10 – Post Retirement Healthcare Plan and other Post-employment Benefits (OPEB) Obligation".

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS".

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30.

All governmental funds and fiduciary funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, both measurable and available to finance expenditures for the current period. For more information on the District's accounting method, see Note 1 of "APPENDIX B – FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS" attached hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting and (ii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iii) required supplementary information.

Financial Statements

The District's Audited Financial Statements for the fiscal year ending fiscal year 2007-08 were prepared by Vavrinek, Trine, Day & Co., Inc., Rancho Cucamonga, California. Audited financial statements for the District for the fiscal year ended June 30, 2008 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix B hereto for excerpts from the 2007-08 Audited Financial Statements. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District has not requested nor did the District obtain permission from Vavrinek, Trine, Day & Co., Inc. to include the audited financial statements as an appendix to this Official Statement. Accordingly, Vavrinek, Trine, Day & Co., Inc. has not performed any post-audit review of the financial condition or operations of the District.

The following table shows the audited income and expense statements for the District for the 2005-06 through 2007-08 fiscal years.

Table A3
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2005-06 through 2007-08 (audited)

	Audited 2005-06	Audited 2006-07	Audited 2007-08
Revenues			
Revenue limit sources	$115,879,469	$127,730,502	$132,793,513
Federal revenues	19,537,136	16,271,332	15,999,724
Other state revenues	26,296,903	38,050,229	35,087,516
Other local revenues	17,930,416	22,964,049	25,403,192
Total Revenues	179,643,924	205,016,112	209,283,945
Expenditures			
Instruction	111,062,229	121,319,844	130,055,745
Instruction-related activities:			
Supervision of instruction	6,696,821	8,014,702	8,758,597
Library, media and technology	1,606,386	1,715,898	1,955,751
School site administration	11,458,065	12,110,248	12,862,656
Pupil services:			
Home-to-school transportation	3,179,959	3,476,391	4,116,569
Food services	117,845	176,382	170,335
All other pupil services	6,564,572	7,709,148	9,055,428
Administration:			
Data processing	1,705,598	2,317,606	2,596,047
All other administration	7,628,877	8,176,913	8,783,469
Plant services	19,254,544	20,066,048	20,956,022
Facility acquisition and construction	1,318,804	1,613,790	440,681
Ancillary services	1,324,198	1,460,809	1,751,346
Debt service: principal	--	--	256,806
Debt service: interest	--	--	16,107
Total Expenditures	171,917,898	188,157,779	201,775,559
Excess of Revenues Over/(Under) Expenditures	7,726,026	16,858,333	7,508,386
Other Financing Sources (Uses)			
Operating transfers in	448,376	211,342	75,639
Operating transfers out	(6,692,826)	(6,162,873)	(934,857)
Other sources	--	974,325	
Total Other Fin. Source(Uses)	(6,244,450)	(4,977,206)	(859,218)
Net change in fund balance	1,481,576	11,881,127	6,649,168
Fund Balance, July 1	28,390,986	29,872,562	41,753,689
Fund Balance, June 30	$29,872,562	$41,753,689	$48,402,857

Source: Palm Springs Unified School District Audit Reports for fiscal years 2005-06 through 2007-08.

The following table shows the District's Budget, as adopted by the Governing Board, for fiscal year 2008-09, compared to estimated actuals for the General Fund for fiscal year. The table also shows the fiscal year 2009-10 District General Fund Budget.

Table A4
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Adopted Budgets
For Fiscal Year Ended June 30, 2009 and June 30, 2010

	Adopted Budget 2008-09	Estimated Actuals 2008-09 (1)	Adopted Budget 2009-10
Revenues			
Revenue Limit Sources		$130,407,392	$129,077,146
Federal revenues		19,654,075	21,170,885
Other state revenues		28,659,370	25,023,818
Other local revenues		24,535,498	19,171,922
Total Revenues		203,256,335	194,443,771
Expenditures			
Certificated Salaries		100,017,056	92,442,024
Classified Salaries		27,120,920	27,361,993
Employee Benefits		42,111,093	42,350,574
Books and Supplies		14,925,298	7,443,340
Services and Other Operating Expenditures		25,902,638	22,075,100
Capital Outlay		1,052,774	163,075
Other Outgo		6,449	6,449
Transfers of Indirect Costs		(484,461)	(512,487)
Total Expenditures		210,651,767	191,330,068
Excess of Revenues Over/(Under) Expenditures		(7,395,432)	3,113,703
Other Financing Sources (Uses)			
Operating Transfers In		3,095,567	650,000
Operating Transfers Out		(1,106,492)	
Total Other Financing Sources (Uses)		1,989,075	650,000
Net Change in Fund Balance		(5,406,357)	3,763,703
Fund Balance, July 1		48,402,857	42,996,500
Fund Balance, June 30		$42,996,500	$46,760,203

Source: Palm Springs Unified School District.

[The District Board has adopted a policy of keeping its reserve funded at ___% of _____]. For 2007-08, the reserve was ___%, for 2008-09 was ___% and is projected to be ___% for 2009-10.

In order to address reductions in State funding of education (see "STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS"), the District has _____.

Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. A district may be on either a dual or single budget cycle. The dual budget option requires a revised and readopted budget by September 1 that is subject to State-mandated standards and criteria. The revised budget must reflect changes in projected income and expenses subsequent to July 1. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

For both dual and single budgets submitted on July 1, the county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than August 20, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budget has been disapproved.

For all dual budget options and for single and dual budget option districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

[CONFIRM] The District has never had an adopted budget disapproved by the county superintendent of schools or received qualified certifications of interim financial reports.

Long-Term Debt

The District has never defaulted on the payment of principal of or interest on any of its indebtedness.

General Obligation Bonds: Shown in the following table are the outstanding general obligation bonds of the District as of October 1, 2009 (excluding the Bonds).

Issue	Date Issued	Final Maturity Date	Original Principal Amount	Principal Outstanding as of October 1, 2009
1992 Authorization				
2001 GO Refunding Bonds	06/2001	02/2020	$19,510,000	
2002 GO Refunding Bonds	07/2002	02/2019	9,265,000	
2002 GO Refunding Bonds, Series B	10/2002	02/20221	14,470,000	
2004 GO Refunding Bonds	06/2004	02/2018	4,615,000	
2005 GO Refunding Bonds	11/2005	02/2023	17,300,000	
2000 Authorization				
Series A	02/2001	02/2030	10,000,000	
Series B	11/2001	08/2031	20,000,000	
Series C	08/2002	08/2032	10,000,000	
Series D	04/2003	08/2032	20,000,000	
Series E	10/2004	08/2033	12,500,000	
2004 Authorization				
Series A	06/2006	08/2035	80,000,000	
Series B	11/2007	08/2036	42,000,000	41,335,000

State Funding of Education and Revenue Limitations

Annual State apportionments of basic and equalization aid to school districts for general purposes are computed up to a revenue limit per unit of average daily attendance ("A.D.A."). Such apportionments will, generally speaking, amount to the difference between the District's revenue limit and the District's local property tax allocation. Revenue limit calculations are adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among California school districts.

In the event that a school district's property tax revenue exceeds its calculated revenue limit entitlement, that school district retains all of its property tax revenue, and State apportionments to that district are limited to the minimum "basic aid" amount of $120 per A.D.A. set forth in the Constitution. Currently the State allocates basic aid funding to categorical entitlements that would have been received in any event. Such districts are commonly known as "Basic Aid Districts." The District is not a Basic Aid district.

A schedule of the District's A.D.A. and base revenue limit during the past five years, as well as projections for two years, is shown below. Projections are based on a spring 2009 demographic study, and the District expects flat or minimally declining enrollment.

Table A5
PALM SPRINGS UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2004-05 through 2011-12 (projected)

Fiscal Year	P-2 ADA	Base Revenue Limit Per ADA
2004-05	21,591	$_____
2005-06	21,971	_____
2006-07	22,585	_____
2007-08	22,666	5,797
2008-09	22,666	5,533
2009-10[2)]	_____	_____
2010-11[(1)]	_____	_____

(1) Projected.
Source: Palm Springs Unified School District.

California school districts receive a significant portion of their funding from State appropriations. As a result, decreases in State revenues may affect appropriations made by the Legislature to school districts.

Revenue Sources

The District categorizes its general fund revenues into four sources:

Table A6
PALM SPRINGS UNIFIED SCHOOL DISTRICT
District Revenue Sources

	Percentage of Total District General Fund Revenues		
Revenue Source	2006-07	2007-08	2008-09
Revenue limit sources (1)	62.3%	63.5%	64.2%
Federal revenues	7.9	7.6	9.7
Other State revenues	18.6	16.8	14.1
Other local revenues	11.2	12.1	12.1

(1) Consists of a mix of State apportionments of basic and equalization aid and local property tax revenues.
Source: Palm Springs Unified School District.

Each of these revenue sources is described below.

Revenue Limit Sources. Since fiscal year 1973-74, California school districts have operated under general purpose revenue limits established by the State Legislature. In general, revenue limits are calculated for each school district by multiplying (1) the average daily attendance for such district by (2) a base revenue limit per unit of A.D.A. The revenue limit calculations are adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type.

Funding of the District's revenue limit is provided by a mix of (1) local property taxes and (2) State apportionments of basic and equalization aid. Generally, the State apportionments will amount to the difference between the District's revenue limit and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives substantial other State revenues.

These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Class Size Reduction Program, home-to-school transportation, Economic Impact Aid, School Improvement Program, Educational Technology Assistance Grants, mandated cost reimbursements, instructional materials and mentor teachers.

The District receives State aid from the California State Lottery (the **"Lottery"**), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Lottery revenues generally comprise approximately 2% of general fund revenues.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings and other local sources.

Effect of State Budget on Revenues Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - State Funding of Education and Revenue Limitations" below). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs. Revenues received by the District from all State sources generally accounted for about half of total general fund revenues.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process.

State Funding of Education and Recent State Budgets

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher

education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "– State Funding of Education and Revenue Limitations" above). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the County, nor the Underwriter is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the **"Governor's Budget"**). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office (the **"LAO"**) prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Tax Shifts and Triple Flip. Assembly Bill No. 1755 (**"AB 1755"**), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required ERAF shift to $135 million. Legislation commonly referred to as the "Triple Flip," was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip", one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction are redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds were repaid, which is currently expected to occur in approximately 9 to 13 years.

2008-09 State Budget. On September 23, 2008, the Governor signed the 2008-09 State Budget into law (the **"2008-09 Budget"**). The 2008-09 Budget attempted to resolve the $24.3 billion budget deficit identified in the May (2008) Revision to the Governor's Proposed Budget. The 2008-09 Budget projected revenues of $103.027 billion in 2007-08 and $101.991 billion in 2008-09, provided a modest reserve of $1.7 billion, but projected a deficit of $1.0 billion in 2009-10.

Special Session – Revisions to 2008-09 Budget; 2009-10 Adopted State Budget. The following is a summary of legislative actions from November 5, 2008 through February 20,

2009, on which date the Governor signed a budget package addressing the 2008-09 Budget deficit, and adopting the 2009-10 Budget.

November 5, 2008. The Governor called the State Legislature into special session to address the $11 billion budget deficit that had arisen since the 2008-09 budget was adopted.

January 9, 2009. The Governor submitted his proposed 2009-10 Budget (the **"2009-10 Proposed Budget"**) to the State Legislature. The 2009-10 Proposed Budget assumed that, without corrective action, the State would face a deficit of $39.6 billion at the end of 2009-10. The 2009-10 Proposed Budget proposed $41.7 billion in budgetary solutions to close the gap and establish a $2.2 billion reserve, including: the issuance of $4.7 billion in revenue anticipation warrants, capturing savings in K-14 education through spending reductions, accounting changes and cost deferrals and raising $5 billion in proceeds with the securitization of lottery revenues. Many of the Governor's proposals required voter approval to be implemented.

The LAO stated that while the 2009-10 Proposed Budget was generally reasonable it would likely be subject to risks associated with continued deterioration of the economy, noting that it relied heavily on State borrowing, which was subject to voter approval, the favorable resolution of legal issues, and the State's access to credit markets. On January 14, 2009, the LAO released its report entitled "California's Cash Flow Crisis" stating that the State's cash flow had deteriorated steadily since the end of calendar year 2007 due to, among other things, sharply weakened General Fund revenues and limited access to credit markets.

February 19, 2009. The California Legislature voted to approve a budget package (the **"Budget Package"**) addressing the State's $42 billion deficit, which included $15 billion in State spending reductions, $12.8 billion in temporary tax increases (including an increase in the vehicle license fee and an increase in State sales and income taxes), $11.4 billion in borrowing and a $1 billion reserve. The Budget Package included revisions to the 2008-09 Budget and adoption of the 2009-10 Budget, covering a 17-month period ending July 1, 2010 (the "budget year"), addressing spending reductions, revenue increases, economic stimulus and increasing governmental efficiency. Certain measures contained in the Budget Package were rejected by the voters at a special State-wide election which was held on May 19, 2009, meaning that further revisions to the Budget would be required (see "May 14, 2009 Budget Revision" below). Key provisions of the Budget Package were:

- *Education Spending Reductions*: Significant Proposition 98-related reductions, consisting of approximately $7.4 billion in reductions in Proposition 98 funding in 2008-09 compared to the adopted 2008-09 Budget, comprised of $2.4 billion in program reductions and savings and $5 billion in Proposition 98 funding deferrals and fund swaps. The 2009-10 Budget provided for $400 million in fund swaps and a total Proposition 98 funding of $55.3 billion, which was $400 million less than the total amount proposed in 2008-09.

- *Health and Human Services Reductions*: Approximately $1.6 billion in reductions by eliminating cost-of-living increases, reductions in public assistance benefit payments and delaying projects.

- *State Employee Payroll Reductions*: Approximately $1.4 billion in reductions by implementing furloughs, reducing overtime and eliminating certain paid holidays.

- *Sales Tax Increase*: A 1-cent increase in the State sales tax, generating approximately $5.9 billion (2 years).

- *Vehicle License Fee Increase*: Increasing the fee from 0.65 percent to 1.15 percent (2 years).

- *State Personal Income Tax Increase*: Imposing a 0.25 percent surcharge on personal income tax and reducing the dependent tax credit (2 years).

- *State Lottery*: Provisions modernizing the State Lottery to generate approximately $5 billion in revenues in 2009-10.

- *Reducing State Categorical Funding for Education; Increasing Categorical Flexibility*: Reductions in K-12 categorical programs estimated at approximately 15 percent. However, to mitigate program reductions, the Budget Package provided for categorical funding flexibility over 5 years, allowing the transfer of funds from 40 categorical programs to the general fund, commencing in 2008-09. In addition, categorical ending balances could be used for general purpose activities in the current and budget year with certain exclusions.

February 13, 2009. The U.S. House of Representatives and the Senate approved the American Recovery and Reinvestment Act, committing a total of $787 billion nationwide. A report issued by the LAO entitled "Federal Economic Stimulus Package: Fiscal Effect on California" estimated that the State will receive over $31 billion in aid and billions more in competitive grants, about $8 billion of which would be available in 2008-09 and 2009-10.

February 20, 2009. The Governor signed the Budget Package. The Governor used his line item veto power in an attempt to achieve $1 billion more in savings, including replacing General Fund appropriations for higher education with federal funds, and reforms and cost-saving measures for state prisons.

March 13, 2009 LAO Report. On March 13, 2009, the LAO updated its revenue forecast, projecting that revenues would fall short of the assumptions in the 2009-10 Budget by $8 billion and foreseeing huge operating shortfalls in future years.

May 7, 2009 LAO Report. On May 7, 2009, the LAO reported that, as result of the budget and cash pressures of recent months, the General Fund's "cash cushion"—the monies available to pay State bills at any given time—currently is projected to end fiscal year 2008-09 at a much lower level than normal, meaning that the State would not be able to pay many of its bills on time for much of fiscal year 2009-10. The LAO concluded that the State would have difficulty borrowing anywhere close to the needed amounts from the short-term bond markets based on the State's own credit. The LAO advised the Legislature to reduce the State's short-term borrowing need to an amount under $10 billion for fiscal year 2009-10, which would require pursuit of two options: (i) additional actions to increase revenues or decrease expenditures in order to return the fiscal year 2009-10 budget to balance and (ii) additional actions to delay or defer scheduled payments to schools, local governments, service providers, and others.

May 14, 2009 Budget Revision. Under California law, in May of each year the Governor issues a revised budget with changes he or she can support, based on the debate, analysis and changes in the economic forecasts. On May 14, 2009, the Governor released the May Revision, which included two alternative proposals to revise the State budget to address the State's

increasing deficit, based on the success or failure of the statewide ballot measures on the May 19, 2009 special election ballot.

Because the voters of the State rejected the three propositions on the special election ballot intended to help balance the State's budget, the May Revision estimated a budget shortfall of $21 billion in 2009-10, meaning that the legislature and the Governor would need to agree to billions of dollars in additional spending cuts, tax increases or other budgetary solutions to bring the budget back into balance.

May 21, 2009 LAO Report. On May 21, 2009, the LAO commented on the May Revision, stating that the Governor's estimate of a new $21 billion budget problem was reasonable and the May Revision proposals included major spending reductions and serious efforts for long–term state efficiencies and savings. The LAO urged the legislature to act quickly to return the budget to balance and prevent another state cash crunch.

Governor Declares Fiscal Emergency; State Begins Issuing IOU's; Budget Compromise Announced. The Governor announced on July 1 that the budget deficit had grown by $2 billion to $26.3 billion due to the failure of State lawmakers to adopt immediate education cuts and money-shifting plans by the June 30 fiscal year end. He declared a fiscal emergency and ordered a Proposition 58 special session of the Legislature to solve the State's deficit, ordered State employees to take three unpaid furlough days every month and proposed closing the additional $2 billion shortfall largely by cutting school spending even further. To address the State's cash crisis, on July 2 the State began issuing registered warrants, or IOU's, to several classes of creditors, including certain local governments.

2009-10 State Budget Amendments. On July 24, the California legislature approved amendments to the 2009-10 budget involving 30 separate pieces of legislation to close the $26.3 billion shortfall in the State's 2009-10 general fund budget. The Governor signed the budget plan on July 28. Total general fund spending in 2009-10 will be more than $84 billion, down from nearly $91.7 billion in 2008-09 and nearly $103 billion in 2007-08. The budget amendments combine deep spending cuts, borrowing from local governments and accounting maneuvers.

The $15.3 billion in additional spending cuts include:

- $6.1 billion from the K-14 education budget.
- $2.8 billion from the California State University and University of California systems.
- $1.3 billion in savings by furloughing nearly 200,000 state workers three days out of each month.
- Approximately $3. 2 billion from health and human services, including $1.3 billion in cuts to Medicaid.

The approved amendments include borrowing from local governments and various accounting maneuvers to generate additional revenues in the 2009-10:

- $2 billion borrowed from counties' property tax collections under provisions of Proposition 1A approved by the voters in 2004, but the State must repay counties with interest within three years.

- $1.7 billion shift from redevelopment agencies into State funds in exchange for extending the number of years the agencies could collect tax increment.

- $1 billion in revenues to be generated by selling a portion of the State Compensation Insurance Fund's workers compensation insurance portfolio.

- $1.2 billion in savings from a one-time deferment of state worker paychecks for one day, moving them into the next fiscal year.

- $1.7 billion in revenues by requiring taxpayers who make quarterly estimated payments to pay more in the first six months. This will result in lower revenues in the first half of the next fiscal year.

- $600 million in revenues by increasing income tax withholdings from paychecks. This allows the State to grab more tax revenue earlier but will result in lower revenue later due to higher tax refunds or less taxes owed.

The accounting shifts rely on the assumption that an economic recovery will be well underway in the next fiscal year and many economists believe that they will result in a huge budget shortfall next year. Additionally, borrowing revenues from local governments is likely to result in litigation.

The approved budget amendments discarded plans to take $1 billion in gasoline tax revenues from local governments and failed to approve $100 million in revenue from oil leases to be sold in the Santa Barbara Channel. Instead, the legislature intended the $1.1 billion difference was to be made up by tapping out the general fund reserve. The Governor, however, exercised his line-item veto power to make nearly $500 million in additional cuts to social services, state prisons and higher education, and providing for a general fund reserve of $500 million.

K-14 Spending Cuts. Total Proposition 98 funding is reduced by $2.1 billion in 2008-09 and $4.5 billion in 2009-10 compared to the levels appropriated in the February Budget Act. However, Proposition 98 General Fund savings are $5.3 billion in 2009-10 because of the property tax shift of $850 million from redevelopment agencies to schools.

Additional detail with respect to the effect of the budget amendments relating to K-14 education follows:

- A $1.6 billion "recapture" of 2008-09 categorical funding for schools that had been appropriated but not actually sent to districts and county offices. This was seen as the only way to reduce funding for the fiscal year ending 2008-09, thereby lowering the base for 2009-10. To equalize the impact among all districts, the categorical cuts will be restored in 2009-10 and an equal amount of approximately $250 per ADA will be reduced from revenue limits statewide.
- $2.4 billion from 2009-10 general-purpose spending for local educational agencies resulting in cuts of approximately $390 per ADA.
- $1.7 billion of 2009-10 payments that will be deferred from April and May into August of fiscal year 2010-11.

Additional changes include provisions to permit school districts to reduce the number of school days by five days to 175 days through 2012-13 and lowering the reserve requirement for economic uncertainty to one-third of the usual requirement.

Redevelopment Agencies. The approved budget amendments include a take of $2.05 billion in redevelopment funds ($1.7 billion in 2009-10 and $350 million in 2010-11), to be deposited in county "Supplemental" Educational Revenue Augmentation Funds ("SERAF") in order to meet the State's Proposition 98 obligations to schools. The structure for the redevelopment take is similar to last year's budget trailer bill, AB 1389, which attempted to take $350 million. The Department of Finance will determine each agency's SERAF payment by November 15 of each year, calculated based on half of each agency's net tax increment (net of pass-throughs) and half on gross tax income. Payments are due by May 10 of the applicable year and agencies that do not make their payment by this date will suffer the "death penalty" and must increase their housing set aside to 25% for the remainder of the redevelopment project area's life. The "death penalty" lasts until the required payments have been made and means that an agency could not adopt a new redevelopment plan, amend an existing plan to add territory, issue bonds, further encumber funds or expend any moneys derived from any source except to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on agency administration for the preceding fiscal year.

The California Redevelopment Association (**"CRA"**) has begun preparation of a lawsuit to challenge the State's take of redevelopment funds approved in the budget amendments. CRA was successful in overturning the ERAF shift authorized by AB 1389 last year.

Information about State budgets is regularly available at various State-maintained websites. See: www.dof.ca.gov, under the heading "California Budget". Additionally, an impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

The State has not entered into any contractual commitment with the District, the County, the Underwriter or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the District Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "SECURITY FOR THE DISTRICT BONDS" in the Official Statement.) The provisions of law discussed below are included in this section to describe the potential effect of Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes. It should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the District Bonds. The tax levied by the County for payment of the District Bonds was approved by the District's voters in compliance with all applicable laws.

Article XIIIA of the California Constitution

Proposition 13-Article XIIIA. On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978.

Proposition 46. Under Proposition 46, approved by the voters on December 13, 1986, Article XIIIA was amended to allow bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-third of the voters on such indebtedness.

Proposition 39. Proposition 39, approved by voters on November 7, 2000, further amended Article XIIIA to permit bonded indebtedness to be incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, if approved by 55% of the voters of the district voting at the election, but only if certain accountability measures are included in the proposition.

"Cash Value." Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies (such as the District) are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies in the county. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Article XIIIB of the California Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District's budgeted appropriations from "proceeds of taxes" for the 2001-02 fiscal year are equal to the allowable limit. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Articles XIIIC and XIIID of the California Constitution

Proposition 218 – Articles XIIIC and XIIID. On November 5, 1996, the voters approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, containing provisions affecting the ability of local agencies, including cities, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies, such as the District, from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two thirds vote. Article XIIIC also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power is not limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a mandatory, statutory duty on the County Treasurer to levy a property tax sufficient to pay debt service on any Bonds coming due in each year. The initiative power

cannot be used to reduce or repeal the Authority and obligation to levy such taxes or to otherwise interfere with performance of the mandatory, statutory duty of the District and the County with respect to such taxes which are pledged as security for payment of the District Bonds. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; no such fees or charges are imposed by the District and pledged or expected to be used to pay the District Bonds.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("**SBE**") as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formula generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, non-utility companies may affect how those assets are assessed and which local agencies are to receive the property taxes. The California energy markets have also experienced recent and severe disruption, which has and will affect State finances. The District is unable to predict the impact of these changes and events on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring or the market disruption, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula.

Propositions 98 and 111

Proposition 98. On November 8, 1988, the voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changes State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9 %, or (b) the amount actually

appropriated to such districts from the General Fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of General Fund revenues to be allocated to K-14 districts than the 40.9% percentage, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to schools is four percent of the minimum State spending for education mandated by the Accountability Act, as described above.

Proposition 111. On June 5, 1990, California voters approved Proposition 111 which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of four percent of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if SCA 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of General Fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of General Fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita General Fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita General Fund revenues, plus an additional small adjustment factor. If

the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when General Fund revenue growth exceeds personal income growth.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding, see "DISTRICT FINANCIAL INFORMATION."

Future Initiatives

From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2008

APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF PALM SPRINGS AND THE COUNTY OF RIVERSIDE

The following information concerning the city of Palm Springs and the County of Riverside is included only for the purpose of supplying general information regarding the area of the District. The Series B Bonds are not a debt of the City of Palm Springs, the County, the State or any of its political subdivisions, and neither the City of Palm Springs, the County, the State nor any of its political subdivisions is liable therefor.

General

The District is located in Riverside County, California. Set forth below is certain demographic information in Riverside County that could affect the economic environment within which the District operates.

Riverside County

Riverside County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 24 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

Riverside County Population

The largest cities in Riverside County are the cities of Riverside, Moreno Valley, Corona, Palm Springs, Indio, Palm Springs, Murrieta, Temecula and Cathedral City. The areas of most rapid population growth continue to be those more populated and industrialized cities in the western and central regions of Riverside County and the southwestern unincorporated region of Riverside County between Sun City and Temecula. Growth in Palm Springs has been 9.3% over the past five-year period.

The following table sets forth annual population figures, as of January 1, for the City of Palm Springs, Riverside County and the State, for each of the years listed:

COUNTY OF RIVERSIDE
Population Estimates

Year (January 1)	City of Palm Springs	Riverside County	State of California
2005	45,824	1,882,812	36,675,346
2006	46,621	1,962,801	37,114,598
2007	46,893	2,034,840	37,559,440
2008	47,019	2,078,601	37,883,992
2009	47,601	2,107,653	38,292,687

Source: State of California Department of Finance, Demographic Research Unit.

Employment

The District is included in the Riverside-San Bernardino-Ontario labor market area. The unemployment rate in the Riverside-San Bernardino-Ontario MSA was 14.5 percent in August 2009, unchanged from a revised 14.5 percent in July 2009, and above the year-ago estimate of 9.3 percent. This compares with an unadjusted unemployment rate of 12.1 percent for California and 9.6 percent for the nation during the same period. The unemployment rate was 15.0 percent in Riverside County, and 13.9 percent in San Bernardino County.

The following table shows the average annual estimated numbers of wage and salary workers by industry. The table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

RIVERSIDE-SAN BERNARDINO-ONTARIO METROPOLITAN STATISTICAL AREA
(RIVERSIDE COUNTY)
Civilian Labor Force, Employment and Unemployment
(Annual Averages)

	2004	2005	2006	2007	2008
Civilian Labor Force [1]	1,653,300	1,713,500	1,758,800	1,782,700	1,795,200
Employment	1,555,900	1,622,300	1,672,100	1,678,900	1,646,300
Unemployment	97,400	91,200	86,700	103,800	148,900
Unemployment Rate	5.9%	5.3%	4.9%	5.8%	8.3%
Wage and Salary Employment: [2]					
Agriculture	18,700	18,300	17,300	16,400	16,200
Natural Resources and Mining	1,200	1,400	1,400	1,300	1,200
Construction	111,800	123,300	127,500	112,500	90,500
Manufacturing	120,100	121,000	123,400	118,500	107,000
Wholesale Trade	45,600	49,900	54,200	56,800	55,100
Retail Trade	153,800	165,700	173,200	175,600	168,000
Transportation, Warehousing and Utilities	55,500	60,200	63,800	69,500	70,200
Information	14,000	14,500	15,300	15,400	14,800
Finance and Insurance	28,000	30,100	31,700	30,700	27,800
Real Estate and Rental and Leasing	17,700	18,900	19,900	19,500	18,500
Professional and Business Services	125,500	133,200	142,300	145,000	136,700
Educational and Health Services	118,400	119,900	122,100	127,000	131,700
Leisure and Hospitality	116,700	122,600	128,100	132,600	130,100
Other Services	39,300	40,800	42,500	41,200	40,900
Federal Government	17,300	18,700	19,300	19,400	19,600
State Government	26,500	27,000	27,400	28,700	29,400
Local Government	168,700	174,800	175,700	177,200	181,000
Total All Industries	1,178,700	1,240,300	1,285,000	1,287,300	1,238,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

Largest Employers in Riverside County

The following table lists the largest employers within the County:

COUNTY OF RIVERSIDE
Major Employers
(As of January 1, 2009)

Employer Name	Location	Industry
Corrections Dept	Norco	State Govt-Correctional Institutions
Crossroads Truck Dismantling	Mira Loma	Automobile Wrecking (Whls)
Desert Sands Unified School District	La Quinta	Schools
Eisenhower Medical Ctr	Rancho Mirage	Hospitals
Eisenhower Medical Ctr	Rancho Mirage	Laboratories-Medical
Fantasy Springs Resort Casino	Indio	Bowling Centers
Handsome Rewards	Perris	Internet & Catalog Shopping
Palm Springs Valley Medical Ctr	Palm Springs	Hospitals
Hub International Of CA Ins	Riverside	Insurance
J W Marriott-Desert Spgs Resrt	Palm Desert	Hotels & Motels
Kaiser Permanente	Riverside	Physicians & Surgeons
La Quinta Resort & Club	La Quinta	Resorts
Morongo Casino Resort & Spa	Cabazon	Casinos
Mountain & Dunes Golf Courses	La Quinta	Golf Courses-Private
Pechanga Development Corp	Temecula	Casinos
Riverside City Council	Riverside	Government Offices-City, Village & Twp
Riverside Community Hospital	Riverside	Hospitals
Riverside County Regional Med	Moreno Valley	Hospitals
Riverside Forklift Training	Riverside	Trucks-Industrial (Whls)
Robertson's Ready-Mix	Corona	Concrete-Ready Mixed
Starcrest Of California	Perris	Internet & Catalog Shopping
Starcrest Products-California	Perris	Gift Shops
Sun World Intl LLC	Coachella	Fruits & Vegetables-Growers & Shippers
University Of Cal-Riverside	Riverside	Schools-Universities & Colleges Academic
Watson Pharmaceuticals Inc	Corona	Marketing Programs & Services

Source: California Employment Development Dept., America's Labor Market Information System (ALMIS) Employer Database, 2009 2nd Edition

Riverside County Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

COUNTY OF RIVERSIDE
Effective Buying Income
For Calendar Years 2004 through 2008

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2004	City of Palm Springs	n/a	n/a
	Riverside County	$ 29,468,208	$40,275
	California	705,108,410	43,915
	United States	5,692,909,567	39,324
2005	City of Palm Springs	$ 1,075,005	$34,019
	Riverside County	32,004,438	41,326
	California	720,798,106	44,681
	United States	5,894,663,364	40,529
2006	City of Palm Springs	$ 1,172,955	$35,695
	Riverside County	35,656,620	43,490
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	City of Palm Springs	$ 1,232,928	$36,988
	Riverside County	38,631,365	45,310
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	City of Palm Springs	$ 1,284,293	$37,933
	Riverside County	40,935,408	46,958
	California	832,531,445	48,952
	United States	6,443,994,426	42,303

Source: Sales & Marketing Management Survey of Buying Power.

Construction Trends

Provided below are the building permits and valuations for the City and the County, for calendar years 2004 through 2009. Annual figures are not yet available for 2009.

COUNTY OF RIVERSIDE
Total Building Permit Valuations
(valuations in thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$5,997,513.2	$6,243,791.7	$4,412,255.1	$2,207,519.5	$1,214,753.0
New Multi-family	404,615.9	407,432.1	431,580.9	238,315.9	243,741.9
Res. Alterations/Additions	135,176.6	164,312.5	158,099.4	141,997.0	118,488.7
Total Residential	6,537,305.6	6,815,536.3	5,001,935.4	2,587,832.4	1,576,983.5
New Commercial	580,057.8	552,666.9	648,065.7	682,331.0	539,943.4
New Industrial	203,311.9	120,367.6	288,352.6	184,505.6	70,410.8
New Other	334,001.0	344,703.2	290,006.3	240,767.0	138,765.2
Com. Alterations/Additions	222,495.5	274,337.7	303,408.9	350,539.1	292,693.8
Total Nonresidential	1,339,866.1	1,292,075.4	1,529,833.4	1,458,142.7	1,041,813.1
New Dwelling Units					
Single Family	29,478	29,994	20,692	9,763	3,815
Multiple Family	4,748	4,140	4,519	2,690	2,104
TOTAL	34,226	34,134	25,211	12,453	5,919

Source: Construction Industry Research Board, *Building Permit Summary.*

CITY OF PALM SPRINGS
Total Building Permit Valuations
(valuations in thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$126,616.0	$116,997.8	$88,676.3	$54,654.7	$18,751.5
New Multi-family	12,851.1	32,053.9	7,968.4	1,158.0	308.0
Res. Alterations/Additions	16,261.0	20,121.3	13,535.8	12,762.0	12,785.5
Total Residential	155,728.1	169,173.0	110,180.5	68,574.7	31,844.9
New Commercial	10,539.3	39,000.8	20,498.2	43,111.2	25,618.6
New Industrial	2,052.4	0.0	0.0	0.0	0.0
New Other	12,927.3	13,221.0	10,487.2	7,572.6	6,768.5
Com. Alterations/Additions	27,390.7	15,141.7	9,819.2	22,436.8	26,024.7
Total Nonresidential	52,909.7	67,371.6	40,804.7	73,120.6	58,411.7
New Dwelling Units					
Single Family	536	458	347	218	60
Multiple Family	109	312	78	11	4
TOTAL	645	770	425	229	64

Source: Construction Industry Research Board, *Building Permit Summary.*

Riverside County Commercial Activity

Commercial activity is an important factor in Riverside County's economy. Much of Riverside County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are eight regional shopping malls in Riverside County: Riverside Plaza, Galleria at Tyler (Riverside), Palm Springs Mall, Desert Fashion Mall, Indio Fashion Mall, Palm Springs Valley Mall, Palm Desert Town Center and Moreno Valley Mall at Towngate. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in Riverside County.

Total taxable sales during the first two quarters of calendar year 2008 in the City were reported to be $452,469,000, a 2.3% decrease over the total taxable sales of $463,302,000 reported in the City during the first two quarters of calendar year 2007. The valuations of taxable transactions in the City are presented in the following table. Annual figures are not yet available for 2008.

CITY OF PALM SPRINGS
Taxable Transactions
(figures in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	1,123	$531,038	2,232	$675,487
2004	1,173	592,896	2,237	747,391
2005	1,192	652,807	2,202	822,735
2006	1,122	695,764	2,055	876,619
2007	1,078	671,753	2,072	852,473

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first two quarters of calendar year 2008 in the County were reported to be $13,495,271,000, a 8.8% decrease over the total taxable sales of $14,789,713,000 reported during the first two quarters of calendar year 2007. The valuations of taxable transactions in the County are presented in the following table. Annual figures are not yet available for 2008.

COUNTY OF RIVERSIDE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	18,300	$16,030,952	40,833	$21,709,135
2004	20,642	18,715,949	42,826	25,237,148
2005	22,691	20,839,212	44,222	28,256,491
2006	23,322	21,842,345	43,672	29,816,237
2007	22,918	21,242,516	45,279	29,023,609

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Riverside County Agriculture

Agriculture remains a leading source of income in Riverside County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, dates, lemons and avocados. Four areas in Riverside County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of Riverside County, the Coachella Valley in the central portion and the Palo Verde Valley near Riverside County's eastern border.

Riverside County Transportation

Easy access to job opportunities in Riverside County and nearby Los Angeles, Orange and San Diego Counties is important to Riverside County's employment picture. Several major freeways and highways provide access between Riverside County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of Riverside County, the western-most portion of which links up with major cities and freeways in the eastern part of Los Angeles County and the southern part of San Bernardino County. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. The Moreno Valley Freeway (U.S. 60) provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, Metrolink provides commuter rail service to Los Angeles and Orange Counties from several stations in Riverside County. Transcontinental passenger rail service is provided by Amtrak with a stop in Indio. Freight service to major west coast and national markets is provided by two transcontinental railroads – Burlington Northern/Santa Fe and Union Pacific. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The City of Banning also operates a local bus system.

Riverside County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Palm Springs, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Force Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of Riverside County and the Cities of Riverside, Moreno Valley and Perris.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2008 Election, Series B

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Palm Springs Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Palm Springs Unified School District School District (County of Riverside, California) General Obligation Bonds 2008 Election, Series B (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Education of the District on October 13, 2009 and a Resolution adopted by the Board of Supervisors of Riverside County on November 3, 2009 (the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2010 with the report for the 2008-09 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year and for the current budget year;

(vi) property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in the County of Riverside's Teeter Plan; and

(vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders.

(8) Contingent or unscheduled bond calls.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Palm Springs Unified School District

Name of Bond Issue: $_____ aggregate principal amount of Palm Springs Unified School District (County of Riverside, California) General Obligation Bonds, 2008 Election, Series B

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has not provided an Annual Report with respect to the above-named Bonds as required by the District's Bond Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

PALM SPRINGS UNIFIED SCHOOL DISTRICT

By_____
Superintendent

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Series B Bonds, payment of principal, interest and other payments on the Series B Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Series B Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Series B Bonds, (b) Series B Bonds representing ownership interest in or other confirmation or ownership interest in the Series B Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series B Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series B Bonds. The Series B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series B Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of the Series B Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing

Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series B Bonds on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Series B Bonds representing their ownership interests in Series B Bonds, except in the event that use of the book-entry system for the Series B Bonds is discontinued.

To facilitate subsequent transfers, all Series B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series B Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series B Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series B Bonds may wish to ascertain that the nominee holding the Series B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series B Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series B Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as

soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series B Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series B Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series B Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

727A

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Resolution No. 2009-318 - Hemet Unified School District General Obligation Bonds, 2006 Election, Series C (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2009-318, Authorizing the Issuance and Sale of Hemet Unified School District General Obligation Bonds, 2006 Election, Series C in a Maximum Aggregate Principal Amount not to Exceed $25,000,000 and approving related matters

BACKGROUND: Education Code Section 15140 requires that general obligation bonds of a school district be offered for sale by the Riverside County Board of Supervisors, when the Riverside County Superintendent of Schools has jurisdiction over that district, and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on page 2)

Don Kent, Treasurer - Tax Collector

FINANCIAL DATA				
	Current F.Y. Total Cost:	$	In Current Year Budget:	
	Current F.Y. Net County Cost:	$	Budget Adjustment:	
	Annual Net County Cost:	$	For Fiscal Year:	

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Christopher M. Hans

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE 10/21/09

Departmental Concurrence

Dep't Recomm.:	Per Exec. Ofc.:
☒ Policy	☑ Policy
☐ Consent	☐ Consent

Prev. Agn. Ref.: | **District:** 3 | **Agenda Number:** 3.54

Form 11 (Rev 06/2003)

The Riverside County Superintendent of Schools has jurisdiction over the Hemet Unified School District (the "District") which is planning to issue and sell bonds via a negotiated sale. Therefore the Education Code provides that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a negotiated sale, on behalf of the District. To that end, the District's Governing Board adopted its resolutions 1926 and 1934 requesting this Board to sell the District's general obligation bonds, 2006 Election, Series C in an aggregate principal amount not to exceed $25,000,000.

An election was held on November 6, 2006 pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Sections 15266, 15100 *et seq.* and 15140 *et seq.* of the Education Code which codify, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed $149,000,000 was approved by more than 55% of the qualified voters voting on the measure.

The District has previously authorized the issuance of and issued and sold its Hemet Unified School District General Obligation Bonds, 2006 Election, Series A, in the initial total principal amount of $60,000,000 and the Hemet Unified School District General Obligation Bonds, 2006 Election, Series B, in the initial total principal amount of $40,000,000. Consequently, $49,000,000 in principal amount of bonds remains authorized and unissued.

The District has been awarded an allocation of Qualified School Construction Bonds ("QSCBs") under the American Recovery and Reinvestment Act of 2009. It is the intent of the District's Governing Board that the Series C Bonds may be issued in full or in part as QSCBs pursuant to Section 54F of the Internal Revenue Code. To that end, the District's Governing Board has requested that the County issue the Series C bonds on behalf of the District in one or more subseries as determined by the District, its financial advisor, and the County Treasurer.

Resolution No. 2009-318 authorizes the issuance and sale of Hemet Unified School District General Obligation Bonds, 2006 Election, Series C in an aggregate principal amount not to exceed $25,000,000; authorizes the Series C Bonds to be issued in one or more subseries; authorizes the County Treasurer/Tax Collector to negotiate the sale of the bonds; and authorizes all or a portion of the Series C Bonds to be sold to the California Qualified School Construction Bond Joint Powers Authority or any other Joint Powers Authority, all as requested by the District's Governing Board. In addition, Resolution No. 2009-318 prescribes the terms of the bonds and conditions of their sale; approves the form of a Bond Purchase Agreement and authorizes its execution; and authorizes the execution of other necessary documents related to the transaction.

The proceeds of the Series C Bonds are to be expended for identified school facilities and improvements or to provide financing for the construction, reconstruction or repair of public school facilities, or the acquisition of land on which such facilities are to be constructed. Expenditures are subject to the review of a citizens' oversight committee appointed by the District's Governing Board.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these bonds.

The Office of County Counsel has reviewed Resolution No. 2009-318 and has approved it as to form.

RESOLUTION NO. 2009-318

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF HEMET UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2006 Election, SERIES C, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

FORM APPROVED COUNTY COUNSEL
BY [signature] 10/21/09
DALE A. GARDNER DATE

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RESOLUTION NO. 2009-318

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE AND SALE OF HEMET UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES C, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AND AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS AND TAKING RELATED ACTIONS

WHEREAS, the Hemet Unified School District ("District") is a public unified school district duly organized and operating pursuant to the Constitution and the laws of the State of California; and

WHEREAS, an election was duly called and regularly held in the District, County of Riverside ("County"), State of California ("State"), on March 5, 2006 ("Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at such Election there was submitted to, and approved by the requisite fifty-five percent (55%) favorable vote of the qualified electors of the District, as certified by the Riverside County Register of Voters in the official canvassing of the voters, a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot measure submitted to the voters, in the maximum principal amount of $149,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District ("Authorization"); and

FORM APPROVED COUNTY COUNSEL
BY DALE A. GARDNER DATE 10/21/09

WHEREAS, the District has previously authorized the issuance of, and did issue, its Hemet Unified School District General Obligation Bonds, 2006 Election, Series A, in the initial total principal amount of $60,000,000, and the Hemet Unified School District General Obligation Bonds, 2006 Election, Series B, in the initial total principal amount of $40,000,000, leaving bonds of the Authorization in the principal amount of $49,000,000 unissued; and

WHEREAS, pursuant to the California Constitution, the Authorization, and the Education Code, the District Board has adopted its Resolution No. 1926 on October 6, 2009, and Resolution No. 1935 on October 20, 2009 (collectively the "District Resolution"), certified copies of which has been filed with this County Board of Supervisors ("County Board") requesting the County Board to issue, in the name of and on behalf of the District, a series of such authorized bonds to be designated "Hemet Unified School District General Obligation Bonds, 2006 Election, Series C" in an aggregate principal amount not to exceed $25,000,000 ("Bonds" or "Series C Bonds"); and

WHEREAS, the Series C Bonds are hereby authorized to be issued by the County, on behalf of the School District, pursuant to the California Constitution, the Authorization and Sections 15100 et seq. and 15140 et seq. of the Education Code of the State of California and other applicable law; and

WHEREAS, all or a portion of the Series C Bonds may be issued as "Qualified School Construction Bonds" pursuant to the provisions and limitations of the American Recovery and Reinvestment Act of 2009 ("ARRA") which was signed into law on February 17, 2009, and the applicable requirements of the Code (as defined herein) as further described in the District Resolution, and the Board desires to provide certain determinations, and provide certain directions, in connection therewith; and

WHEREAS, in the District Resolution, the District found and informed this Board of

Supervisors ("County Board") that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuance and sale of the Series C Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will, at the time of delivery of the Series C Bonds, have been performed and met, in regular and due form as required by law; and

WHEREAS, the Board has further requested this County Board to sell the Series C Bonds to purchaser(s) to be designated ("Purchaser(s)") of such Series C Bonds, pursuant to the terms of the proposed form of Bond Purchase Agreement ("Purchase Agreement") among the County, the District, and the Purchaser(s) of such Series C bonds, subject to the limitations set forth in the District Resolution and herein; and

WHEREAS, this County Board desires to make certain determinations and to authorize the sale of the Series C Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FOLLOWS:

SECTION 1. **Recitals; Incorporation of District Resolution.** The foregoing recitals are true and correct and are incorporated herein by this reference. The District Resolution, together with the exhibits thereto, and findings and determinations contained therein, is incorporated herein by reference and all of the provisions thereof are made a part hereof and shall be applicable to the Series C Bonds, except as otherwise specified herein.

SECTION 2. **Purpose of the Series C Bonds.** Bonds of the District shall be issued in the name and on behalf of the District in the aggregate principal or issue amount of not to exceed $25,000,000 for the purposes of: (a) raising money for acquiring and constructing the projects set forth in the bond measure submitted to, and approved by, the voters at the Election,

as further described above and in the District Resolution; (b) funding interest on the Series C Bonds for a specified period of time as authorized by California law, to the extent required; and (c) to pay all necessary legal, financial, printing, and other contingent costs in connection with the issuance and delivery of the Series C Bonds, as further set forth herein and subject to the applicable provisions of the California Constitution and California law including, but not limited to, the Education Code.

SECTION 3. Statutory Authorization. The Series C Bonds are authorized to be sold by the County in the name of the District pursuant to the Election, the Authorization, the District Resolution, the California Constitution, this Resolution, and Education Code Sections 15266, 15100 *et seq.* and 15140 *et seq.*

SECTION 4. Negotiated Sale.

(a) The Treasurer (as defined in Section 6 below) is hereby authorized to negotiate the sale of the Series C Bonds, in consultation with the District, to the Purchaser(s). The Series C Bonds shall be sold pursuant to the applicable provisions of the Education Code, this Resolution and the terms and conditions set forth in the District Resolution and the Purchase Agreement(s), as described and defined herein.

(b) All or a portion of the Series C Bonds may be sold to a JPA pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, being California Government Code Sections 6584, *et seq.* ("Marks-Roos Act"). It is expected that all or a portion of the Series C Bonds will be purchased by the JPA with the proceeds of revenue bonds issued by such JPA (the JPA Bonds), which JPA Bonds will be secured through debt service payments made on the Series C Bonds. The sale of the Series C Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the District as determined in the District Resolution.

(c) The Series C Bonds may be issued in one or more sub-Series as shall be determined by the Treasurer and a Designated Officer of the District as set out in the applicable Purchase Agreement(s). Each sub-series of the Series C Bonds may be issued as QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds) as shall be determined by the Treasurer and a Designated Officer of the District in the applicable Purchase Agreement(s).

SECTION 5. Approval of Purchase Agreement.

(a) The Series C Bonds will be sold at negotiated sale by the Treasurer pursuant to the terms and conditions set forth in the applicable Bond Purchase Agreement(s) ("Purchase Agreement(s)"), substantially in the form appended hereto as Exhibit "A" and incorporated by reference herein. The form of the Purchase Agreement is hereby approved and the Treasurer, or any designated deputy thereof, is hereby authorized to execute and deliver the Purchase Agreement(s) and the Designated Officer (as defined herein) of the District, is hereby requested to execute the Purchase Agreement, with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated deputy thereof, and the Designated Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(b) The Treasurer and the Designated Officer, in consultation with Dale Scott & Company, Inc. ("Financial Advisor") and the Treasurer, are authorized and directed to:

(i) establish or modify the terms of redemption of the Series C Bonds, or any sub-series thereof, and establish the final principal amount of the Series C Bonds, or any sub-series thereof, provided, however, that such principal amount, in the aggregate, shall not exceed $25,000,000;

(ii) negotiate the term of the Series C Bonds, or any sub-series thereof, which shall be for not more than 25 years from the date of issuance;

(iii) determine, subject to the provisions of this Resolution and the District Resolution, whether the Series C Bonds shall be issued in one or more sub-series for purposes of issuance and sale, the respective principal amounts, maturity dates, interest rate or rates or yield or yields to maturity or the methods of determining such interest rate or rates, interest payment dates, redemption provisions and authorized denomination(s) (not exceeding the aggregate principal amount of each maturity) of the Series C Bonds or each sub-series thereof, including a provision providing for the increase of the interest rate (or Accretion Rate in the case of Capital Appreciation Bonds) following the issuance of the Series C Bonds in the event and to the extent required to provide sufficient revenues with which to pay the JPA Bonds at maturity, and any other provisions necessary to comply with the provisions of this Resolution and the District Resolution or deemed necessary or advisable by the Treasurer and the Designated Officer and which provisions are not in conflict with or in substitution for the provisions of the provisions of the District Resolution and this Resolution;

(iv) determine whether each sub-series of the Series C Bonds shall be issued as either QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds);

(v) determine the application of the proceeds of the Series C Bonds for the purposes stated herein, including, without limitation, the amount of capitalized interest, if any, that will be funded for each sub-series of the Series C Bonds from the proceeds of the Series C Bonds and the date or dates through which such capitalized interest will be funded;

(vi) omit from, add to or incorporate into the designation and title of the Series C Bonds contained in Section 7 of this Resolution any provision, or modify such designation or title in any other manner, in which may be deemed necessary or

advisable by such Designated Officer in connection with the issuance, sale and delivery of, and security for, each sub-series of the Series C Bonds and which is not inconsistent with this Resolution and the District Resolution;

(vii) In connection with any of the transactions authorized by this Resolution and the District Resolution, to make such amendments, modifications and revisions to the form(s) of the Series C Bonds prior to, or simultaneously with, the issuance of the initial sub-series of the Series C Bonds as (i) may be requested by any rating agency in connection with obtaining a rating on any sub-series of the Series C Bonds from such rating agency, (ii) may be requested by the JPA in connection with obtaining a bond insurance policy in connection with any of the Series C Bonds and/or JPA Bonds, (iii) the Treasurer and the Designated Officer may determine, in consultation with the Bond Counsel, are necessary or advisable in order to (a) reflect the actual provisions of this Resolution that shall be applicable to any sub-series of the Series C Bonds, or (b) facilitate the issuance and sale of the Series C Bonds (including the issuance and sale of any sub-series of the Series C Bonds as QSCB Bonds for purposes of the ARRA) and to provide a mechanism for paying all or a portion of the costs and expenses incurred by the District in connection with the transactions contemplated by this Resolution and the District Resolution; and

(viii) make such other determinations, to execute such other documents, instruments and papers, and to do such acts and things as may be necessary or advisable in connection with any sub-series of the Series C Bonds being treated as Qualified School Construction Bonds for purposes of the ARRA or any of the other transactions contemplated by this Resolution and the District Resolution and which are not inconsistent with the provisions thereof.

SECTION 6. **Certain Definitions.** Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

(a) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means, with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus interest accreted thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on the date stated in the Purchase Agreement, unless otherwise specified in the Purchase Agreement, as executed and delivered), with respect to the Capital Appreciation Bonds maturing on those dates specified in the Purchase Agreement, and at the stated yield to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"ARRA"** or **"Recovery Act"** shall mean the American Recovery and Reinvestment Act of 2009 adopted by the Congress of the United States and signed into law on February 17, 2009, as such may be amended and supplemented.

(d) **"Authorized Investments"** means the Riverside County Investment Pool (or other investment pools of the County into which the District may lawfully invest its funds), the Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and 53601 of the Government Code, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, or in guaranteed investment contracts in direct general obligations of the United States of America (including State and Local Government Securities) (provided that such contracts comply with the requirements of Section

148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be applicable).

(e) **"Authorized Newspaper"** means a newspaper selected by the District which is customarily published at least once a day for at least four days (other than legal holidays) in each calendar week, published in the English language, of general circulation in the County of Riverside and which has been adjudicated or designated as a "newspaper of general circulation" pursuant to California law.

(f) **"Available Project Proceeds"** means (i) the proceeds from the sale of the Series C Bonds, (ii) less costs of issuing the Series C Bonds paid from proceeds of the sale of the Seris A Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) – (ii).

(g) **"Bond Counsel"** means (a) the firm of Bowie, Arneson, Wiles & Giannone, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

(h) **"Bond Insurer"** means any insurance company which issues a municipal bond insurance policy insuring of the payment of Principal and Maturity Value of, and interest on, all or a portion of the Series C Bonds.

(i) **"Bond Payment Date"** or **"Interest Payment Date"** means, unless otherwise provided in the corresponding Purchase Agreement(s) as executed and delivered, with respect to the interest on the Current Interest Bonds, February 1 and August 1, and commencing on the date specified in the Purchase Agreement with respect to the Principal payments and interest payments on the Current Interest Bonds. With respect to the Capital Appreciation Bonds, "Bond Payment Date" means the stated maturity dates thereof, as applicable; as stated in the

Purchase Agreement as executed and delivered.

(j) **"Bond Register"** or **"Registration Books"** means the listing of names and addresses of the current registered owners of the Series C Bonds, as maintained by the Paying Agent in accordance with Section 12 hereof.

(k) **"Bonds"** or **"Series C Bonds"** means the Hemet Unified School District General Obligation Bonds, 2006 Election, Series C.

(l) **"Building Fund"** shall have the meaning set forth in Section 19 hereof.

(m) **"Business Day"** means a day which is not a Saturday or Sunday or a day on which banking institution are authorized or required by law or executive order to be closed in California and New York for commercial banking purposes and on which the Federal Reserve system is not closed.

(n) **"Capital Appreciation Bonds"** means those Series C Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Values for such Series C Bonds set forth in the Purchase Agreement.

(o) **"Capital Appreciation Term Bonds"** means those Capital Appreciation Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Agreement.

(p) **"Code"** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series C Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series C Bonds, together with

applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

(q) **"County"** means the County of Riverside, a political subdivision of the State of California organized and existing under the Constitution and laws of the State of California, and any lawful successor thereto.

(r) **"Current Interest Bonds"** means the Series C Bond the interest on which is payable on each Bond Payment Date specified for each such Series C Bond as designated and maturing in the years and in the amounts set forth in the Purchase Agreement.

(s) **"Current Interest Term Bonds"** means those Current Interest Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Agreement.

(t) **"Date of Issuance"** means the delivery date with respect to the Current Interest Bonds and the Capital Appreciation Bonds, or such other date(s) for the Series C Bonds as shall be designated by the Purchase Agreement.

(u) **"Debt Service Fund"** shall have the meaning set forth in Section 19 hereof.

(v) **"Denominational Amount"** means, with respect to the Capital Appreciation Bonds, the initial offering price thereof, which represents the principal amount thereof (exclusive of any initial premium thereon), and, with respect to the Current Interest Bonds, the Principal Amount thereof.

(w) **"Designated Officer(s)"** means the District's Superintendent, Assistant Superintendent of Business Services, or other persons designated in writing by the District's Superintendent as a Designated Officer of the District.

(x) **"District"** or **"School District"** means the Hemet Unified School District, a public school district organized and operating under the Constitution and the laws of the State of California, and any lawful successor thereto.

(y) **"District Board"** means the Governing Board of the District.

(z) **"DTC"** or **"Depository"** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

(aa) **"Expenditure Period"** means the "expenditure period" defined in Section 54A(d)(2)(B)(ii) of the Code and consists of the period beginning on the date of issuance of the Series C Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

(bb) **"Independent Accountant"** means any certified public accountant or firm of certified public accountants appointed and paid by the JPA, and who, or each of whom (a) is in fact independent and not under domination of the JPA; (b) does not have any substantial interest, direct or indirect, in the JPA; and (c) is not connected with the JPA as an officer or employee of the JPA but who may be regularly retained to make annual or other audites of the books of or reports to the JPA.

(cc) **"Informational Services"** means Financial Information, Inc.'s "Daily Called Bond Service," 1 Craigwood Road, 2nd Floor, Jersey City, New Jersey 07080, Attention: Editor; Standard & Poor's Ratings Group "Called Bond Data," 55 Water Street, 45th Floor, New York, New York, 10041; FIS/Mergent, 5250 77 Center Drive, Suite 150, Charlotte, North Carolina,

28217, Attention: Called Bond Department, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Paying Agent.

(dd) **"JPA"** shall mean the California Qualified School Bond Joint Powers Authority, or any other joint powers agency formed pursuant to the provisions of the California Government Code Sections 6500, et seq.

(ee) **"JPA Bond Trustee"** means, as of any date, the entity then serving as trustee for the JPA Bonds.

(ff) **"JPA Bonds"** means one or more series of revenue bonds issued by the JPA pursuant to the Marks-Roos Act which are secured by the payment of principal and interest on the Series C Bonds.

(gg) **"JPA Bonds Indenture"** means the Indenture of Trust between the JPA Bond Trustee and the JPA, under which the JPA Bonds are issued, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture under the provisions thereof.

(hh) **"Letter of Representations"** or **"Representation Letter"** shall have the meaning set forth in Section 13 hereof.

(ii) **"Mandatory Tender Date"** means the date set out in the applicable Purchase Agreement(s), for Series C Bonds issued as QSCB Bonds/Tender Bonds, upon which such Tender Bonds are subject to mandatory tender as set forth in Section 7(f).

(jj) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(kk) **"Moody's"** means Moody's Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(ll) **"Non-QSCB Bond(s)"** shall mean any Series C Bond which is not issued and sold as a Qualified School Construction Bond, whether or not such bond is sold to a JPA. Non-QSCB Bonds may, or may not, be Tax-Exempt Bonds.

(mm) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 13 hereof.

(nn) **"Office of the Paying Agent"** means the principal trust office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the District by the Paying Agent in writing.

(oo) **"Official Statement"** shall have the meaning set forth in Section 22 hereof.

(pp) **"Outstanding"** means all Series C Bonds theretofore issued by the District, except:

(1) Series C Bonds theretofore canceled by the District or surrendered to the District for cancellation;

(2) Series C Bonds for the transfer or exchange of or in lieu of or in

substitution for which other Series C Bonds shall have been authenticated and delivered pursuant to the terms hereof; and

(3) Series C Bonds paid and discharged pursuant to Section 17 and 18 hereof.

(qq) **"Owner"** or **"Bond Owner"** means the current registered holder of a Series C Bond or Series C Bonds to whom payments of Principal and interest are made.

(rr) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry certificates as securities depository.

(ss) **"Paying Agent"** means U.S. Bank National Association, or such other party as selected by the Designated Officer of the District, or any successor thereto, acting as the authenticating agent, bond registrar, transfer agent and paying agent.

(tt) **"Person"** means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

(uu) **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest Bond, the stated principal amount thereof, and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(vv) **"Purchase Agreement(s)"** or **"Bond Purchase Agreement(s)"** shall have the meaning set forth in Section 5 hereof.

(ww) **"Purchaser(s)"** means the initial purchaser(s) of the Series C Bonds, or any of them, as identified in the corresponding Purchase Agreement(s).

(xx) **"QSCB Bond"** shall mean any Series C Bond issued, sold and designated as a Qualified School Construction Bond under the provisions and requirements of the ARRA and the Code and corresponding limitations and requirements, whether or not such QSCB Bond is sold to the JPA.

(yy) **"Qualified Purposes"** means the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that that is being constructed, rehabilitated, or repaired with proceeds of the Series C Bonds constitute a Qualified Purpose.

(zz) **"Rate Determination Date"** means the date upon which the Tender Bonds are remarketed by the Remarketing Agent in accordance with Section 7(f), which date shall occur at least thirty (30) days prior to the Maturity Tender Date.

(aaa) **"Rebate Fund"** shall have the meaning set forth in Section 19 hereof.

(bbb) **"Record Date"** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(ccc) **"Redemption Notice"** shall have the meaning set forth in Section 8 hereof.

(ddd) **"Remarketing Agent"** means that entity designated by the JPA and/or the District for remarketing of the Series C Bonds, as may be applicable.

(eee) **"Resolution"** or **"Bond Resolution"** means this Resolution, including the

Exhibits hereto, as adopted by the County Board and as such may be amended pursuant to Section 28.

(fff) **"Securities Depositories"** means the following: The Depository Trust Company, with Cede & Co. as its nominee, 55 Water Street, 25th Floor, New York, New York, 10041-0099, Attn: Call Notification Department, Fax (212) 855-5004, and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

(ggg) **"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the law of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(hhh) **"State"** means the State of California.

(iii) **"Tax Certificate"** means the Tax Certificate executed by the District and/or the JPA at the time of issuance of the Series C Bonds, and/or the JPA Bonds, relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended from time to time.

(jjj) **"Taxable Bonds"** shall mean any Series C Bonds the interest on which is includable in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

(kkk) **"Tax-Exempt Bond(s)"** shall mean any issued and sold Series C Bond, which has received and opinion of Bond Counsel to the effect that the interest paid on such Series C Bond is exempt from income taxes under then-applicable federal tax law.

(lll) **"Term Bonds"** means, if issued, collectively, the Current Interest Term Bonds and the Capital Appreciation Term Bonds.

(mmm) **"Tender Bonds"** means those Series C Bonds designated as such in the applicable Purchase Agreement(s).

(nnn) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the aggregate principal amount thereof and, with respect to any Capital Appreciation Bond, the Maturity Value thereof.

(ooo) **"Treasurer"** or **"County Treasurer"** means the Treasurer-Tax Collector of the County of Riverside, California, or any authorized deputy thereof.

(ppp) **"Written Request"** means a written request or directive of the District provided by a Designated Officer.

Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate. Headings of sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Sections" and other subdivisions are to the corresponding

Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby", "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof.

SECTION 7. **Terms of Bonds.** (a) The Series C Bonds shall be issued in one series (which may be made up of one or more sub-series) designated **"Hemet Unified School District General Obligation Bonds, 2006 Election, Series C."** The Series C Bonds shall consist of Current Interest Bonds, and/or, if issued pursuant to the terms of the corresponding Purchase Agreement(s) (as executed and delivered), Capital Appreciation Bonds.

(b) The Series C Bonds shall be issued as fully registered bonds, without coupons, in the denominations of, with respect to the Current Interest Bonds, Five Thousand Dollar ($5,000) Principal Amount, or any integral multiple thereof, and, with respect to the Capital Appreciation Bonds, Five Thousand Dollar ($5,000) Maturity Value, or any integral multiple thereof; provided that one Capital Appreciation Bond may be issued in an odd Maturity Value.

(c) The Current Interest Bonds shall be dated the Date of Issuance, and shall bear interest at the rate or rates not to exceed the maximum legal interest and as specified in Section 5 hereof, payable on each Bond Payment Date of each year commencing on the date specified in the applicable Purchase Agreement, the actual interest rate or rates and the actual maturity schedule to be fixed at the time of sale and set forth in the Applicable Purchase Agreement as executed and delivered. Each Current Interest Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Record Date in which event it shall bear interest from the Date of Issuance, computed using a year of 360 days, comprised of twelve 30-day months; provided, however, that if at the time of authentication of any Current Interest Bond,

interest is then in default on outstanding Current Interest Bonds, such Current Interest Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The foregoing terms shall be subject to the terms of the Applicable Purchase Agreement as executed and delivered.

(d) The Capital Appreciation Bonds, if issued, shall be dated as of their delivery date and shall accrete interest from the Date of Issuance of the Capital Appreciation Bonds to their maturity at a rate or rates such that the interest rate(s) on the Series C Bonds shall not exceed the maximum legal rate of interest as specified in Section 5 hereof. Capital Appreciation Bonds will not bear interest on a current basis. The Capital Appreciation Bonds shall be issued in any denominations of their Principal Amounts but shall reflect denominations of $5,000 Maturity Value or any integral multiple thereof; provided that one Capital Appreciation Bond may be issued in an odd Maturity Value. The Capital Appreciation Bonds shall mature on the Bond Payment Date(s) of the years designated in the Applicable Purchase Agreement, or as may otherwise be specified in the Applicable Purchase Agreement provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 6 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond. Interest on each Capital Appreciation Bond shall be compounded semiannually on each Bond Payment Date, or as may be provided for in the Applicable Purchase Agreement, of each year until maturity, commencing on the date of issuance thereof, computed using a year of 360 days, comprised of twelve 30-day months, and shall be payable only at maturity at their Maturity Value or on their redemption date if redeemed prior to their respective stated maturity date(s).

(e) The Series C Bonds will be sold as provided in Sections 4 and 5 hereof. Notwithstanding anything herein to the contrary, the terms of the Series C Bonds, as set forth in this Resolution, may be modified prior to delivery in accordance with the provisions of the

applicable Purchase Agreement, as finally approved and executed. The Series C Bond maturities may be adjusted by the Treasurer and the Designated Officer, in consultation with the Financial Advisor and District Bond Counsel, as appropriate to provide funds to finance school facilities as set forth in the Authorization and pay for the costs of issuance of the Series C Bonds, provided that the total par amount of the Series C Bonds shall not exceed $25,000,000 and the covenants set out in the District Resolution are complied with. In the event of a conflict or inconsistency between this Resolution and the applicable Purchase Agreement relating to the terms of the Series C Bonds, the provisions of the applicable Purchase Agreement shall be controlling.

(f) Terms of Tender Bonds.

(i) Tender Bonds shall be identified as such in the applicable Bond Purchase Agreement(s), and shall be subject to the terms set for therein. The Tender Bonds shall not bear interest from the Date of Issuance until the Mandatory Tender Date. Te Tender Bonds shall bear interest from the Mandatory Tender Date until their stated maturity date(s) at the rates determined by the Remarketing Agent in accordance with the terms of the JPA Bonds Indenture.

(ii) Mandatory Tender of Tender Bonds.

(A) Mandatory Tender. The Tender Bonds are subject to mandatory tender on the Mandatory Tender Date. The JPA Bond Trustee, as the Owner of such Tender Bond, shall tender such Tender Bond for purchase as provided below, and such Tender Bonds shall be purchased or deemed purchased at a purchase price equal to the Principal Amount thereof (the "Purchase Price").

(B) Payment of the Purchase Price of Tender Bonds. Payment of the Purchase Price of Tender Bonds shall be made on the Mandatory Tender Date, and funds for the payment of such Purchase Price shall be derived from the remarketing proceeds of the sale of the Tender Bonds as received from purchasers of the Tender Bonds.

(C) Remarketing of Tender Bonds; Notice of Interest Rates.

(1) Tender Bonds shall be remarketed by the Remarketing Agent at the par value thereof.

(2) The Remarketing Agent shall inform the District, the JPA Bond Trustee, the County, and the Paying Agent of the rate(s) of interest to be borne by the Tender Bonds.

(D) Determination of Interest Rates on the Tender Bonds. The Tender Bonds shall bear interest at the interest rates determined by the Remarketing Agent on the Rate Determination Date, which shall be the rate determined by the Remarketing Agent (on the basis of examination of obligations comparable to the Tender Bonds known to the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Tender Bonds, would enable the Remarketing Agent to sell the Tender Bonds at a price equal to the Principal Amount thereof.

SECTION 8. Redemption Provisions.

(a) Optional Redemption. The Series C Bonds shall be subject to optional redemption prior to maturity upon the terms and conditions set forth in the Purchase Agreement as executed and delivered.

(b) Extraordinary Mandatory Redemption. In the event and to the extent that the District fails to expend all of the funds held in the Building Fund within the Expenditure Period, the Series C Bonds shall be subject to extraordinary mandatory redemption on the date on which the JPA Bonds are subject to extraordinary mandatory redemption under terms of the JPA Bonds Indenture (being a date which is not more than 90 days following the expiration of the Expenditure Period.

If funds remain on deposit in the Building Fund at the expiration of the Expenditure Period, the District shall promptly engage the services of an Independent Account to determine the applicable value of the Series C Bonds to be redeemed under this sub-section (b). The Independent Accountant shall calculate the amount of the Series C Bonds which may be

redeemed without causing an insufficiency of revenues to pay the Series C Bonds. Upon such determination, the JPA Financial Advisor shall file a written notice of such determination and all supporting calculations and documentation to be filed with the District and the JPA Bond Trustee. The principal amount of the Series C Bonds to be redeemed under this sub-section (b) shall be the amount identified in such notice.

The redemption price of any Series C Bonds under this sub-section (b) shall be payable solely from a portion of the amounts held by the Treasurer in the Building Fund at the expiration of the Expenditure Period and shall be paid to the JPA Bond Trustee for the corresponding redemption of JPA Bonds under the applicable terms of the JPA Bonds Indenture. The Series C Bonds to be redeemed under this subsection (b) shall be selected for redemption among each remaining maturity on a pro rata basis. For purposes of such selection, each Series C Capital Appreciation Bond shall be deemed to consist of individual bonds of $5,000 Maturity Value each, which may be separately redeemed.

(c) Mandatory Sinking Fund Redemption of Current Interest Term Bonds. The Current Interest Term Bonds, if any, are subject to mandatory sinking fund redemption prior to their maturity, by lot, without premium, on each August 1, in the years and in the amounts as set forth in the applicable Purchase Agreement. In the event that there are no Current Interest Term Bonds specified in the applicable Purchase Agreement, this subsection shall not apply.

(d) Mandatory Sinking Fund Redemption of Capital Appreciation Term Bonds. The Capital Appreciation Term Bonds are subject to mandatory sinking fund redemption prior to their maturity date from monies in the Debt Service Fund established in Section 19 hereof, by lot, without premium, on each August 1 (or other date specified in the applicable Purchase Agreement), in the years and in the amounts as set forth in the applicable Purchase Agreement and in the Official Statement described below. In the event that there are no Capital Appreciation Term Bonds specified in the Purchase Agreement, this subsection shall not apply.

(e) Selection of Bonds for Redemption. Subject to the provisions of sub-section (b), above, whenever less than all of the outstanding Series C Bonds are to be redeemed, the Paying Agent, upon written direction from the District shall select the Series C Bonds to be redeemed as so directed by the District, and if not so directed in inverse order of maturity, and within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of $5,000 or any integral multiple thereof, and the portion of any Capital Appreciation Bonds to be redeemed in part shall be in integral multiples of the Accreted Value per $5,000 Maturity Value of such Capital Appreciation Bond. The Paying Agent shall promptly notify the District of the Series C Bonds so selected for redemption on such date.

(f) Form of Notice of Redemption. The Paying Agent shall give notice of each designated redemption ("Redemption Notice") of the Series C Bonds at the expense of the District. Such Redemption Notice shall specify: (a) that the Series C Bonds or a designated portion thereof are to be redeemed; (b) if less than all of the then outstanding Bonds are to be called for redemption, shall designate the numbers (or state that all Series C Bonds between two stated numbers both inclusive have been called for redemption) and CUSIP® numbers, if any, of the Series C Bonds to be redeemed; (c) the date of notice and the date of redemption; (d) the place or places where the redemption will be made; and (e) descriptive information regarding the Series C Bonds and the specific Series C Bonds to be redeemed, including the dated date, interest rate and stated maturity date of each. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Series C Bond to be redeemed, the portion of the principal amount of such Series C Bond to be redeemed, together with interest accrued or accreted, as applicable, to the date of redemption, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue or accrete, as applicable.

(g) Provision of Notice of Redemption. Any Redemption Notice shall be mailed, first class postage, to the registered owners of the Series C Bonds, to a Securities Depository and to a national Information Service, and by first class mail, postage prepaid, to the District and County and the respective Owners of any registered Series C Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least thirty (30) days, but not more than forty-five (45) days, prior to the designated redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series C Bonds nor entitle the Owner thereof to interest beyond the date given for redemption. A certificate provided by the Paying Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and it shall not be open to a Bond Owner to show that he or she failed to receive notice of such redemption. In case of the redemption as permitted herein of all the Outstanding Bonds of any one maturity, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Series C Bonds of such maturity.

Neither failure to receive or failure to send, to the Securities Depositories or Informational Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series C Bonds or the cessation of accrual or accretion of interest, as applicable, represented thereby from and after the redemption date.

(h) Contingent Redemption; Rescission of Redemption. Any Redemption Notice may specify that redemption of the Series C Bonds designated for redemption on the specified date will be subject to the receipt by the District of monies sufficient to cause such redemption

(and will specify the proposed source of such monies), and neither the District or the County will have any liability to the Owners of any Series C Bonds, or any other party, as a result of the District's failure to redeem the Series C Bonds designated for redemption as a result of insufficient monies therefor.

Additionally, the District may rescind any optional redemption of the Series C Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Series C Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Series C Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. Neither the District nor the County will have any liability to the Owners of any Series C Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Series C Bonds pursuant to the provisions of this subsection.

(i) Payment of Redeemed Series C Bonds. When a Redemption Notice has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Series C Bonds called for redemption (Principal and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Series C Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Series C Bonds at the place specified in the Redemption Notice, said Series C Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Series C Bonds shall bear or include the CUSIP® number identifying, by issue and maturity, the Series C Bonds being redeemed with the proceeds of such check or other transfer.

If on such redemption date, money for the redemption of all the Series C Bonds to be redeemed as provided in this Section, together with interest to such redemption date, shall be available therefor, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series C Bonds to be redeemed shall cease to accrue. All money held for the redemption of Series C Bonds shall be held in trust for the account of the registered Owners of the Series C Bonds so to be redeemed. All unpaid interest payable at or prior to the designated redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(j) Partial Redemption of Series C Bonds. Upon the surrender of any Series C Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Series C Bond or Series C Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series C Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(k) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Series C Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Series C Bonds to be redeemed as provided in this Section 8, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Series C Bonds to be redeemed shall cease to accrue and become

payable. All money held by or on behalf of the Paying Agent for the redemption of Series C Bonds shall be held in trust for the account of the Owners of the Series C Bonds so to be redeemed.

All Series C Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 8 shall be canceled upon surrender thereof. All or any portion of a Series C Bond purchased by the County or the District shall be canceled and destroyed by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District.

(l) Purchase in lieu of Redemption. In lieu of, or partially in lieu of, any mandatory sinking fund redemption of Series C Bonds pursuant to the terms hereof, monies in the Debt Service Fund may be used to purchase the Outstanding Series C Bonds that were to be redeemed with such funds in the manner hereinafter provided. Purchases of Outstanding Series C Bonds may be made by the District or the Treasurer through the Paying Agent prior to the selection of Series C Bonds for redemption at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest. Any accrued interest payable upon the purchase of Series C Bonds may be paid from the Debt Service Fund for payment of interest on the next following Interest Payment Date. Any Series C Bond purchased in lieu of redemption shall be transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender thereof, as provided for in Section 8(m) below and shall not be re-issued or resold.

(m) Cancellation of Redeemed Bonds. All Series C Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section and Section 18 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Series C Bond purchased by the Treasurer or the District pursuant to subsection (i) above shall be canceled by the Paying Agent and the Paying Agent

shall provide a written certification of such cancellation and destruction to the District.

(n) Bonds No Longer Outstanding. When any Series C Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Series C Bonds or portions thereof, and, in the case of Series C Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Series C Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

SECTION 9. Form of Bonds; Temporary Bonds; CUSIP® Numbers. The Series C Bonds shall be substantially in conformity with the standard form of registered school district bonds, copies of which are attached hereto as Exhibits "B" (as to the Current Interest Bonds) and "C" (as to the Capital Appreciation Bonds) and incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution and to conform with the requirements of the Purchase Agreement.

The Series C Bonds may be initially issued in temporary form exchangeable for definitive Series C Bonds when ready for delivery. The temporary Series C Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Treasurer and the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Series C Bond shall be executed by the County upon the same conditions and in substantially the same manner as the definitive Series C Bonds. If the County issues temporary Series C Bonds it will execute and furnish definitive Series C Bonds without delay, and thereupon the temporary Series C Bonds may be surrendered,

for cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Series C Bonds an equal aggregate Principal amount of definitive Series C Bonds of authorized denominations. Until so exchanged, the temporary Series C Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Series C Bonds executed and delivered hereunder.

The the extent required under the terms of purchase for the Series C Bonds, or any of them, "CUSIP®" identification numbers may be imprinted on the Series C Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series C Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of and pay for the Series C Bonds. In addition, failure on the part of the District to use such CUSIP® numbers in any notice to Owners of the Series C Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

SECTION 10. **Execution of Bonds.** The Series C Bonds shall be executed by the manual or facsimile signature of the Chairperson of the Board of Supervisors, attested by the manual or facsimile signature of the Treasurer, and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors or any designated deputy. The facsimile signatures of the Chairperson, the Treasurer and the Clerk of the Board of Supervisors may be printed, lithographed, engraved, or otherwise mechanically reproduced. The provisions of Education Code Sections 15181 and 15182 shall apply to such execution of the Series C Bonds.

No Series C Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series C Bond is signed by the Paying Agent as authenticating agent for the Series C Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series C Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled

to the security and benefit of this Resolution.

SECTION 11. **Delivery of Bonds.** The proper officials of the County shall cause the proper officials of the District to cause the Series C Bonds to be prepared and, following their sale, shall have the Series C Bonds executed and delivered to the Purchaser upon payment of the purchase price in immediately available funds.

SECTION 12. **Bond Registration; Transfers.** To the extent required under the terms of purchase for the Series C Bonds, or any of them, and as hereinafter provided, the Series C Bonds may be delivered in a form and with such terms as will permit them to be in book-entry only form, deposited with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Series C Bonds as provided in this Section ("Bond Register"). While the book-entry only system is in effect, such books need not be kept, as the Series C Bonds will be represented by one Series C Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

The person in whose name a Series C Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Series C Bond for all purposes of this Resolution. Payment of or on account of the principal of and interest on any Series C Bond shall be made only to or upon the order of the Owner thereof; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Series C Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series C Bond may be exchanged for Series C Bonds of the same series, form and/or sub-series of any other authorized denomination upon presentation and surrender at the principal

corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Any Series C Bond may, in accordance with its terms (but only if the District determines no longer to maintain the book-entry only status of the Series C Bonds, DTC determines to discontinue providing such services and no successor securities depository is named or DTC requests the District to deliver certificated securities to particular DTC Participants) be transferred, upon the books required to be kept pursuant to the provisions of this Section, by the Owner, in person or by his duly authorized attorney, upon surrender of such Series C Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

If manual signatures on behalf of the County are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Series C Bonds only after the new Series C Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Series C Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Series C Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Series C Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Series C Bonds surrendered upon that exchange or transfer.

Any Series C Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be canceled by the Paying Agent. The District and the County may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Series C Bonds that the District and the County may have acquired in any manner whatsoever, and those Series C Bonds shall be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Series C Bonds shall be made to the District and the

County by the Paying Agent and updated annually. The canceled Series C Bonds shall be destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the District.

Neither the District, the County nor the Paying Agent will be required to: (a) issue or transfer any Series C Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Interest Payment Date or any date of selection of Series C Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given, or (b) transfer any Series C Bonds which have been selected or called for redemption in whole or in part.

SECTION 13. Book-Entry System. To the extent required under the applicable Purchase Agreement(s) and except as provided below, the owner of all of the Series C Bonds (exclusive of Series C Bonds sold to the JPA) shall be The Depository Trust Company, New York, New York ("DTC" or "Depository"), and the Bonds may be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, New York, New York, and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee"). With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository ("Participant") or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District nor the Paying Agent shall have

any responsibility or obligation (unless the District is at such time the Depository) with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest. Upon delivery by the Depository to the Owners of the Bonds and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

In order to qualify the Bonds for the Depository's book-entry system, the District is executing and delivering to the Depository a Representation Letter. The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in

any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the District of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to the owners thereof for such purpose.

In the event of a reduction in aggregate principal amount of Bonds Outstanding or an advance refunding of part of the Bonds Outstanding, DTC in its discretion, (a) may request the District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in principal, but in such event the District records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the Paying Agent prior to payment.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any

Bond is registered in the name of the Nominee, all payments with respect to Principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository and acceptable to the District. The initial Depository under this Section shall be DTC. The initial Nominee shall be Cede & Co., as Nominee of DTC.

SECTION 14. Paying Agent.

(a) At the request and direction of the District, U.S. Bank National Association is hereby confirmed as the initial authenticating agent, bond registrar, transfer agent and paying agent (collectively, "Paying Agent") for the Series C Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District, subject to the terms hereof. The Paying Agent may also function as the dissemination agent and if so acting, shall perform all duties and obligations as set forth in the Continuing Disclosure Certificate, as described in Section 22 hereof.

(b) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the District. A successor Paying Agent shall be appointed by the District and shall be a bank or trust company organized under the laws of the state of California, of any state or the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating to at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District and the County a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective only upon appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The District shall promptly cause to be mailed, at its expense, the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Informational Services and to DTC.

(d) Any company or association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 13(b), shall be the successor to the Paying Agent and vested with all of the title to the trust estate and all of the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. All costs associated with the Paying Agent's merger or consolidation with another bank or trust company shall be paid by the successor Paying Agent. No expense resulting from such merger or consolidation shall be billed to the District or the County.

(e) To the extent permitted by law, the Paying Agent may become the Owner of any of the Series C Bonds.

(f) The District shall be responsible to pay all fees, costs and expenses of the Paying Agent, subject to the provisions of Section 15 hereof.

(g) All documents received by the Paying Agent under the provisions of the

Resolution shall be retained in its possession at the Office of the Paying Agent and shall be subject during business hours and upon reasonable notice to the inspection of the County, the District or the Owners and their agents and representatives duly authorized in writing.

SECTION 15. **Security for the Series C Bonds.** Pursuant to the California Constitution, the Authorization and California law, there shall be levied by the County, pursuant to Education Code Sections 15260 et seq., on all the taxable property in the District located within the County, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Series C Bonds are Outstanding, commencing in Fiscal Year 2010-2011, in an amount sufficient to pay the Principal and Accreted Value of, and interest on, the Series C Bonds when due, which monies when collected will be placed in the Debt Service Fund. The Debt Service Fund is irrevocably pledged for the payment of the Principal and Accreted Value of, and interest on, the Series C Bonds when and as the same fall due along with administrative costs and expenses for the Series C Bonds including fees and expenses of the Paying Agent.

The monies in the Debt Service Fund, to the extent necessary to pay the Principal and Accreted Value of, and interest on, the Series C Bonds as the same become due and payable, shall be transferred by the Treasurer, or his or her designee or deputy, to the Paying Agent who in turn, shall pay such monies to DTC, or the Registered Owner(s), as applicable to pay the Principal and Accreted Value of, and interest on, the Series C Bonds when due. For Series C bonds held as Book-entry bonds, DTC will thereupon make payments of Principal and Accreted Value of, and interest on, the Series C Bonds to the DTC Participants who will thereupon make payments of principal and Accreted Value and interest to the beneficial owners of the Series C Bonds. Any monies remaining in the Debt Service Fund after the Series C Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District pursuant to the Education Code Section 15235 or any successor section thereto.

SECTION 16. **Payment of Principal and Interest.** The Principal and Accreted Value of and interest on the Series C Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Interest on Current Interest Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Series C Bond is registered, and to that person's address appearing on the Bond Register (as described in Section 11 above) on the Record Date. The Owner of an aggregate Principal Amount of Current Interest Bonds of $1,000,000 or more may request, in writing, prior to the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Payments of principal and redemption premiums, if any, with respect to the Current Interest Bonds, and the payments of Maturity Value and redemption premiums, if any, with respect to Capital Appreciation Bonds, shall be payable at maturity or redemption upon surrender at the office of the Paying Agent in Los Angeles, California, or such other location as the Paying Agent shall designate to the County and the District in writing. In the event the Paying Agent shall provide written notice of a change in the location for payment of Principal, redemption premiums and Maturity Value on the Series C Bonds, the Paying Agent shall thereafter provide notice of such change to the Informational Services and Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Series C Bonds when duly presented for payment at maturity, and to cancel all Series C Bonds upon payment thereof.

In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

The Series C Bonds are the general obligations of the District secured by ad valorem taxes levied and collected pursuant to the Authorization, the California Constitution and State

law and do not constitute an obligation of the County except to provide for the levy and collection of the ad valorem taxes and payment of funds to the Paying Agent as set forth in Section 18 hereof. No part of any fund of the County is pledged or obligated to the payment of the Series C Bonds. The Series C Bonds do not constitute an obligation of the County except to provide for the levy and collection of the ad valorem taxes as set forth in Section 14 hereof.

SECTION 17. Defeasance. The Series C Bonds may be defeased prior to maturity in the following ways:

(a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Series C Bonds Outstanding, including all principal and interest and premium, if any; or

(b) Defeasance Obligations: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Obligations, permitted under Section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Series C Bonds (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any Series C Bonds shall not have been surrendered for payments, all obligations of the District and the County with respect to all Outstanding Series C Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 17, to the Owners of the Series C Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 17, "Defeasance Obligations" shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case or direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Defeasance Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Defeasance Obligations; and (c) the underlying Defeasance Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claims of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's Ratings' Services and "Aaa" by Moody's Investors Service.

For purposes of this Section 17, and Section 18, the escrow agent bank or trust company and verification agent shall be selected by the District. Any such escrow bank or trust company shall conform to the successor paying agent requirements of Section 14 hereof. All costs for defeasance of the Series C Bonds shall be paid by the District.

SECTION 18. **Partial Defeasance.** A portion of the then-Outstanding maturities of the Series C Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Series C Bonds,

including all principal and interest and premium, if any; or

(b) Defeasance Obligations: by irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Obligations, permitted under Section 149(d) of the Code together with cash, if required, in such an amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and discharge the designated maturities of Series C Bonds (including all principal and interest represented thereby and redemption premiums, if any,) at or before their maturity date;

then, notwithstanding that any of such designated maturities of Series C Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to such Outstanding maturities of Series C Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 18, to the Owners of the Series C Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 18, Defeasance Obligations shall have the same meaning as set forth in Section 17 hereof.

SECTION 19. Establishment of Funds; Disposition of Proceeds; Investment.

(a) The proceeds from the sale of the Series C Bonds, to the extent of the Principal Amount thereof, shall be paid and credited to the fund established and held by the Treasurer and designated as the "Hemet Unified School District General Obligation Bonds, 2006 Election, Series C Building Fund" ("Building Fund") of the District, and shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Series C Bonds are being issued and for payment of permissible costs of issuance and provided further that such proceeds shall be applied solely to authorized purposes for which

the Series C Bonds were authorized as directed in writing by the District. Amounts on deposit in the Building Fund shall be expended by the District solely to finance school facilities for which the Series C Bond proceeds are authorized to be expended under the Bond Election, subject to the provisions of hereof and in the District Resolution relating to federal tax covenants. Any amounts remaining on deposit in the Building Fund at the expiration of the Expenditure Period shall be withdrawn from the Building Fund and applied to pay the redemption price of the JPA Bonds upon the extraordinary mandatory redemption thereof under the terms of this Resolution and the Series C Bonds. The County shall have no obligation to ensure that the proceeds are applied in accordance with the preceding sentence. The interest earned on the monies deposited to the Building Fund shall be deposited to said Fund and such monies shall be used for any lawful purpose of the District at the direction of the District.

(b) The accrued interest, if any, and any premium received from the sale of the Series C Bonds (if any after all or a portion of the Purchaser's discount or costs of issuance are paid), as well as tax revenues collected by the County pursuant to Section 14 hereof and Sections 15260 *et seq.* of the Education Code, shall be deposited and kept separate and apart in the fund established and held by the Treasurer and designated as the "Hemet Unified School District General Obligation Bonds, 2006 Election, Series C Bond Debt Service Fund" ("Debt Service Fund") for the Bonds and used only for payments of Principal and interest on the Bonds when due. *Ad valorem* taxes collected by the County pursuant to State law and Section 15 hereof shall be deposited by the County into the Debt Service Fund and applied, pursuant to the provisions of State law and this Resolution, only for payments of Principal and Accreted Value of, interest on and redemption premium, if any, on the Series C Bonds when due. Funds held in the Debt Service Fund are irrevocably pledged to the payment of Principal and Accreted Value of, interest on and redemption premium, if any, on the Series C Bonds when due. Except as required below to satisfy the requirements of Section 148(f) of the Code, as may be applicable, interest earned on investments of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and Accreted Value of, interest on, and redemption premium, if

any, on the Series C Bonds when and as such become due. The monies in the Debt Service Fund, to the extent necessary to pay the Principal of, interest on and Accreted Value on the Series C Bonds, as the same becomes due and payable, shall be transferred by the Treasurer to the Paying Agent for subsequent disbursement to the beneficial Owners of the Series C Bonds. The Debt Service Fund shall be administered by the Treasurer, and shall be kept separate and distinct from all other District and County funds.

(c) The District shall, at such time as shall be necessary, establish and create the "Hemet Unified School District General Obligation Bonds, Series C, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District funds, and into which the District shall deposit, or direct deposit of, funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations promulgated thereunder ("Code") as shall be applicable to the Series C Bonds. The principal requirements for rebate payments applicable to the Series C Bonds shall be as set forth in the Tax Certificate as executed and delivered by the District and/or the JPA, as applicable. The Rebate Fund (if and when established pursuant to the requirements of the Tax Certificate) may, at the discretion of the District, be held by the Paying Agent or the County. Responsibility for determining and calculating rebate payments, if any, due with regard to the Series C Bonds are the responsibility of the District as further set forth in Section 23. Monies in the Rebate Fund shall be invested in compliance with the limitations of the Code.

(d) Any proceeds of the Bonds not needed for the authorized purposes set forth herein for which Bonds are being issued, and not needed for rebate purposes, shall, at the direction of the District, be transferred to the Debt Service Fund and applied to the payment of Principal of, interest on and Accreted Value on the Series C Bonds. If, after payment in full of the Series C Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District, as provided for herein, to be applied in accordance with applicable

law.

(e) All proceeds of the Bonds and interest earning thereon shall be invested by the County, on behalf of, and pursuant to the written direction(s) of, the District, in Authorized Investments. Absent other written investment directions provided to the County from the District, the Treasurer shall invest monies in the Building Fund and the Debt Service Fund pursuant to the State law and the investment policy of the County.

SECTION 20. County Books and Accounts. The Treasurer, the County and the Paying Agent will keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 15 hereof, (ii) all deposits, expenditure and investment earnings on the Debt Service Fund and the Building Fund and any and all accounts or subaccounts thereof, and (iii) all transfers of funds for the payment of Principal, or Maturity Value of, or interest or redemption premiums on, the Series C Bonds. Such books of record and accounts shall, upon two days prior notice, at all times during business hours be subject to the inspection of the District, the Paying Agent (if other than the Treasurer) and the Owners of not less than ten percent (10%) of the Principal amount of the Series C Bonds then Outstanding, or their representatives authorized in writing.

SECTION 21. Preliminary Official Statement; Official Statement. The District has authorized, and shall be responsible for, preparing a preliminary and final Official Statement for the Series C Bonds and the JPA Bonds, as applicable, meeting the requirements of Securities and Exchange Commission ("SEC") Rule 15c2-12. Such Preliminary Official Statement and final Official Statement are collectively referred to herein as the "Official Statement." Neither the Board of Supervisors nor any officer of the County has prepared or reviewed the Official Statement, and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to one or more section(s) contained, or to be contained, therein describing the County's

investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in preliminary Official Statement, and to certify to the District prior to or upon the issuance of the Series C Bonds that the information contained in such section(s) does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

SECTION 22. **Continuing Disclosure.** The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below), which shall be executed by District and delivered at the time of delivery of the Series C Bonds. Notwithstanding any other provisions of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series C Bonds; however, any Purchaser or any holder or beneficial Owner of the Series C Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed and delivered by the District and dated the date of issuance and delivery of the Series C Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

SECTION 23. **Tax and Arbitrage Covenants and Matters.** The District as, within the District Resolution, provided certain representations and covenants concerning the Series C Bonds that are issued as Qualified School Construction Bonds or as Tax-Exempt Bonds. The representations and covenants provided by the District shall extend to the Series C Bonds as sold.

Responsibility for compliance with such representations and conformance with such covenants is the responsibility of the District.

SECTION 24. **Execution of Documents by Bond Owners.** Any request, consent or other instrument required by this Resolution to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the County, and the District, if made in the manner provided in this Section 26.

The fact and date of the execution by any person of any such request consent or other Instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request consent or other Instrument or writing acknowledged to him the execution thereof.

The ownership of the Series C Bonds shall be proved by the Bond Register. Any request, consent or vote of the Owner of any Series C Bond shall bind every future Owner of the same Series C Bond and the Owner of any Series C Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the County or the District, in pursuance of such request, consent or vote.

SECTION 25. **Unclaimed Monies.** Notwithstanding any of the foregoing provisions of this Resolution and subject to State law, any monies held by the Paying Agent for the payment of the Principal of, redemption premium, if any, or interest on the Series C Bonds remaining unclaimed for one year after the corresponding maturity or redemption date for such Series C Bonds shall be returned by the Paying Agent to the Treasurer, with any and all interest accrued

thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal of, redemption premium, if any, or interest on Series C Bonds and remaining unclaimed for one year after the Principal of all of the Series C Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after payment in full of the Series C Bonds, transferred to the General Fund of the District to be applied in accordance with law; provided, however, that the Paying Agent, or Treasurer, as may be the case, before making such payment, shall cause notice to be mailed to the Owners of all Series C Bonds that have not been paid, by first-class mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the date of such payment.

SECTION 26. Compliance With Law. All acts, conditions and things required by law to be done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of the Series C Bonds, is within all limits prescribed by law.

SECTION 27. Conditions Precedent. This County Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Series C Bonds, in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series C Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series C Bonds.

SECTION 28. Amendments. The County may from time to time (which may be at the request of the District, made in writing to the County), and at any time, without notice to or consent of any of the Owners, by action of the County Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Owners;

(b) to add to the covenants and agreements of, and the limitations and the restrictions, contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Owner; and/or

(d) To make such additions, deletions or modifications as may be necessary of desirable to assure the qualification of the Series C Bonds as Qualified School Construction Bonds under the Code, in the opinion of JPA Bond Counsel filed with the District, the JPA and the County.

In the event of any such amendment, the County shall promptly provide the District and the Paying Agent with copies of such amendment and the action of the County Board approving such amendment. Notice of any such amendment shall also be provided to the Owners by the District in the next occurring Annual Report provided by the District under the terms of the Continuing Disclosure Agreement.

No such amendment shall: (i) extend the fixed maturity of any Series C Bond, reduce the amount of Principal or Accreted Value thereof or the rate of interest thereon or extend the time of payment thereof, without the consent of the Owner of each Series C Bond so affected, or (ii) modify or amend this Section without the consent of the Owners of all the Series C Bonds then

outstanding.

Upon the adoption of any amendment pursuant to this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the County, the District, the Paying Agent and all Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

The provisions of this Section shall not prevent any Owner from accepting any modification or amendment as to the particular Series C Bonds held by such Owner.

SECTION 29. Benefits Limited to Parties. Nothing in this Resolution, express or implied, is intended to give to any person other than the County, the District, the Paying Agent and the Owners of the Series C Bonds, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District or the County, are for the sole and exclusive benefit of the County, the District, the Paying Agent and the Owners.

SECTION 30. Approval of Actions. Officers of the Board and County officials and staff, including the Treasurer or the Treasurer's designee, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance, sale and delivery of the Series C Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 31. **Partial Invalidity; Severability.** If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall in no way affect the validity of this Resolution or of the Series C Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The County Board hereby declares that it would have adopted Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series C Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 32. **Effective Date.** This Resolution shall take effect immediately upon its passage.

SECTION 33. **Furnishing of Clerk Certifications.** The Clerk of the Board is hereby authorized to furnish up to four (4) certified copies of this Resolution to Bowie, Arneson, Wiles & Giannone, District Bond Counsel, at or prior to closing.

[Remainder of this page is blank]

The foregoing Resolution was on the ___ day of November, 2009, adopted by the Board of Supervisors of the County of Riverside.

COUNTY OF RIVERSIDE:

By:_____

Chairman

ATTEST:

Kecia Harper-Ihem, Clerk to the
Board of Supervisors of the
County of Riverside

By: _____

Deputy

EXHIBIT "A"

FORM OF BOND PURCHASE AGREEMENT

$_____
Hemet Unified School District
General Obligation Bonds
2006 Election, Series C
(Qualified School Construction Bonds)

DISTRICT BOND PURCHASE AGREEMENT

December __, 2009

Hemet Unified School District
Hemet, California

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated December __, 2009, is between the HEMET UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), and the CALIFORNIA QUALIFIED SCHOOL CONSTRUCTION BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The District is authorized to issue Qualified School Construction Bonds in the aggregate amount of $25,000,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which such facilities are to be constructed (the "QSCB Projects").

3. In order to provide financing for the QSCB Projects on terms which are the most favorable to the District, the District has requested the Authority to issue its bonds under the Bond Law on behalf of the District, which bonds are designated as the Qualified School Construction Bonds for which the District has received an allocation.

4. To that end, the Board of Education of the District has adopted its Resolution No. ___ on October 13, 2009 and the Board of Supervisors of Riverside County has adopted its Resolution No. ___ on November __, 2009 (the "Bond Resolution"), authorizing the issuance of Hemet Unified School District (Riverside County, California) General Obligation Bonds 2006 Election, Series C (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

Resolution No. ___ on November __, 2009 (the "Bond Resolution"), authorizing the issuance of Hemet Unified School District (Riverside County, California) General Obligation Bonds 2008 Election, Series C (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

5. The Governing Board of the Authority has authorized the issuance of its California Qualified School Construction Bond Joint Powers Authority 2009 General Obligation Revenue Bonds (Hemet Unified School District Qualified School Construction Bonds) in the aggregate principal amount of $_____ (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of December 1, 2009 (the "Authority Bond Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Authority Bond Trustee"), for the purpose of purchasing the District Bonds as provided herein.

6. The District Bonds are payable from *ad valorem* property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the District Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Terms of District Bonds.* (a) The District hereby agrees to issue the District Bonds on December __, 2009 (the "Closing Date"). The District Bonds shall be issued as Capital Appreciation Bonds maturing on September 16 in each of the years, and accreting interest at the Yields to Maturity, as set forth in the following schedule:

Maturity Date (September 16)	Principal Amount	Yield to Maturity(1)
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2034*		

*Tender Bond subject to mandatory tender on _____, 2024, as described in Section 1(c).
(1) Subject to Section 1(b).

(b) The respective rates at which the Capital Appreciation Bonds accrete interest shall be increased in the event and to the extent required to provide sufficient revenues with which to pay the Authority Bonds at maturity. Without limiting the generality of the foregoing sentence, such rates shall be increased in the event and to the extent that the earnings on amounts held by the trustee for the Authority Bonds in the Revenue Fund which has been established for the Authority Bonds fall below the amount required to provide sufficient revenues with which to pay the Authority Bonds at maturity.

The District covenants that it will engage the services of an Independent Financial Advisor (defined in the following paragraph) to determine annually, not later than June 30 of each year during the term of the District Bonds, whether the rates of interest at which interest on the Capital Appreciation Bonds accretes need to be increased for ensuing fiscal year. If the Independent Financial Advisor determines that interest on the Capital Appreciation Bonds is required to be increased in any fiscal year, the Independent Financial Advisor shall deliver written notice to the District, the trustee for the Authority Bonds, the County and the Paying Agent of the amount by which such rates are required to be increased. Such written notice shall identify the respective rates of accretion and Maturity Values for each remaining maturity of outstanding Capital Appreciation Bonds. Upon delivery of such written notice, the respective rates of accretion and Maturity Values for each remaining maturity of Outstanding Capital Appreciation Bonds shall be adjusted as set forth in such written notice.

For purposes of this section, "Independent Financial Advisor" means any person or firm appointed and paid by the District which, in the reasonable judgment of the District, has expertise rendering financial advice to public agencies in the State of California in financing public improvements of such public agencies and who, or each of whom (a) is in fact independent and not under domination of the District; (b) does not have any substantial interest, direct or indirect, with the District; and (c) is not connected with the District as an officer or employee of the District.

(c) The Capital Appreciation Bonds maturing _____ 1, 20____ are "Tender Bonds", which shall not bear interest from the Closing Date until ____, 20__ (the "Mandatory Tender Date"). The Tender Bonds shall bear interest from the Mandatory Tender Date until their stated maturity date(s) at the rates determined by [the Remarketing Agent].

SECTION 2. *Sale of District Bonds to Authority.* The District hereby agrees to sell the District Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the District Bonds from the District on the Closing Date for a purchase price equal to $_____, being the par amount of the District Bonds. The purchase price of the District Bonds shall be paid from a portion of the Authority Bonds. The District hereby directs the Authority to cause the purchase price of the District Bonds to be paid to U.S. Bank National Association, as paying agent for the District Bonds (the "Paying Agent"), to be applied as follows:

(a) The amount of $_____ shall be paid to the Riverside County Treasurer-Tax Collector , for deposit in the Building Fund which is established under the Paying Agent Agreement and maintained by the County Treasurer.

(b) The amount of $_____ shall be deposited by the Paying Agent in the Costs of Issuance Fund which is established under the Authority Bond Indenture and maintained by the Paying Agent.

SECTION 4. *Registered Ownership of District Bonds.* Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the District Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the District Bonds on the Closing Date, the ownership of the District Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Registered Ownership of District Bonds.* Under

SECTION 5. *Closing.* At 9:00 A.M., California time, on December __, 2009, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Authority (the "Closing Date"), the District will deliver the District Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the Paying Agent.

SECTION 6. *Conditions to Closing.* The Authority has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and each of the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. On the Closing Date, (i) the Official Statement, this Purchase Agreement and the Paying Agent Agreement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Authority; and (ii) all actions under the Bond Law which, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect.

(c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority:

(1) Bond Counsel Opinion. An approving opinion of Bond Counsel, as to the validity of the District Bonds, addressed to the District, the Authority and the Authority Bond Trustee.

(2) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; and (iii) the District has complied with all the terms of the Paying Agent Agreement and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.

(3) Paying Agent Agreement. Fully executed copies of the Paying Agent Agreement.

(4) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(d) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the District Bonds have not been delivered by the District to the Authority prior to the close of business, California time, on November __, 2009, then the obligation to purchase District Bonds hereunder shall terminate and be of no further force or effect.

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in writing at its sole discretion.

SECTION 7. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 8. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

Hemet Unified School District

By _____
Assistant Superintendent,
Business Services

California Qualified School Construction Bond Joint Powers Authority

By _____
President

EXHIBIT "B"

FORM OF CURRENT INTEREST BOND

REGISTERED			**REGISTERED**
NO.			**$**

HEMET UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES C

(Riverside County, California)

INTEREST RATE:	**MATURITY DATE:**	**DATED AS OF:**	**CUSIP®:**
_____%	August 1, 20___	_____, 2009	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The **HEMET UNIFIED SCHOOL DISTRICT** ("District") in Riverside County, California ("County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 ("Bond Payment Dates"), commencing _____ 1,

20__. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ , 20___, in which event it shall bear interest from _____, 20___. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, on one or more predecessor bonds) is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association ("Paying Agent"). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this Bond at the Office of the Paying Agent. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Owner of this Bond (or one or more predecessor Bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date ("Record Date"). The Owner of an aggregate Principal Amount of $1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This Bond is one of a aggregate amount of $_____ of bonds issued to be used for the acquisition and construction of school facilities to serve the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) vote of the electors of the District obtained at an election held on _____, 2006, upon the question of issuing bonds in the amount of $_____, the resolutions of the Governing Board of the District adopted on October 6, 2009 and October 20, 2009 (collectively the "District Resolution"), and the resolution of the County Board of Supervisors adopted on _____, 2009, ("County Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem

taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are comprised of $_____ principal amount of Current Interest Bonds, of which this Bond is a part and Capital Appreciation Bonds, of which $_____ represents the Denominational Amount and $_____ Maturity Value.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

The Current Interest Bonds maturing on or before _____ 1, 20__, are not subject to optional redemption prior to maturity. The Current Interest Bonds maturing on or after _____ 1, 20____, are subject to redemption at the option of the District, as a whole or in part as selected and directed by the District, and, if not so directed, in inverse order of maturity and by lot within each maturity, from any source of available funds, on _____ 1, 20__, or on any Bond Payment

Date thereafter at the following prices, expressed as a percentage of the principal amount to be redeemed, plus accrued interest represented thereby to the redemption date:

Redemption Dates	Redemption Price
August 1, 20__ and thereafter	100.0%

[THE FOLLOWING TO APPEAR ON THE FACE OF TERM BONDS, IF ANY:]

[The Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, 20__ and on each August 1 thereafter in accordance with the schedule set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Redemption Year	Principal Amount
_____	_____
_____	_____
_____	_____]

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which

the District in its discretion shall determine.

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP® numbers, if any, of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the issue of Bonds and the specific bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District, the County and the respective owners of any registered Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 45 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds, nor entitle the owner thereof to interest beyond the date given for redemption.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th business day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been

selected or called for redemption in whole or in part.

The rights and obligations of the District and of the Registered Owners of the Bonds may be amended at any time, and in certain cases without the consent of the Registered Owners to the extent and upon the terms and conditions provided in the County Resolution.

The County Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution and the laws of the State of California governing the issue of the Bonds.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any

security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Riverside, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

RIVERSIDE COUNTY, CALIFORNIA

-EXHIBIT-

By:_____

Chairperson, Board of Supervisors

-EXHIBIT-

By:_____

Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By:_____

Clerk to the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By:_____

Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

_____

_____

_____

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date:_____

-EXHIBIT-

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond is every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

_____

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any

Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[Text of Opinion]

EXHIBIT "C"

FORM OF CAPITAL APPRECIATION BOND

REGISTERED **REGISTERED**

NO. **$**

(MATURITY VALUE)

HEMET UNIFIED SCHOOL DISTRICT

GENERAL OBLIGATION BONDS, 2006 EIECTION, SERIES C

(Riverside County and , California)

YIELD TO MATURITY:	MATURITY DATE:	DATE OF ISSUANCE:	CUSIP®:
_____%	August 1, 20__	_____, 2009	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The **HEMET UNIFIED SCHOOL DISTRICT** ("District") in Riverside County, California ("County"), California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated

above, which Maturity Value is comprised of the Denominational Amount specified above plus interest compounded from the Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such compounded interest and the Denominational Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Denominational Amount hereof, being herein called the "Accreted Value"). Accreted Value is payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association ("Paying Agent"). Accreted Value is payable upon presentation and surrender of this bond at the principal office of the Paying Agent in Riverside, California.

This Bond is one of a series of $_____ of bonds issued to construct and acquire school facilities to serve the District under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent (55%) favorable vote of the electors of the District obtained at an election held on March 5, 2006, upon the question of issuing bonds in the amount of $149,000,000, the resolutions of the Governing Board of the District adopted on October 6, 2009 and October 20, 2009 (collectively the "District Resolution"), and the resolution of the County Board of Supervisors adopted on November __, 2009 ("County Resolution"). This Bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The Bonds of this issue are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds of this issue.

The Bonds of this issue are comprised of $_____ principal amount of Current Interest Bonds and Capital Appreciation Bonds, of which this Bond is a part (a "Capital Appreciation Bond"), and of which $_____ represents the Denominational Amount and $_____ Maturity Value.

The Bonds of this issue are issuable only as fully registered bonds in the denominations of $5,000 of Maturity Value or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the County Resolution. Any tax or governmental charges shall be paid by the transferor. The District, the County and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District, the County nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th business day of the month next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

[The Capital Appreciation Bonds are not subject to optional redemption prior to maturity.]

[Capital Appreciation Term Bonds maturing on _____ are subject to mandatory redemption from monies in the Debt Service Fund prior to their stated maturity date, by lot, at the Accreted Value thereof without premium on each _____, in the years and in an amount equal to the aggregate Accreted Values set forth below:

(MANDATORY REDEMPTION TABLE)]

The Capital Appreciation Bonds are subject to extraordinary mandatory redemption on a date which is not more than 90 days following the Expenditure Period (as that term is defined in the County Resolution), at a redemption price equal to 100% of the principal amount of the Capital Appreciation Bonds to be redeemed, together with interest thereon to the redemption date, without premium. The redemption price of Capital Appreciation Bonds under this provision shall be payable solely from the proceeds of the Series C Bonds held by the County Treasurer in the Building Fund at the expiration of the Expenditure Period. The Capital Appreciation Bonds shall be selected for redemption among each remaining maturity on a pro-rata basis. For purposes of such selection, each Capital Appreciation Bond shall be deemed to consist of individual bonds of $5,000 Maturity Value each, which may be separately redeemed.

The County Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

Reference is made to the County Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the County Resolution.

The rights and obligations of the District and of the Registered Owners of the Bonds may be amended at any time, and in certain cases without the consent of the Registered Owners to the extent and upon the terms and conditions provided in the County Resolution.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the County Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the County of Riverside, California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

[SEAL]

RIVERSIDE COUNTY, CALIFORNIA

-EXHIBIT-

By:_____

Chairperson, Board of Supervisors

-EXHIBIT-

By:_____

Treasurer and Tax Collector

COUNTERSIGNED:

-EXHIBIT-

By:_____

Clerk to the Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By:

Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto

_____

_____

_____

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date:_____

-EXHIBIT-

_____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond is every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

_____

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any

Bond issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF LEGAL OPINION]

[Text of Opinion]

RESOLUTION NO. 1926

RESOLUTION OF THE GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $25,000,000 PRINCIPAL AMOUNT OF HEMET UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES C, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS

WHEREAS, the Hemet Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed $149,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on November 6, 2006 (further identified as "Measure T") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Governing Board of the District ("District Board") by adoption of Resolution No. 1645, adopted on December 12, 2006, pursuant to State law, and which Resolution No. 1645 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 1608, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, the District has previously authorized the issuance of, and did issue, its Hemet Unified School District General Obligation Bonds, 2006 Election, Series A, in the initial total principal amount of $60,000,000, and the Hemet Unified School District General Obligation Bonds, 2006 Election, Series B, in the initial total principal amount of $40,000,000, leaving bonds of the Authorization in the principal amount of $49,000,000 unissued; and

WHEREAS, the District Board previously approved Resolution No. 1912 on August 4, 2009, the School District applied for an allocation to issue "Qualified School Construction Bonds" ("QSCBs") pursuant to the provisions of the American Reinvestment and Recovery Act of 2009 ("ARRA") and the California program for allocation of QSCB Bonds administered by the California Department of Education ("CDE"); and

WHEREAS, pursuant to proceedings undertaken by the CDE, the School District has received an allocation to issue securities as QSCBs during calendar year 2009 in an amount not to exceed $25,000,000 ("QSCB Allocation"); and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take actions to direct the issuance of a subsequent series of the general obligation bonds authorized pursuant to the Bond Election which may be issued in full or in part as QSCB Bonds and desires to take actions in connection therewith; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the School District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") to borrow funds through the issuance of general obligation bonds in the name and for the benefit of the School District pursuant to resolutions adopted by the District Board and the County Board; and

WHEREAS, the District Board has determined that it is in the best interests of the School District at this time to take certain actions to authorize the issuance of a portion of such authorized but unissued general obligation bonds in the total principal amount of not to exceed Twenty-Five Million dollars ($25,000,000) ("Bonds" or "Series C Bonds") as further set forth herein; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, concerning the issuance and sale of the Series C Bonds; and

WHEREAS, it is the intention of the District Board that the Series C Bonds may be issued in full or in part as QSCB Bonds (as defined herein) under the District's QSCB Allocation; and

WHEREAS, based on information presented to the District Board, it is the intent of the District Board that the Series C Bonds may be sold at a negotiated sale to a joint powers agency ("JPA") formed pursuant to the provisions of California Government Code Sections 6500, *et seq.*, in order to participate in a pooled financing transaction which is expected to have positive benefits for the School District, as previously described to this District Board; and

WHEREAS, the District Board, on behalf of the School District, has previously retained the services of certain consultants in connection with the issuance and sale of the Series C Bonds and desires to take certain related actions in connection therewith; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain

related actions concerning the Series C Bonds be issued through the County on behalf of the School District.

NOW, THEREFORE, THE GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Authority for Issuance of Bonds. The Series C Bonds shall be issued and sold by the County, on behalf of the School District, pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, this Resolution, the Supplemental Issuance Resolution (as defined herein), shall such issuance and sale be subject to the matters set forth herein and in subsequently adopted Resolutions of the District Board and the County Board -- the County Resolution (as defined herein) and Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.*

Section 3. Actions for Issuance of Series C Bonds.

(a) The District Board hereby directs that actions shall be undertaken to issue the Series C Bonds, through the County, pursuant to the applicable provisions of California law and as further described herein. Additional terms and conditions with respect to the issuance of the Series C Bonds shall be set forth in a supplemental resolution to be adopted by this District Board with respect to the issuance of the Series C Bonds ("Supplemental Issuance Resolution"). The Supplemental Issuance Resolution is expected to include specific documentation, findings and directives relative to the issuance of the Series C Bonds, including, but not limited to, specification of the form of the continuing disclosure documentation/agreement entered into or provided by the District with respect to the Series C Bonds, approval of a preliminary official statement furnished in connection with the issuance of the Series C Bonds (or the JPA Bonds, as defined herein), approval of the form of a bond purchase agreement form(s), approval of sale parameters for the Series C Bonds and various related matters.

(b) The District Board directs that the Series C Bonds, or a portion thereof, may be sold to the JPA, which shall be identified in the bond purchase agreement described in the Supplemental Issuance Resolution. The District Board currently expects and intends that all or a portion of the Series C Bonds may be pooled by the JPA for the purpose of issuing revenue bonds of the JPA ("JPA Bonds"), which JPA Bonds will be secured through debt service payments made on underlying securities purchased by the JPA. The sale of the Series C Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the School District.

(c) The District Board intends that some or all of the Series C Bonds may be issued as Qualified School Construction Bonds (QSCBs) ("QSCB Bonds"). Any Series C Bonds issued as QSCB Bonds will comply with the applicable provisions of the ARRA, the United States

Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated pursuant to the provisions of the Code. Certain of those conditions are described herein.

(d) The District Superintendent ("Superintendent"), or the District Superintendent's designees (each a "Designated Officer") may determine that it is in the best interest of the School District to sell all or a portion of the Series C Bonds as QSCB Bonds or Tax-Exempt Bonds, as further described in the Supplemental Issuance Resolution and the County Resolution. In such event, the Designated Officer(s) may so provide in a bond purchase agreement(s) for the issuance and sale of the tax-exempt portion of the Series C Bonds, as shall be further described and set forth in the Supplemental Issuance Resolution.

Section 4. Designation. The Series C Bonds authorized pursuant to this Resolution, the terms and conditions of the Supplemental Issuance Resolution and the County Issuance Resolution shall be designated as "**Hemet Unified School District General Obligation Bonds, 2006 Election, Series C**" or such other designation as the Superintendent or the Designated Officer may approve. The resolution of the County Board providing for the issuance and sale of the Series C Bonds is in certain instances herein referred to as the "County Resolution." The Series C Bonds shall otherwise conform to the requirements forth herein, within the Supplemental Issuance Resolution, the applicable bond purchase agreement(s) and in the County Resolution.

Section 5. Purpose of Bonds.

(a) The Series C Bonds, in the aggregate principal amount of not to exceed $25,000,000, shall be offered for sale, the proceeds of which are to be used for the purposes set out in District Resolution No. 1608, as approved at the Bond Election and to pay all necessary and appropriate costs or expenses incurred in the issuance of the Series C Bonds pursuant to Education Code Sections 15145 and 15146 and applicable State law.

(b) The net construction proceeds of those Series C Bonds issued as QSCB Bonds shall be expended only upon projects and facilities permitted under the provisions of applicable federal law.

Section 6. Negotiated Sale. Subject to the provisions of the Supplemental Issuance Resolution and the County Resolution, the District Board authorizes the Series C Bonds to be sold through a negotiated sale process. All Series C Bonds sold at such a negotiated sale(s) shall bear interest, if any, at a rate not in excess of the legal maximum under State law and shall mature not later than twenty-five (25) years after their date of issuance. Such Series C Bonds shall be issued in the form(s) and at the maturity(ies) set out in the Supplemental Issuance Resolution and the County Resolution. The form(s) of the bond purchase agreement(s) and additional sale parameters for the sale of the Series C Bonds will be set out in the Supplemental Issuance Resolution and the County Resolution.

Section 7. Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the School District, upon sale and delivery of the Series C Bonds through the County, requests that the County Board take action to levy, or cause to be

levied, on all the taxable property in the School District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series C Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series C Bonds, as applicable, when due in accordance with the terms of the Supplemental Issuance Resolution, the Series C Bonds and the County Resolution.

Section 8. Building Fund; Debt Service Fund and Rebate Fund.

(a) Building Fund. Upon the issuance and sale of the Series C Bonds, the District Board shall request that the Treasurer of the County establish and create the "Hemet Unified School District General Obligation Bonds, 2006 Election, Series C, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series C Bonds (except any premium or accrued interest received from the sale) to be expended as set forth herein and in the County Resolution. The Building Fund may have one or more accounts thereof as necessary or desirable to segregate the construction proceeds of QSCB Bonds from those attributable to Tax-Exempt Bonds and/or segregate the proceeds of sub-series of the Series C Bonds. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series C Bonds, the District Board shall request that the Treasurer establish and create the "Hemet Unified School District General Obligation Bonds, 2006 Election Series C, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series C Bonds, as the case may be, and administrative costs and expenses for the Series C Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series C Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Hemet Unified School District General Obligation Bonds, 2006 Election Series C, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 9. Expenditure of Bond Proceeds.

(a) The School District hereby covenants to expend all Series C Bond proceeds in accordance with applicable law, including, but not limited to, Chapter 2 of Part 10 of Division 1 of Title 1 of the California Education Code of the State of California, as amended, the requirements of Proposition 39 and related State legislation, Article XIIIA of the California Constitution, the Bond Authorization and the determinations and directives made herein.

(b) The provisions of the ARRA applicable to QSCB Bonds require that net construction proceeds of such QSCB Bonds be expended on certain types of capital expenditures

and within certain time periods. The District Board hereby directs that the documentation, resolutions, agreements and covenants of the School District with respect to the Series C Bonds issued as QSCB Bonds, and the expenditure of the proceed thereof, shall conform to such requirements.

Section 10. Continuing Disclosure. In connection with the issuance of the Series C Bonds, the District shall provide a continuing disclosure document(s). The School District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the continuing disclosure agreement/certificate delivered in connection with the issuance and sale of the Series C Bonds. Further details and the form of the continuing disclosure agreement/certificate delivered in connection with the issuance and sale of the Series C Bonds is expected to be provided in the Supplemental Issuance Resolution.

Section 11. Compliance with Proposition 39. The School District hereby finds and determines that it has complied, or will comply, with the applicable requirements prescribed by Proposition 39, and related applicable State statutory provisions, as follows:

(a) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the proceeds of the sale of the Series C Bonds (exclusive of costs of issuance and delivery of the Series C Bonds) ("Bond Proceeds" or "Series C Bond Proceeds") shall be used only for the purposes specified in the list of specific school facilities projects set forth in Resolution No. 1608 and approved by the voters in the Bond Election ("School Facilities Project List") and not for any other purpose, including teacher and administrator salaries and any other school operating expenses.

(b) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the School Facilities Project List was made available to the public for review prior to and during the Bond Election, which included the District Board's evaluation of safety, class size reduction and information technology needs in developing the School Facilities Project List as set forth in Resolution Nos. 8701-01.

(c) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent performance audits to ensure that the Series C Bond Proceeds have been expended only on the school facilities projects identified in the School Facilities Project List.

(d) Pursuant to Section 1(b)(3) of Article XIIIA of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent financial audits of the Bond Proceeds until all of the Bond Proceeds have been expended for the school facilities projects identified in the School Facilities Project List.

(e) Measure T and matters submitted to the voters as part of the Bond Election included statements substantially in compliance with Education Code Section 15272.

(f) The Measure T election results have been certified by the District Board pursuant to Resolution No. 1645, and such resolution has been filed as required under Education Code Sections 15124 and 15274.

(g) Pursuant to Education Code Sections 15278 *et seq.*, the District Board has established its Citizens' Oversight Committee for the Measure T bond election ("Committee") and has appointed members thereto pursuant to the Committee Policy and Regulations previously adopted by the District Board.

(h) Pursuant to Education Code Section 15268, based on estimates that assessed valuation will increase in accordance with Article XIIIA of the California Constitution, the tax rate to be levied to meet the requirements of Section 18 of Article XVI of the California Constitution with regard to the Series C Bonds will not exceed sixty Dollars ($60) per year per One Hundred Thousand Dollars ($100,000) of taxable property within the boundaries of the School District. The School District shall provide, or be provided, a certificate specifying the estimated tax rate, and confirming compliance with this statutory requirement, at the time the Series C Bonds are delivered.

Section 12. Compliance with State Law. That pursuant to Government Code Section 53410, the District Board hereby finds, determines and directs as follows:

(a) The Series C Bond Proceeds shall be used only for the purposes set forth in the School Facilities Project List.

(b) One or more funds or accounts (which may include subaccounts) as further described in the Supplemental Resolution and in the County Resolution shall be created into which the Series C Bond Proceeds shall be deposited.

(c) The School District's Assistant Superintendent, Business Services, shall have the responsibility no less often than annually, to provide to the District Board a written report which shall contain at least the following information:

(i) The amount of the Series C Bond Proceeds received and expended during the applicable reporting period; and

(ii) The status of the acquisition, construction or financing of the school facility projects, as identified in the School Facilities Project List, with the Series C Bond Proceeds.

The report(s) required by this Section 12(c) may be combined with other periodic reports which include the same information, including, but not limited to, periodic

reports made to the California Debt and Investment Advisory Commission (CDIAC) or continuing disclosure reports or other reports made in connection with the Series C Bonds. The requirements of this Section 12(c) shall apply only until all the Series C Bonds are redeemed or defeased, but if the Series C Bonds, or any portion thereof, are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

Section 13. Additional Findings and Directives.

(a) Within the Supplemental Issuance Resolution, the District Board shall make findings and provide directives with respect to compliance with the applicable provisions of Education Code Section 15146(b) and (c) concerning the anticipated costs of issuance of the Series C Bonds.

(b) Within the Supplemental Issuance Resolution, the District Board shall make such findings and determinations, and make such covenants, as shall be required to protect and preserve the status of Series C Bonds issued as QSCB Bonds, taxable bonds or as Tax-Exempt Bonds, as shall be applicable.

Section 14. District Consultant Costs; County Costs.

(a) The School District has retained the services of Bowie, Arneson, Wiles & Giannone to represent the School District as Bond Counsel and Dale Scott & Company, Inc. as Financial Advisor with regard to the issuance of the Series C Bonds for the Series C Bonds. U.S. Bank National Association will serve as the School District's initial Paying Agent.

(b) That this District Board authorizes the payment to the County of out-of-pocket expenses and other costs incurred by the County in connection with the County's support of, and participation in, the issuance of the Series C Bonds.

Section 15. Services for Issuance of the Series C Bonds. The Superintendent of the District and the Designated Officers are authorized and directed to contract for such other and further services, including legal, financial and related professional services, as specified herein, or as otherwise necessary so the School District may proceed with, and complete, the issuance and sale of the Series C Bonds as set forth herein.

Section 16. Approval of Actions. All actions heretofore taken by officers and agents of the School District with respect to the sale and issuance of the Series C Bonds to this point in time are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the School District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series C Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution. Whenever in this Resolution any officer of the School District is authorized to

execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 17. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series C Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution.

Section 18. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the School District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series C Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The School District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series C Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 18. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

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Section 19. **Effective Date.** This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 6th day of October, 2009.

GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT

By: _____
Greg Iggins, President, Governing Board of the Hemet Unified School District

ATTEST:

By: _____
Dr. Philip O. Pendley, Secretary, Governing Board of the Hemet Unified School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Dr. Philip O. Pendley, Secretary of the Governing Board of the Hemet Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Governing Board of such School District at a meeting of said Board held on the 6th day of October, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: 6

NOES: 0

ABSTAIN: 0

ABSENT: 1

Secretary, Governing Board of the Hemet Unified School District

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Dr. Philip O. Pendley, Clerk of the Governing Board of the Hemet Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 1926 of such Board and that the same has not been amended or repealed.

Dated: ~~September 22, 2009~~ October 6, 2009

Secretary, Governing Board of the Hemet Unified School District

RESOLUTION NO. 1934

RESOLUTION OF THE GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT, SUPPLEMENTING RESOLUTION NO. 1926, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF HEMET UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES C IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING THE TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXEUCTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, PROVIDING CERTAIN COVENANTS ON BEHALF OF THE HEMET UNIFIED SCHOOL DISTRICT AND APPROVING CERTAIN OTHER DOCUMENTS, AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Hemet Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed $149,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on November 6, 2006 (further identified as "Measure T") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Governing Board of the District ("District Board") by adoption of Resolution No. 1645, adopted on December 12, 2006, pursuant to State law, and which Resolution No. 1645 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 1608, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, the District has previously authorized the issuance of, and did issue, its Hemet Unified School District General Obligation Bonds, 2006 Election, Series A, in the initial total principal amount of $60,000,000, and the Hemet Unified School District General Obligation Bonds, 2006 Election, Series B, in the initial total principal amount of $40,000,000, leaving bonds of the Authorization in the principal amount of $49,000,000 unissued; and

WHEREAS, the District Board previously approved Resolution No. 1912 on August 4, 2009, the School District applied for an allocation to issue "Qualified School Construction Bonds" ("QSCBs") pursuant to the provisions of the American Reinvestment and Recovery Act of 2009 ("ARRA") and the California program for allocation of QSCB Bonds administered by the California Department of Education ("CDE"); and

WHEREAS, pursuant to proceedings undertaken by the CDE, the District has received an allocation to issue securities as QSCB Bonds during calendar year 2009 in an amount not to exceed $25,000,000 ("QSCB Allocation") under Section 54F(d) of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, it is the intention of the District Board that the Series C Bonds may be issued in full or in part as QSCB Bonds under the District's QSCB Allocation; and

WHEREAS, on October 6, 2009, the District Board adopted Resolution No. 1926 entitled "RESOLUTION OF THE GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED $25,000,000 PRINCIPAL AMOUNT OF HEMET UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES C, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS" ("Resolution No. 1926"); and

WHEREAS, the District Board, for the reasons stated herein, desires to adopt this Resolution to supplement Resolution No. 1926 as set forth herein; and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take actions to supplement Resolution No. 1926 providing for the issuance of an initial series of the general obligation bonds authorized pursuant to the Bond Election, which general obligation bonds may be issued in full or in part as QSCB Bonds; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") offer for sale general obligation bonds in the name and for the benefit of the District pursuant to resolutions adopted by the District Board and the County Board; and

WHEREAS, the Riverside County Superintendent of Schools has jurisdiction over the District and as such, pursuant to Education Code Section 15140(a), authority for the sale of authorized bonds of the District lies with Riverside County; and

WHEREAS, the District Board has determined that it is in the best interests of the District at this time to take certain actions to authorize the issuance of a portion of such authorized but unissued general obligation bonds in the total principal amount of not to exceed Twenty-Five Million dollars ($25,000,000) ("Bonds" or "Series C Bonds") and requests the County Board to offer the Series C Bonds for sale upon the terms and conditions set forth herein; and

WHEREAS, California statutory provisions require that the District comply with certain accountability measures, as further described below, which the District will comply with during the course of issuing the Series C Bonds and/or expending the Series C Bond proceeds; and

WHEREAS, Proposition 39, and related California statutory provisions, require that the District comply with various accountability measures, as further described below, which the District has either previously complied with, is complying with or will comply with, during the course of issuing the Series C Bonds and/or expending the Series C Bond proceeds; and

WHEREAS, the District Board has received additional information concerning the sale of the Series C Bonds, including, but not limited to, information concerning anticipated costs of issuance of the Series C Bonds; and

WHEREAS, based on information presented to the District Board, it is the intent of the District Board that the Series C Bonds may be sold at a negotiated sale, through the County, which sale may be to a joint powers agency ("JPA") formed pursuant to the provisions of California Government Code Sections 6500, *et seq.*, in order to participate in a financing transaction which is expected to have positive benefits for the School District, as previously described to this District Board; and

WHEREAS, the aforementioned JPA is expected to issue revenue bonds ("JPA Bonds") secured by the payment of principal and interest on the Series C Bonds, as further described herein; and

WHEREAS, in order to sell Series C Bonds to the specified JPA, the District must enter into an Associate Membership Agreement ("Associate Membership Agreement") with the specified JPA and the form of such Associate Membership Agreement has been presented to this District Board; and

WHEREAS, a form of the Preliminary Official Statement relating to the Series C Bonds and the JPA Bonds has been presented to this District Board; and

WHEREAS, the District Board has been presented with the forms of a Bond Purchase Agreement ("Purchase Agreement(s)") and a Continuing Disclosure Certificate relating to the Series C Bonds, which documents are on file with the Clerk of the District Board; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, concerning the issuance and sale of the Series C Bonds; and

WHEREAS, the District Board requests that the Auditor-Controller of the County levy on its 2010/2011 tax roll, and all subsequent tax rolls, taxes to be levied against property within the boundaries of the District, in an amount sufficient to pay the principal and interest on the Series C Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including the Series C Bonds, is within all limits prescribed by law; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain related actions concerning the Series C Bonds be issued by the District and sold through the County on behalf of the District.

NOW, THEREFORE, THE GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Supplemental Resolution. This Resolution is supplemental to Resolution No. 1926 and it is the intention and directive of the District Board that the two Resolutions shall be read together. This Resolution constitutes the Supplemental Issuance Resolution as described in Resolution No. 1926. In the event of a conflict between this Resolution and Resolution No. 1926, the terms and provisions of this Resolution shall control. Subject to the foregoing sentence, terms and phrases defined in Resolution No. 1926 shall have the same meaning(s) when used herein.

Section 3. Conditions Precedent. The District Board determines that all acts and conditions necessary to be performed by the District Board or to have been met precedent to and in the issuing and sale of the Series C Bonds in order to make them legal, valid and binding general obligations of the District, secured by the levy of *ad valorem* taxes, have been performed and have been met, or will at the time of delivery of the Series C Bonds have been performed and met, in regular and due form as required by law; that the County Board and the appropriate officers of the County each have the power and are obligated to levy *ad valorem* taxes for the payment of the Series C Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series C Bonds.

Section 4. Purpose of Bonds.

(a) The Series C Bonds of the District in the aggregate principal amount of not to exceed $25,000,000 shall be offered for sale, the proceeds of which are to be used for the purposes set out in District Resolution No. 1926 and as approved at the Bond Election and to pay

necessary and appropriate costs or expenses incurred in the issuance of the Series C Bonds pursuant to Education Code Sections 15145 and 15146 and applicable State law.

(b) The net construction proceeds of those Series C Bonds issued as QSCB Bonds shall be expended only upon projects and facilities permitted under the provisions of applicable federal law, as further set forth herein.

Section 5. Authority for Issuance of Bonds. The Series C Bonds shall be issued and sold by the County pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, Resolution No. 1926, this Resolution, the County Resolution (as defined herein), Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.* and other applicable State law.

Section 6. Certain Definitions. Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

"ARRA" or **"Recovery Act"** shall mean the American Recovery and Reinvestment Act of 2009 adopted by the Congress of the United States and signed into law on February 17, 2009, as amended and supplemented.

"**Available Project Proceeds**" means (i) the proceeds from the sale of the Series C Bonds, (ii) less costs of issuing the Series C Bonds paid from proceeds of the sale of the Series C Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii).

"**Code**" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series C Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series C Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"**Expenditure Period**" means the "expenditure period" defined in Section 54A(d)(2)(B)(ii) of the Code and consists of the period beginning on the date of issuance of the Series C Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

"JPA" shall mean the California Qualified School Bond Joint Powers Authority, or any other joint powers agency formed pursuant to the provisions of the California Government Code Sections 6500, *et seq.*

"Non-QSCB Bond(s)" shall mean any Series C Bond which is not issued and sold as a Qualified School Construction Bond, whether or not such bond is sold to a JPA. Non-QSCB Bonds may, or may not, be Tax-Exempt Bonds.

"Tax-Exempt Bond(s)" shall mean any issued and sold Series C Bond, which has received and opinion of Bond Counsel to the effect that the interest paid on such Series C Bond is exempt from income taxes under then-applicable federal tax law.

"QSCB Bond" shall mean any Series C Bond issued, sold and designated as a Qualified School Construction Bond under the provisions and requirements of the ARRA and the Code and corresponding limitations and requirements, whether or not such QSCB Bond is sold to a JPA.

"**Qualified Purposes**" means the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that that is being constructed, rehabilitated, or repaired with proceeds of the Series C Bonds constitute a Qualified Purpose.

Section 7. Designation. The Series C Bonds authorized pursuant to Resolution No. 1926, the terms and conditions of this Resolution and the County Resolution (as defined in Resolution No. 1926) shall be designated as "**Hemet Unified School District General Obligation Bonds, 2006 Election, Series C**" or such other designation as the Superintendent of the District ("Superintendent") or such officers of the District as authorized and designated in writing by the Superintendent (each a "Designated Officer") may approve. The Series C Bonds shall otherwise conform to the requirements set forth in Resolution No. 1926, within this Resolution, the applicable Purchase Agreement(s) and in the County Resolution.

Section 8. Sale of Bonds.

(a) The County Board is hereby authorized and directed to sell an aggregate principal amount of not to exceed $25,000,000 of Series C Bonds authorized at the aforementioned Bond Election.

(b) All or a portion of the Series C Bonds may be sold to a JPA pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, being California Government Code Sections 6584, *et seq.*. In such it is expected that all or a portion of the Series C Bonds will be purchased by the JPA with the proceeds of its revenue bonds (the JPA Bonds), which JPA Bonds will be secured through debt service payments made on the Series C Bonds. The sale of the Series C Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the District based on documentation and information furnished to the District Board.

(c) The Series C Bonds may be issued in one or more sub-Series Cs shall be determined by a Designated Officer of the District as set out in the applicable Purchase Agreement(s). Each sub-series of the Series C Bonds may be issued as QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds) as shall be determined by a Designated Officer of the District in the applicable Purchase Agreement(s).

The proceeds of the Series C Bonds shall be expended for the purposes set forth in the ballot submitted to the voters, approved in the Bond Election and subject to State law (and subject to

the limitations herein described if the Series C Bonds are issued as QSCB Bonds). The Series C Bonds shall otherwise conform to the requirements set out in Resolution No. 1926, herein and in the County Resolution.

(d) Notwithstanding the foregoing provisions of this Section 8, one or more maturities of the Series C Bonds are authorized to be sold as federally taxable bonds to an underwriter, investment bank or other financial institution as shall be designated by the Superintendent or the Designated Officer, rather than to the JPA, pursuant to the Purchase Agreement which is approved hereunder and pursuant to Section 10. The proceeds of sale of such Series C Bonds shall be applied to pay the costs of issuing the Series C Bonds and the JPA Bonds which exceed the amount of such costs which are permitted to be paid from the proceeds of the JPA Bonds under applicable federal tax law. Such Series C Bonds shall as Non-QSCB Bonds be sold on such terms and conditions as shall be approved by the Superintendent or the Designated Officer; provided that the rate of interest on such Series C Bonds shall not exceed 6.50% per annum and the amount of purchaser's discount at which such Series C Bonds are sold shall not exceed $20,000. Such Series C Bonds shall as QSCB Bonds be sold on such terms and conditions as shall be approved by the Superintendent or the Designated Officer; provided that the rate of interest on such Series C Bonds shall not exceed 10% per annum and the amount of purchaser's discount at which such Series C Bonds are sold shall not exceed 2.5% of the par amount of such bonds.

Section 9. Negotiated Sale. The County Board is hereby requested to issue the Series C Bonds to be sold at a negotiated sale in accordance with the terms and conditions, including provisions for the optional, and special mandatory, redemption of the Series C Bonds, set forth in Resolution No. 1926, this Resolution, the County Resolution and in the Purchase Agreement(s) by and among Riverside County, District and the purchaser of the Series C Bonds (the Purchaser, as defined below), the form of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 10. Form of Purchase Agreement(s); Delegation.

(a) The form of the Purchase Agreement is hereby approved.

(b) The Superintendent and the Designated Officer(s) are, and each of them acting alone hereby is, authorized to execute and deliver, with the Riverside County Treasurer ("Treasurer"), to the Purchaser the Purchase Agreement(s) on behalf of the District, with such changes therein as the Designated Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District and subject to the terms and conditions set forth in Resolution No. 1926, herein and in the County Resolution. Such approval shall be conclusively evidenced by such Designated Officer's execution and delivery thereof.

(c) The Designated Officer, in consultation with Dale Scott & Co. ("Financial Advisor") and the County Treasurer ("Treasurer"), is authorized and directed to:

(i) establish or modify the terms of redemption of the Series C Bonds, or any sub-series thereof, and establish the final principal amount of the Series C Bonds, or any sub-

series thereof, provided, however, that such principal amount, in the aggregate, shall not exceed $25,000,000;

(ii) sell the Series C Bonds, in consultation with the Treasurer, at a rate or rates which, in the opinion of Dale Scott & Company Inc., as Financial Advisor to the District, will provide a total debt service that is equal to or less than the total debt service that the Series C Bonds would produce if sold as tax-exempt bonds on the date of sale thereof.

(iii) negotiate the term of the Series C Bonds, or any sub-series thereof, which shall be for not more than 25 years from the date of issuance;

(iv) determine, subject to the provisions of Resolution No. 1926, this Resolution and the County Resolution, whether the Series C Bonds shall be issued in one or more sub-series for purposes of issuance and sale, the respective principal amounts, maturity dates, interest rate or rates or yield or yields to maturity or the methods of determining such interest rate or rates, interest payment dates, redemption provisions and authorized denomination(s) (not exceeding the aggregate principal amount of each maturity) of the Series C Bonds or each sub-series thereof and any other provisions necessary to comply with the provisions of Resolution No. 1926, this Resolution and the County Resolution or deemed necessary or advisable by such Designated Officer and which provisions are not in conflict with or in substitution for the provisions of the provisions of Resolution No. 1926, this Resolution and the County Resolution;

(v) determine whether each sub-series of the Series C Bonds shall be issued as either QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds);

(vi) determine the application of the proceeds of the Series C Bonds for the purposes stated herein, including, without limitation, the amount of capitalized interest, if any, that will be funded for each sub-series of the Series C Bonds from the proceeds of the Series C Bonds and the date or dates through which such capitalized interest will be funded;

(vii) omit from, add to or incorporate into the designation and title of the Series C Bonds contained in Section 7 of this Resolution any provision, or modify such designation or title in any other manner, in which may be deemed necessary or advisable by such Designated Officer in connection with the issuance, sale and delivery of, and security for, each sub-series of the Series C Bonds and which is not inconsistent with Resolution No. 1926, this Resolution and the County Resolution;

(viii) In connection with any of the transactions authorized by Resolution No. 1926, this Resolution and the County Resolution, to make such amendments, modifications and revisions to the form(s) of the Series C Bonds prior to, or simultaneously with, the issuance of the initial sub-series of the Series C Bonds as (i) may be requested by any rating agency in connection with obtaining a rating on any sub-series of the Series C Bonds from such rating agency, (ii) may be requested by the JPA in connection with obtaining a bond insurance policy in connection with any of the Series C Bonds and/or JPA Bonds, (iii) the Designated Officer of the District may determine, in consultation with the Bond Counsel, are necessary or advisable in order to (a) reflect the actual provisions of this Resolution that shall be applicable to any sub-

series of the Series C Bonds, or (b) facilitate the issuance and sale of the Series C Bonds (including the issuance and sale of any sub-series of the Series C Bonds as QSCB Bonds for purposes of the ARRA) and to provide a mechanism for paying all or a portion of the costs and expenses incurred by the District in connection with the transactions contemplated by this Resolution, including, without limitation, the costs and expenses described in Section 19; and

(ix) make such other determinations, to execute such other documents. instruments and papers, and to do such acts and things as may be necessary or advisable in connection with any sub-series of the Series C Bonds being treated as Qualified School Construction Bonds for purposes of the ARRA or any of the other transactions contemplated by Resolution No. 1926, this Resolution and the County Resolution and which are not inconsistent with the provisions thereof.

Section 11. Building Fund; Debt Service Fund and Rebate Fund.

(a) Building Fund. Upon the issuance and sale of the Series C Bonds, the District Board requests that the Treasurer of the County establish and create the "Hemet Unified School District General Obligation Bonds, 2006 Election, Series C, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series C Bonds (except any premium or accrued interest received from the sale), and certain net proceeds of the JPA Bonds (which shall be transferred to the County Treasurer to be credited to the Building Fund), to be expended as set forth herein and in the County Resolution. Amounts on deposit in the Building Fund shall be expended by the District solely to finance school facilities for which the Series C Bond proceeds are authorized to be expended under the Bond Election, subject to the provisions of Sections 15 and 16 relating to federal tax covenants. Any amounts remaining on deposit in the Building Fund at the expiration of the Expenditure Period shall be withdrawn from the Building Fund and applied to pay the applicable redemption price for the Series C Bonds as set forth in the final purchase and sale documents therefor. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series C Bonds, the District Board shall request that the Treasurer establish and create the "Hemet Unified School District General Obligation Bonds, 2006 Election Series C, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series C Bonds, as the case may be, and administrative costs and expenses for the Series C Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series C Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Hemet Unified School District General Obligation Bonds, 2006 Election Series C, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 12. Preliminary Official Statement; Official Statement. Pursuant to applicable State law and federal disclosure requirements, the Preliminary Official Statement relating to the issuance and sale of the JPA Bonds and the Series C Bonds is hereby approved in substantially the form presented to the District Board, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the JPA Bonds and the Series C Bonds is hereby authorized subject to the provisions of this Section. The Designated Officers are, and each of them acting along hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Designated Officer shall approve, in their discretion, as being in the best interests of the District. Upon approval of such changes by such Designated Officer, the Preliminary Official Statement shall be deemed final as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The District Board hereby authorizes and directs the Designated Officer to deliver to the Purchaser a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designed Officer, to be final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (except for the omission of certain final pricing, rating and related information as permitted under such Rule).

Section 13. Book-Entry Form. The Series C Bonds may, to the extent required under the applicable Bond Purchase Agreement(s), be initially issued in book-entry form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Series C Bonds issued at the closing in the form of a single, certificated Bond for each maturity. The Designated Officer is hereby authorized to take all actions necessary or appropriate to facilitate such filing and lodgment. The District Board hereby authorizes and directs the Designated Officer to execute and deliver such documents and letter as are necessary or desirable to qualify the Series C Bonds, or any portion thereof, as part of such book-entry form and system to the extent applicable.

Section 14. Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the School District, upon sale and delivery of the Series C Bonds through the County, requests that the County Board take action to levy, or cause to be levied, on all the taxable property in the School District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series C Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series C Bonds, as applicable, when due in accordance with the terms of Resolution No. 1926, this Resolution, the Series C Bonds, the County Resolution and the applicable Bond Purchase Agreement(s).

Section 15. Tax Covenants for Tax-Exempt Bonds. The covenants set forth in this Section shall apply to any Series C Bonds which are issued and sold as Tax-Exempt Bonds.

(a) The District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds, hereby covenants to comply with each applicable requirements of Section 103 and Sections 141 through 150 of the Code, as set forth in the nonarbitrage (tax) certificate to be provided to the District by Bond Counsel, and executed by the District, on the date of initial delivery of the Tax-Exempt Bonds and

incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Tax-Exempt Bonds, or of any of the property financed or refinanced with the proceeds of the Tax-Exempt Bonds, or other funds of the District, or take or omit to take any action that would cause the Tax-Exempt Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that section or any successor section to the extent that such requirements are in effect and applicable to the Tax-Exempt Bonds.

(c) The District covenants that it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate or excess investment earnings on the proceeds of the Tax-Exempt Bonds due to the United State Treasury; and (ii) cause to be segregated and set aside from lawfully available sources held in the County treasury the amount such calculations indicate may be required to be paid to the United State Treasury. Based on such rebate calculations, the District will, to the extent required, cause to be set aside, from monies lawfully available, the amount of such rebate in a separate fund that the District hereby agrees to cause to be established and maintained as set forth in Section 11 hereof and in the County Resolution.

(d) The District represents that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code.

Section 16. Covenants for Compliance with ARRA with Respect to Series C Bonds Issued as QSCB Bonds. The covenants set forth in this Section shall apply to any Series C Bonds which are issued and sold as QSCB Bonds.

(a) Qualified School Construction Project. The District shall assure that all of the Available Project Proceeds will be used for Qualified Purposes in accordance with Section 54F(a)(1) of the Code.

(b) Designation of Bonds as Qualified School Construction Bonds; Delegation. The District hereby authorizes the Designated Officer to designate the Series C Bonds issued and sold as QSCB Bonds as qualified school construction bonds for purposes of Section 54F(a)(3) of the Code.

(c) Three Year Expenditure of Proceeds for Qualified Purposes. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period. To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

(d) Binding Commitment to Spend Available Project Proceeds. The District will, within six months of the date the JPA Bonds are issued, enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.

(e) Financing Capital Expenditures, No Working Capital. All Available Project Proceeds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

(f) Limitation on Issuance Costs. No proceeds of the Series C Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Series C Bonds, will be used to pay costs of issuing of the Series C Bonds. If the fees of the original purchaser are retained as a discount on the purchase of the Series C Bonds, such retention shall be deemed to be an expenditure of proceeds of the Series C Bonds for such fees.

(g) Qualified Issuer. The District is local government qualified to issue the Series C Bonds under Section 54F(a)(2) of the Code. The District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent.

(h) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the District or otherwise, any action with respect to the proceeds of the Series C Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series C Bonds would have caused the Series C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code as modified by Section 54A(d)(4) of the Code.

(i) Arbitrage and Rebate Compliance. The District shall not take, or permit or suffer to be taken by the Paying Agent, the District or otherwise, any action with respect to the proceeds of the Series C Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series C Bonds would have caused the Series C Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series C Bonds. For purposes of this sub-paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Code.

(j) Prohibition on Financial Conflicts of Interest. The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to the Series C Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to the Series C Bonds while the Series C Bonds remain outstanding.

(k) Davis-Bacon Act Requirements. The District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of the Series C Bonds.

(l) Extraordinary Mandatory Redemption Requirements. The District recognizes that in the event and to the extent that the District fails to expend all of the proceeds on deposit in the Building Fund within the Expenditure Period, the JPA Bonds shall be subject to extraordinary mandatory redemption on the date on which the Series C Bonds are subject to extraordinary mandatory redemption under the provisions of the County Resolution and the Bond Purchase Agreement (being a date which is not more than 90 days following the expiration of the Expenditure Period) upon the terms and conditions that shall be set forth in the County Resolution and the Bond Purchase Agreement. Such extraordinary mandatory redemption is required in order to maintain the status of the Series C Bonds, and the JPA Bonds, as Qualified School Construction Bonds.

The District hereby covenants that it shall take all actions necessary to complete such extraordinary mandatory redemption within the time periods required by the ARRA and/or the Code in the event such actions become necessary to maintain the status of the Series C Bonds, and the JPA Bonds as Qualified School Construction Bonds. Such actions shall include, but shall not be limited to, the retention of consultants (which may include accountancy services) in order to calculate the amount of the then-outstanding Series C Bonds required to be redeemed as part of such extraordinary mandatory redemption.

The redemption price of any Series C Bonds under this Section 16(l) and the terms of the County Resolution and the Series C Bonds shall be payable solely from a portion of the amounts held by the Treasurer in the Building fund at the expiration of the Expenditure Period and shall be paid to the owners of the Series C Bonds for the corresponding redemption of JPA Bonds under the terms of the JPA Bond Indenture.

Section 17. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provisions of this Resolution, failure of the District to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series C Bonds; however, any purchaser or any holder or beneficial Owner of the Series C Bonds may take such actions as may be necessary and appropriate to compel performance therewith, including seeking mandate or specific performance by court order.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series C Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "B" and incorporated by reference herein. The Designated Officer(s) are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Designated Officer, Disclosure Counsel and Bond Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

Section 18. County Books and Accounts. The Treasurer and the County are requested to keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 14 hereof, (ii) all deposits, expenditures and investment earnings on the funds and accounts set out in the County Resolution, and (iii) all transfers of funds for the payment of principal, interest or redemption premiums on the Series C Bonds. The Treasurer is requested to provide regular periodic statements of such accounts to the District.

Section 19. Additional Findings and Directives. Pursuant to Education Code Section 15146(b) and (c), the District Board hereby finds, determines and directs as follows:

(a) The Series C Bonds shall be sold by negotiated sale as set forth in Sections 8, 9. and 10 of this Resolution and elsewhere herein.

(b) The Series C Bonds shall be sold by negotiated sale inasmuch as: (i) the sale of Series C Bonds to the JPA is expected to result in additional proceeds to the District to construct and acquire school facilities projects for which the Series C Bond funds may be expended, (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; and (iii) such a sale will allow the District to utilize the services of consultants at a lower cost than selecting, retaining and utilizing the services of consultants who are not familiar with the District, its financing needs and related matters.

(c) The District is represented by Dale Scott & Co., as its Financial Advisor, Bowie, Arneson, Wiles & Giannone as Bond Counsel to the District and Jones Hall as Disclosure Counsel to the District. The underwriter(s)/purchaser(s) of the JPA Bonds have not yet been determined and shall be disclosed once such underwriter(s)/purchaser(s) are selected.

(d) The District Board estimates that the costs associated with the issuance of the Series C Bonds, including compensation to the underwriter(s)/purchaser(s) and any such costs which the underwriter(s)/purchaser(s) agrees to pay pursuant to the bid and sale documents for the Series C Bonds, are set forth in Exhibit "C", attached hereto and incorporated herein by this reference. Such estimated costs of issuance of the Series C Bonds include, but are not limited to, costs of bond insurance, Bond Counsel and Disclosure Counsel fees and expenses, Financial Advisor fees and costs, rating agency fees, County costs, printing costs and related costs and expenses. All such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series C Bonds pursuant to the directives and conditions set forth herein.

(e) The District Board hereby directs that following the sale of the Series C Bonds, the District Board shall be presented with the actual costs of sale, issuance and delivery costs of the Series C Bonds at the next occurring meeting of the District Board for which such information can be determined and presented in accordance with State law.

(f) The District Board hereby directs that following the sale and delivery of the Series C Bonds that an itemized summary of the costs of the sale, issuance and delivery costs of the Series C Bonds shall be provided to the California Debt and Investment Advisory

Commission (CDIAC). The District Board hereby determines that submission of such information as part of the filing of the Report of Final Sale for the Series C Bonds and/or the JPA Bonds made to CDIAC pursuant to State law, including Government Code Section 8855, shall constitute compliance with the requirements of Education Code Section 15146(c)(2).

(g) The District Board hereby directs that as part of the authorization for issuance, sale, issuance and delivery of the Series C Bonds that all necessary filings with CDIAC shall be completed by the District staff and/or consultants or counsel on behalf of the District. The District Board directs that confirmation of such filings shall be included in the transcript of agreements, resolutions, proceedings and documents prepared and delivered in connection with the authorization for issuance, sale, issuance and delivery of the Series C Bonds.

Section 20. Approval of Associate Membership Agreement. The Associate Membership Agreement, between the District and the California Qualified School Bond Joint Powers Authority ("Authority"), in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by the Designated Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications. The Designated Officer is authorized to execute and deliver the final form of the Associate Membership Agreement in the name and on behalf of the District.

Section 21. Approval of Actions. All actions heretofore taken by officers and agents of the District with respect to the sale and issuance of the Series C Bonds to this point in time are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series C Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 22. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series C Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution.

Section 23. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed

separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series C Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series C Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 24. Supplemental District Resolution(s). For any one or more of the following purposes and at any time or from time to time, a District may adopt a resolution(s) to supplement this Resolution and/or Resolution No. 1926 (each a "Supplemental District Resolution"), which, without the requirement of consent of the owners or holders of the Series C Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants of the District set forth in this Resolution, other covenants to be observed by the District which are not contrary to or inconsistent with this Resolution; or

(b) To make such additions, deletions or modifications as may be necessary or desirable to assure the qualification of the Series C Bonds as Qualified School Construction Bonds under the Code, in the opinion of JPA Bond Counsel filed with the District.

In the event that such a Supplemental District Resolution is adopted, the District shall furnish certified copies thereof to the County and to the JPA (in the event that any of the Series C Bonds are sold to the JPA).

Section 25. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 26. County Filing. The Clerk of the District Board is hereby directed to file, or cause to be filed, certified copies of Resolution No. 1926 and this Resolution with the Clerk of the County Board and the Superintendent of Schools of the County.

[Remainder of this page is blank]

Section 26. **Effective Date.** This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 20th day of October, 2009.

GOVERNING BOARD OF THE HEMET UNIFIED SCHOOL DISTRICT

By: _____
President of the Governing Board of the Hemet Unified School District

ATTEST:

By: _____
Clerk of the Governing Board of the Hemet Unified School District

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

I, Philip Pendley, Secretary of the Governing Board of the Hemet Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Governing Board of such School District at a meeting of said Board held on the 20th day of October, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Secretary, Governing Board of the Hemet Unified School District

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

I, Philip Pendley, Secretary of the Governing Board of the Hemet Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 1934 of such Board and that the same has not been amended or repealed.

Dated: October 20, 2009

Secretary, Governing Board of the Hemet Unified School District

EXHIBIT "A"

FORM OF BOND PURCHASE AGREEMENT

$_____
Hemet Unified School District
General Obligation Bonds
2008 Election, Series C
(Qualified School Construction Bonds)

DISTRICT BOND PURCHASE AGREEMENT

December __, 2009

Hemet Unified School District
Hemet, California

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated December __, 2009, is between the HEMET UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), and the CALIFORNIA QUALIFIED SCHOOL CONSTRUCTION BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The District is authorized to issue Qualified School Construction Bonds in the aggregate amount of $25,000,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which such facilities are to be constructed (the "QSCB Projects").

3. In order to provide financing for the QSCB Projects on terms which are the most favorable to the District, the District has requested the Authority to issue its bonds under the Bond Law on behalf of the District, which bonds are designated as the Qualified School Construction Bonds for which the District has received an allocation.

4. To that end, the Board of Education of the District has adopted its Resolution No. ___ on October 13, 2009 and the Board of Supervisors of Riverside County has adopted its Resolution No. ___ on November __, 2009 (the "Bond Resolution"), authorizing the issuance of Hemet Unified School District (Riverside County, California) General Obligation Bonds 2008 Election, Series C (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

5. The Governing Board of the Authority has authorized the issuance of its California Qualified School Construction Bond Joint Powers Authority 2009 General Obligation Revenue Bonds (Hemet Unified School District Qualified School Construction Bonds) in the aggregate principal amount of $_____ (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of December 1, 2009 (the "Authority Bond Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Authority Bond Trustee"), for the purpose of purchasing the District Bonds as provided herein.

6. The District Bonds are payable from *ad valorem* property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the District Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Terms of District Bonds.* The District hereby agrees to issue the District Bonds on December __, 2009 (the "Closing Date"). The District Bonds shall be issued as Capital Appreciation Bonds maturing on September 16 in each of the years, and accreting interest at the Yields to Maturity, as set forth in the following schedule:

Maturity Date (September 16)	Principal Amount	Yield to Maturity
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2034*		

Tender Bond subject to mandatory tender on _____, 2024.

SECTION 2. *Sale of District Bonds to Authority.* The District hereby agrees to sell the District Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the District Bonds from the District on the Closing Date for a purchase price equal to $_____, being the par amount of the District Bonds. The purchase price of the District Bonds shall be paid from a portion of the Authority Bonds. The District hereby directs the Authority to cause the purchase price of the District Bonds to be paid to U.S. Bank National Association, as paying agent for the District Bonds (the "Paying Agent"), to be applied as follows:

(a) The amount of $_____ shall be paid to the Riverside County Treasurer-Tax Collector , for deposit in the Building Fund which is established under the Paying Agent Agreement and maintained by the County Treasurer.

(b) The amount of $_____ shall be deposited by the Paying Agent in the Costs of Issuance Fund which is established under the Authority Bond Indenture and maintained by the Paying Agent.

SECTION 4. *Registered Ownership of District Bonds.* Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the District Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the District Bonds on the Closing Date, the ownership of the District Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Closing.* At 9:00 A.M., California time, on December __, 2009, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Authority (the "Closing Date"), the District will deliver the District Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the Paying Agent.

SECTION 6. *Conditions to Closing.* The Authority has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and each of the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. On the Closing Date, (i) the Official Statement, this Purchase Agreement and the Paying Agent Agreement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Authority; and (ii) all actions under the Bond Law which, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby shall have been duly taken and shall be in full force and effect.

(c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority:

(1) Bond Counsel Opinion. An approving opinion of Bond Counsel, as to the validity of the District Bonds, addressed to the District, the Authority and the Authority Bond Trustee.

(2) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; and (iii) the District has complied with all the terms of the Paying Agent Agreement and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.

(3) Paying Agent Agreement. Fully executed copies of the Paying Agent Agreement.

(4) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority or Bond Counsel may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(d) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the District Bonds have not been delivered by the District to the Authority prior to the close of business, California time, on November __, 2009, then the obligation to purchase District Bonds hereunder shall terminate and be of no further force or effect.

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in writing at its sole discretion.

SECTION 7. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 8. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

Hemet Unified School District

By _____
Assistant Superintendent,
Business Services

California Qualified School Construction Bond Joint Powers Authority

By _____
President

EXHIBIT "B"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
HEMET UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2006 Election, Series C
(Qualified School Construction Bonds)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Hemet Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Hemet Unified School District School District (County of Riverside, California) General Obligation Bonds 2006 Election, Series C (Qualified School Construction Bonds) (the "Bonds"). The Bonds are being issued pursuant to Resolutions adopted by the Board of Education of the District on October 6, 2009 and October 20, 2009 and a Resolution adopted by the Board of Supervisors of Riverside County on November ___, 2009 (together, the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District' s fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Holders*" shall mean registered owners of the Bonds.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall provide, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2010 with the report for the 2006-09 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year and for the current budget year;

(vi) property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in the County of Riverside's Teeter Plan; and

(vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

(viii) amount of Bond proceeds, if any, remaining on deposit in the Building Fund.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security Holders.

(8) Contingent or unscheduled bond calls .

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances

that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by Holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any Holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

HEMET UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Hemet Unified School District

Name of Bond Issue: $_____ aggregate principal amount of Hemet Unified School District (County of Riverside, California) General Obligation Bonds, 2006 Election, Series C (Qualified School Construction Bonds)

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has not provided an Annual Report with respect to the above-named Bonds as required by the District's Bond Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

HEMET UNIFIED SCHOOL DISTRICT

By_____
Superintendent

EXHIBIT "C"

COSTS OF ISSUANCE SCHEDULE

HEMET UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2006 ELECTION, SERIES C

Description of Estimated Costs of Issuance

Underwriter's Discount (estimated) (*if Bonds sold as Tax-Exempt Bonds*)	$250,000 (1.00% of par amount of Bonds*)
Bond Insurance (if purchased)(estimated) (*if Bonds sold as Tax-Exempt Bonds*)	$275,000 (1.10% of par amount of Bonds*)

Firm	Role/Service	Cost Est.*
Bowie, Arneson, Wiles & Giannone	Bond Counsel to District for General Obligation Bond Services	$70,000
Dale Scott & Co.	Financial Consultant to the District	$150,000
U.S. Bank	Paying Agent	$1,000
U.S. Bank	COI Custodian	$500
Other allocated costs		$38,500
Total Estimated for above-listed services		$260,000

*All costs of issuance listed herein are estimates. Such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series C Bonds pursuant to the directives and conditions set forth in District Resolution No.s 1926 and 1935.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2009

NEW ISSUE -- FULL BOOK-ENTRY **RATING: Standard &Poor's: "___"**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986 (the "Code") and are eligible for the federal income tax credit as of the applicable credit allowance date under Section 54A of the Code, subject to the limitations described herein. However, the amount of the tax credit will be treated as interest for federal income tax purposes and will be included in gross income for all Owners of the Bonds, in accordance with each Owner's tax status. In the further opinion of Bond Counsel, interest, if any, paid with respect to the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

$_____*
CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY
2009 GENERAL OBLIGATION REVENUE BONDS
(HEMET UNIFIED SCHOOL DISTRICT QUALIFIED SCHOOL CONSTRUCTION BONDS)
(Riverside County, California)

Dated*: Date of Delivery** ***Tax Credit Rate:____ ***Price:___*** ***Due*: _____, 20__**

Issuance. The captioned bonds (the "Bonds") are being issued by the California Qualified School Bond Joint Powers Authority (the "Authority") under an Indenture of Trust, dated as of October 1, 2009 (the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are being issued for the purpose of providing funds to purchase an issue of general obligation bonds (the "District Bonds") issued by the Hemet Unified School District (the "District"), and to finance the acquisition and construction of public school facilities in the District.

Security. The Bonds are special obligations of the Authority and are payable solely from the Revenues pledged for that purpose under the Indenture. The Revenues consist primarily of payments of principal of and interest on the District Bonds, [including the proceeds of a mandatory tender], which will be issued by the District concurrently with the issuance of the Bonds, and interest earnings thereon. The District Bonds will be delivered to and registered to the ownership of the Trustee, and which will be held in trust for the benefit of the registered owners of the Bonds. The District Bonds are general obligations of the District, and the Board of Supervisors of Riverside County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the District Bonds. See "THE SECURITY FOR THE DISTRICT BONDS."

Bonds. The Bonds are being issued as "qualified school construction bonds" as defined in Section 54F of the Internal Revenue Code of 1986, as amended. For federal income tax purposes, United States taxpayers who own the Bonds on the credit allowance dates in each calendar quarter will be entitled to a credit against federal income tax. See "TAX CREDIT PROGRAM."

Payments. The Bonds do not bear interest. Principal on the Bonds is payable on the maturity date set forth above.

Redemption. The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to special mandatory redemption prior to maturity as described in this Official Statement. See "THE BONDS - Redemption."

Book Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "APPENDIX F -- BOOK-ENTRY SYSTEM."

Cover Page. This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, Newport Beach, California. Certain legal matters also will be passed upon for the Authority by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel. Certain legal matters also will be passed upon for the District by Bowie, Arneson, Wiles & Giannone, Newport Beach, California, as District Bond Counsel. _____, is serving as counsel to the Underwriter. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about December __, 2009, in New York, New York.

[UNDERWRITER LOGO]

This Official Statement is dated: _____, 2009.
*Preliminary; subject to change.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any Bond Owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by The Authority, the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

Involvement of Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the Authority, the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE ON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY

Board of Directors

Gina Potter, *Chair and Secretary*
Scott Buxbaum, *Treasurer/Controller*

HEMET UNIFIED SCHOOL DISTRICT

Governing Board

Gregg Figgins, *President*
Joe Wojcik, *Vice President*
Lisa DeForest, *Member*
Marilyn Forst, *Member*
Charlotte Jones, *Member*
Phyllis Petri, *Member*
Bill Sanborn, *Member*

Administrative Staff

Philip O. Pendley, Ed.D., *Superintendent and Secretary to the Governing Board*
Vince Christakos, Assistant Superintendent, Business Services
Mary Wulfsberg, *Deputy Superintendent, Educational Services*
LaFaye Platter, *Assistant Superintendent, Human Resources*
Sally Cawthon, *Assistant Superintendent, Student Services*
Pam Buckhout, *Director of Fiscal Services*

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DISTRICT BOND COUNSEL

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Newport Beach, California 92660

TRUSTEE

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071

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$_____*

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY

2009 GENERAL OBLIGATION REVENUE BONDS (HEMET UNIFIED SCHOOL DISTRICT QUALIFIED SCHOOL CONSTRUCTION BONDS)

(Riverside County, California)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the sale and delivery by the California Qualified School Bond Joint Powers Authority (the **"Authority"**) of the bonds captioned above (the **"Bonds"**). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Indenture (as defined below).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement. All summaries of the Indenture or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

The Authority. The California Qualified School Bond Joint Powers Authority was formed on May 12, 2009 as a joint exercise of powers authority pursuant to a Joint Exercise of Powers Agreement between the Lemon Grove School District and the South Bay Union School District pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 *et seq.*) of the State of California, for the purpose of assisting the financing and refinancing of Public Capital Improvements of public school districts and community college districts in the State of California. See "THE BONDS - Authority for Issuance" herein.

The District. The Hemet Unified School District (the "**District**") was established on July 1, 1966. The District covers approximately 740 square miles in the western part of Riverside County. The City of Hemet and unincorporated communities of Idyllwild, Anza, Aguanga and Winchester are situated within the District's boundaries. Hemet is located forty-five miles west of Palm Springs, seventy-five miles north of San Diego, sixty-five miles east of Los Angeles, and thirty-five miles southeast of Riverside. The District currently operates 12 elementary schools, 3 kindergarten through grade eight schools, 4 middle schools, 4 high schools, 1 continuation high school, 3 alternative schools, and 1 adult education program. The District also operates preschool and Headstart programs.

Purpose of Issue. The Bonds will be issued to provide funds to purchase the Hemet Unified School District (Riverside County, California) General Obligation Bonds, 2006 Election, Series C (the **"District Bonds"**) and to finance additional capital improvements in the District. See "THE FINANCING PLAN" and "SOURCES AND USES OF FUNDS" herein.

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* Preliminary, subject to change.

Description of the Bonds. The Bonds will be dated their date of delivery (the **"Delivery Date"**) and will be issued as fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple thereof. The Bonds will mature on _____, 2024.

Registration. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (**"DTC"**), and will be available to actual purchasers of the Bonds (the **"Beneficial Owners"**) in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "APPENDIX F - BOOK-ENTRY SYSTEM." If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Indenture described herein. See "THE BONDS – Registration, Transfer and Exchange of Bonds."

Redemption. The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to special mandatory redemption as described herein. See "THE BONDS – Redemption."

Security for the Bonds. The Bonds are special obligations of the Authority and are payable solely from the Revenues pledged for that purpose under the Indenture. The Revenues consist primarily of payments of principal of and interest on the District Bonds which will be issued by the District concurrently with the issuance of the Bonds, and which will be delivered to and registered to the ownership of the Trustee, and which will be held in trust for the benefit of the registered owners of the Bonds. **[**The Revenues also include proceeds of a mandatory tender of the District Bonds prior to the maturity date of the Bonds**]**. The District Bonds are general obligation bonds of the District and the Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation in the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the District Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California (**"Bond Counsel"**), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the Authority and the District. Bowie, Arneson, Wiles & Giannone, Newport Beach, California will serve as bond counsel to the District (**"District Counsel"**). *Payment of the fees of Bond Counsel, Disclosure Counsel and District Counsel is contingent upon issuance of the Bonds.*

Tax Matters. In the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986 (the **"Code"**) and are eligible for the federal income tax credit as of the applicable credit allowance date under Section 54A of the Code, subject to the limitations described herein. However, the amount of the tax credit will be treated as interest for federal income tax purposes and will be included in gross income for all Owners of the Bonds, in accordance with each Owner's tax status. In the further opinion of Bond Counsel, interest, if any, paid with respect to the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

Continuing Disclosure. The District has covenanted to comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE" herein.

Offering and Delivery of the Bonds. The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery in New York, New York on or about December __, 2009.

Other Information. For limiting factors about this Official Statement, see "General Information About This Official Statement" inside the cover hereof.

Copies of documents referred to herein and information concerning the Bonds are available from Hemet Unified School District, 1791 West Acacia Avenue, Hemet, California 92545, telephone: (951) 765-5100. The District may impose a charge for copying, mailing and handling.

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds:	
Principal Amount of Bonds	
Total Sources:	
Uses of Funds:	
Project Fund [1]	
Costs of Issuance [2]	
Total Uses:	

(1) Includes the purchase price for the District Bonds and funds for the acquisition and construction of additional capital improvements in the District. See "THE BONDS – Purpose of the Issue."

(2) Costs of Issuance includes legal fees, financial advisor fees, Underwriter's discount, printing costs, rating agency fees, Trustee fees and other miscellaneous expenses.

THE BONDS

Authority for Issuance

The Bonds are being issued under an Indenture of Trust dated as of October 1, 2009 (the **"Indenture"**), between the Authority and U.S. Bank National Association, as trustee (the **"Trustee"**), under the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of Chapter 5, Division 7, Title 1 of the Government Code, commencing with Section 6584, and under a resolution adopted by the Board of Directors of the Authority on September 4, 2009. See "APPENDIX C — SUMMARY OF INDENTURE OF TRUST" for a description of the terms of the Indenture.

The District Bonds are being issued under the provisions of Article 3 and Article 9 of Chapter 2 of Part 10 of Division 1 of the California Education Code (commencing with Section 15140) (the **"Bond Law"**), resolutions adopted by the Governing Board of the District on October 6, 2009 and October 20, 2009, and a resolution adopted by the Board of Supervisors of the County on November ___, 2009.

The District Bonds represent part of an authorization of $149,000,000 approved by voters in the District on November 6, 2006 (the **"2006 Authorization"**). The District has issued the following series of general obligation bonds under the 2006 Authorization:

- $60,000,000 General Obligation Bonds 2006 Election, Series A (the "**Series A Bonds**"), and
- $40,000,000 General Obligation Bonds 2006 Election, Series B (the "**Series B Bonds**").

Purpose of Issue

The Bonds are being issued for the purpose of (a) acquiring the District Bonds and (b) financing the acquisition and construction of public capital improvements in the District. The District and the Authority have entered into an agreement (the **"District Bond Purchase Agreement"**) under which the District has agreed to issue the District Bonds and to sell them to the Authority. The proceeds received by the District under the District Bond Purchase Agreement will be used for the purposes set forth in the ballot proposition which was approved in the 2006 Authorization, commonly known as "Measure T".

A portion of the proceeds of the Bonds will be applied by the Authority to finance additional public capital improvements to the educational facilities of the District. Such improvements are expected to include improvements contemplated by the 2006 Authorization described above.

Additionally, the Tax Code requires that the proceeds of qualified school construction bonds, such as the Bonds, be applied solely to the construction, rehabilitation or repair of a public school facility, or the acquisition of land on which such a facility is to be constructed and to payment of costs of issuance not in excess of 2% of the issue price of said bonds.

General Description

The Bonds will be issued in fully registered form without coupons in denominations of $_____ or any integral multiple thereof, so long as no Bond has more than one maturity date. The Bonds shall be dated as of the date of delivery and mature on _____, 20__. Owners of

the Bonds as of each applicable credit allowance date are eligible for a federal tax credit as described below under "THE TAX CREDIT PROGRAM," and the Bonds will not otherwise bear interest. The Trustee will pay the principal of the Bonds at maturity in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Trust Office of the Trustee.

The Bonds will be registered initially in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York ("DTC"), which has been appointed as securities depository for the Bonds, and registered ownership may not be transferred thereafter except as provided in the Indenture. Purchasers will not receive certificates representing their interests in the Bonds. Principal of the Bonds will be paid by the Trustee to DTC, which in turn is obligated to remit such principal to its Participants for subsequent disbursement to beneficial owners of the Bonds as described herein. See "APPENDIX F - BOOK-ENTRY SYSTEM."

Redemption

Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Extraordinary Mandatory Redemption. In the event and to the extent that the District fails to expend all of the proceeds of the Bonds within the period ending three years after the date of issue of the Bonds or such later date if extended by the Internal Revenue Service (the **"Expenditure Period"**), the Bonds will be subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, at a redemption price equal to 100% of the principal amount of the Outstanding Bonds to be redeemed, without premium. The redemption price of any Bonds to be redeemed as described in this paragraph will be payable solely from the amounts held by the County Treasurer in the Qualified School Construction Bond Building Fund at the expiration of the Expenditure Period. See "THE TAX CREDIT PROGRAM – Expenditure Period."

Selection of Bonds for Redemption. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority will execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed. For purposes of the selection of Bonds for redemption, each Bond will be deemed to consist of $_____ multiples which may be separately redeemed.

Notice of Redemption. The Trustee will mail notice of redemption by first class mail to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the books required to be kept by the Trustee, at least 30 but not more than 60 days prior to the redemption date *provided, however,* that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds.

Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and must designate the CUSIP numbers, the Bond numbers (if less than all Bonds of a maturity are to be redeemed) and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and must require that such Bonds be then surrendered at the Trust Office of the Trustee identified in such notice for redemption at the redemption price.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the Authority will cause the Trustee to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered will be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond will be made only to or upon the order of that person; neither the Authority, the District, the County nor the Trustee will be affected by any notice to the contrary, but the registration may be changed as provided the Indenture.

Bonds may be exchanged at the corporate trust office of the Trustee for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

THE TAX CREDIT PROGRAM

General

The Bonds have been designated by the Authority as "qualified school construction bonds" under the Tax Code. Owners of Bonds as of each applicable credit allowance date are eligible to receive a Tax Credit. The credit allowance dates are March 15, June 15, September 15, and December 15. The amount of the Tax Credit with respect to a Bond is equal to the product of the credit rate on the cover hereof, times the outstanding principal amount of the Bond on the relevant credit allowance date, divided by four. The Tax Credit allowed for the first credit allowance date of December 15, 2009 is the ratable portion of the tax credit otherwise allowed on such date based on an initial issuance date of _____, 2009 (as opposed to the full credit period starting September 15, 2009). If a Bond is redeemed or matures on a date other than March 15, June 15, September 15, or December 15, the redemption or maturity date will be a credit allowance date and the amount of the associated Tax Credit will be a ratable portion of the tax credit otherwise allowed based on the earlier credit allowance date.

Generally, a taxpayer who owns a Bond will recognize the amount of the Tax Credit as a credit against its federal income tax liability on a given credit allowance date, including estimated tax payments, if any. Tax Credits will be treated by the Internal Revenue Service similar to the way withheld taxes are treated for federal income tax purposes and will reduce the amount of either a taxpayer's subsequent estimated tax payments, if any, or its final tax liability, as reflected on its tax return for the related tax year.

Limitation on Tax Credit

The Tax Credit allowed may not exceed the sum of the taxpayer's regular tax liability and alternative minimum tax liability under Section 55 of the Tax Code less, in general, the taxpayer's other tax credits (except as set forth in the Tax Code).

Carryover of Unused Tax Credit Amount

If an Owner of a Bond cannot use all of the Tax Credit otherwise allocable for the taxable year, such Owner is allowed to carry forward to a subsequent tax year the unused portion of the credit deemed paid on such credit allowance date.

Tax Credit not Refundable or Transferable

The Tax Credits are not refundable tax credits. If an Owner of a Bond has gross income tax liability for a given year less than the amount of Tax Credits to which it is entitled for that year, then the Owner would be required to carry forward any excess tax credit to subsequent tax years. In addition, the Tax Credits to which an Owner is entitled on a particular credit allowance date are not transferable after such credit allowance date. To the extent that the Owner of a Bond on a credit allowance date does not have any potential income tax liability (whether on the credit allowance date or in the future), the Tax Credit cannot be utilized.

Tax Credit Amount Included in Income

Section 54A of the Tax Code requires the Owners of Bonds to include the amount of the Tax Credit (determined without reference to the limitation described above under "Limitation on Credit") in gross income. See "TAX MATTERS."

No State Tax Credit

The California Revenue and Taxation Code does not provide for any credit against California income or franchise tax with respect to the ownership of a qualified school construction bond, like the Bonds. For additional information regarding State treatment of the Bonds, see "TAX MATTERS."

Expenditure Period

In the event the District fails to expend all of certain proceeds of the Bonds for a qualified purpose with respect to the project within the period ending three years after the date of issue of the Bonds or such later date if extended by the Internal Revenue Service (the **"Expenditure Period"**) the Issuer is required to use said unexpended proceeds to redeem all or a portion of the Bonds. To the extent that less than 100% of the said proceeds are expended for a qualified purpose by the end of the Expenditure Period, a portion of the Bonds must be redeemed within 90 days of the end of the Expenditure Period all in accordance with the requirements of Section 54A(d)(2)(B) of the Tax Code in the time and manner prescribed by the Tax Code. See "THE BONDS – Redemption."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Assignment of District Bonds; Pledge of Revenues

As described above, a portion of the proceeds of the Bonds will be applied to purchase the District Bonds concurrently with the issuance of the Bonds. Under the Indenture, the District assigns all of its right, title and interest in the District Bonds to the Trustee for the security of the Bonds. The Trustee will be the registered owner of the District Bonds, and as such will hold the District Bonds in trust under the Indenture for the benefit of owners of the Bonds. As registered owner, the Trustee will be entitled to receive direct payment of all principal of and interest on the District Bonds. The Bonds are secured by a pledge of and first lien on the Revenues as defined in the Indenture, consisting of payments of principal and accreted value of and interest on the District Bonds, [including principal and interest received by the Trustee upon the mandatory tender of the District Bonds as described herein. See "-District Bonds – Mandatory Tender and Remarketing of District Bonds" below.

District Bonds

General. The District Bonds are general obligation bonds of the District and the Board of Supervisors of the County is empowered and is obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates), as necessary for payment of principal of and accreted value on the District Bonds. See "SECURITY FOR THE DISTRICT BONDS" below.

Debt Service Schedule for District Bonds. The following represents the debt service schedule with respect to the District Bonds upon original delivery thereof.

Hemet Unified School District
General Obligation Bonds, Election of 2006, Series C
Debt Service Schedule

Maturity Date (September 16)	Principal	Interest[1]	Total
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025*			
2026*			
2027*			
2028*			
2029*			
2030*			
2031*			
2032*			
2033*			
2034*			
Total			

(1) Assumes no adjustment of interest rates as described below.
* Consists of a "Tender Bond" subject to mandatory tender for remarketing on _____, 2024, a date prior to maturity of the Authority Bonds, as described below. The Tender Bonds do not bear interest prior to the Tender Date.

Adjustment of Interest Rates on District Bonds. The interest rates on the District Bonds may be adjusted after the date of delivery of the District Bonds, upon the receipt by the District Bonds Paying Agent of a written notice from the Authority Bond Trustee that, based upon the opinion of the District's financial advisor, amounts then held in the Revenue Fund, as then invested, when combined with expected Revenues to be generated by the payment of debt service on the District Bonds at the rates then applicable to the District Bonds, will be insufficient

to pay the Authority Bonds in full on their maturity date (a "**Notice of Deficiency**"). Upon the receipt of such Notice of Deficiency, the Paying Agent shall assign to the District Bonds revised interest rates which will, in the written opinion of a financial advisor, produce debt service on the District Bonds, when combined with funds then held in the Revenue Fund, and when invested in accordance with the Authority's investment direction to the Trustee, be sufficient to pay the Authority Bonds in full at maturity.

Mandatory Tender and Remarketing of District Bonds. The District Bonds maturing on _____, 2034 and issued in the principal amount of $_____ (the **"Tender Bonds"**) are subject to mandatory tender on _____, 2024 (the **"Mandatory Tender Date"**) for the purpose of providing sufficient funds for the payment of the Bonds at maturity. Upon the mandatory tender of the District Bonds by the Trustee, the proceeds of such tender will be deposited by the Trustee into the Revenue Fund and are pledged to the payment of the Authority Bonds at maturity.

Revenue Fund; Cash Flow Projections

Scheduled payments of principal and accreted value of and interest, if any, on the District Bonds, together with investment earnings thereon, and the proceeds of the remarketing of $_____ principal amount of the District Bonds on the District Bond Remarketing Date will be deposited in the Revenue Fund established under the Indenture, and will be in an amount which has been determined to be sufficient to make the payment of principal of the Bonds when due at maturity. Such sources are the sole sources of payment of the Bonds.

Payments of principal of and interest on the District Bonds will be deposited in the Revenue Fund held by the Trustee and invested pursuant to the terms of _____ (the **"Investment Contract"**) until maturity of the Bonds. Proceeds of the remarketing of the District Bonds on the District Bonds Remarketing Date will also be deposited in the Revenue Fund on the District Bond Remarketing Date.

The following table sets forth the annual debt service on the District Bonds to the District Bonds Mandatory Tender Date, as well as investment earnings at the assumed interest rate of ____% (the **"Required Rate"**). See also "BONDOWNERS' RISKS – Investment of Funds" and "– Remarketing of District Bonds".

California Qualified School Bond Joint Powers Authority
2009 General Obligation Revenue Bonds
(Antioch Unified School District
School Facilities Improvement District No. 1)

Anticipated Cash Flow*

Maturity Date (September 16)	Debt Service on District Bonds (September 16)[1]	Annual Investment Earnings [2]	District Bonds Remarketing Proceeds	Revenue Fund Balance	Debt Service on Bonds
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024[3]					
Total					

*Preliminary; subject to change.
(1) Assumes that the interest rates on the District Bonds are not adjusted as a result of a Notice of Deficiency. See "– District Bonds – Adjustment of Interest Rates on District Bonds" below.
(2) Assumes an annual interest rate of _____% (the "Required Rate").
(3) On _____, 2024, the District Bonds are subject to mandatory tender for remarketing. Proceeds of the remarketing will be deposited in the Revenue Fund pursuant the Indenture and applied to payment of the Bonds at maturity. See "– District Bonds – Mandatory Tender and Remarketing of District Bonds".

[The sufficiency of deposits in the Revenue Fund, including investment earnings, assuming the Investment Contract is in place for the full term of the Bonds, will be verified on the Closing Date by _____.]

[In the event that the Investment Contract, for any reason, is terminated or otherwise fails to produce annual investment earnings at the Required Rate, the Trustee will use its best efforts to enter into a new investment contract. If the Trustee is unable to enter an investment contract at a rate sufficient to maintain the Revenue Fund Balance at the levels set forth above, the interest rates on the Outstanding District Bonds will be adjusted by the Paying Agent for the District Bonds. The interest rate adjustment will be calculated to restore the Revenue Fund Balance to the levels required to make payments on the Bonds. See "_____" herein.]

SECURITY FOR THE DISTRICT BONDS

General

The District Bonds are general obligation bonds of the District with respect to the District. The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the District Bonds and the interest thereon upon all property within the District subject to taxation by the District without limitation of rate or amount (except certain

personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the District Bonds are outstanding in an amount sufficient to pay the principal and interest on the District Bonds when due. Such taxes, when collected, will be deposited into an interest and sinking fund for the District Bonds (the "**Debt Service Fund**"), which is maintained by the County and which is created by statute for the payment of principal of and interest on the District Bonds when due. **Although the County is obligated to levy an *ad valorem* tax for the payment of the District Bonds, and will maintain the Debt Service Fund pledged to the repayment of the District Bonds, the District Bonds are not a debt of the County.**

In addition to the District Bonds the District has previously issued general obligation bonds as described in Appendix A. The County similarly levies an amount necessary to pay such bonds and the District Bonds are payable on a parity from such tax levies.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and accreted value of the District Bonds as the same become due and payable, will be transferred by the County to U.S. Bank National Association, as paying agent for the District Bonds (the "**Paying Agent**") which, in turn, shall pay such moneys to the Trustee to deposit in the Revenue Fund for payment of the Bonds.

The amount of the annual *ad valorem* tax levied by the County to repay the District Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the District Bonds. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in the annual tax levy.

Ad Valorem Property Taxation

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and March 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about December 13 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Tax Collector and Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of

collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the Riverside County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. N

Property within the District had a net taxable assessed valuation for fiscal year 2008-09 of $9,156,720,130 (before deduction of the redevelopment increment). Shown in the following table are the assessed valuations for the District for the past five fiscal years.

TABLE 1
HEMET UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2004-05 through Fiscal Year 2008-09

Year	Local Secured	Utility	Unsecured	Total Before Rdv. Increment
2004-05				
2005-06				
2006-07				
2007-08				
2008-09	$8,951,276,330	$395,741	$205,048,059	$9,156,720,130

Source: California Municipal Statistics, Inc.

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2009-10.

TABLE 2
HEMET UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use

	2009-10 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 340,544,432	3.80%	1,794	2.75%
Commercial/Industrial	1,230,531,520	13.75	3,461	5.30
Vacant Commercial/Industrial	175,501,991	1.96	966	1.48
Vacant Unclassified	148,655,001	1.66	4,323	6.62
Miscellaneous	52,958,406	0.59	639	0.98
Subtotal Non-Residential	$1,948,191,350	21.76%	11,183	17.11%
Residential:				
Single Family Residence	$5,034,434,609	56.24%	32,237	49.33%
Condominium/Townhouse	54,426,545	0.61	805	1.23
Mobile Home/Lots	846,294,677	9.45	11,848	18.13
2-3 Residential Units	166,359,723	1.86	730	1.12
4+ Residential Units/Apartments	280,814,552	3.14	555	0.85
Vacant Residential	620,754,874	6.93	7,991	12.23
Subtotal Residential	$7,003,084,980	78.24%	54,166	82.89%
Total	$8,951,276,330	100.00%	65,349	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Property Tax Collections

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes.

So long as the Teeter Plan remains in effect, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors can under certain circumstances terminate the Teeter Plan in part or in its entirety with respect to the entire County and, in addition, the Board of Supervisors can terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in the typical tax rate area during the five-year period from 2004-05 to 2008-09.

TABLE 3
HEMET UNIFIED SCHOOL DISTRICT
Summary of Ad Valorem Tax Rates
Typical Tax Rate Per $100 Of Assessed Valuation

(Tax Rate Area 6-001)

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Hemet Unified School District	.05324	.04875	.03939	.08165	.10963
Metropolitan Water District	.00580	.00520	.00470	.00450	.00430
Total	1.05904	1.05395	1.04409	1.08615	1.11393

Source: California Municipal Statistics, Inc.

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2009-10.

TABLE 4
HEMET UNIFIED SCHOOL DISTRICT
Top Twenty Secured Property Taxpayers
Fiscal Year 2009-10

	Property Owner	Primary Land Use	2009-10 Assessed Valuation	% of Total (1)
1.	Freedom Properties Hemet	Hotel	$ 38,517,773	0.43%
2.	Granite Village West LP	Shopping Center	37,766,519	0.42
3.	Colonial Country Club Estates	Country Club	32,587,010	0.36
4.	MCS Hemet Valley Center	Shopping Center	32,051,453	0.36
5.	James J. Femino	Commercial	27,052,890	0.30
6.	U.S. Bank National Association	Residential Properties	26,883,016	0.30
7.	Idyllwild Arts Foundation	Private School	26,118,969	0.29
8.	Deutsche Bank National Trust Company	Residential Properties	25,905,766	0.29
9.	Jianna Prop	Commercial	23,868,000	0.27
10.	Osborne Development Corp.	Residential Development	23,864,309	0.27
11.	Deutsche Engineered Connecting Devices Inc.	Industrial	23,808,007	0.27
12.	Wal-Mart Real Estate Business Trust	Commercial	21,436,667	0.24
13.	Pulte Home corp.	Residential Development	20,592,033	0.23
14.	CAC Exchange I LLC	Industrial	18,787,994	0.21
15.	K. Hovnanians Four Seasons	Residential Development	18,309,145	0.20
16.	John M. Sachs Inc.	Apartments	16,988,896	0.19
17.	Harvest Camelot Retirement Residence	Rest Home	16,025,587	0.18
18.	Merrill Gardens	Hotel	15,556,720	0.17
19.	SIC Leed Civic Plaza	Commercial	13,796,022	0.15
20.	LBREP L Suncal McSweeny Farms	Residential Development	13,482,333	0.15
			$473,399,109	5.29%

(1) 2009-10 Local Secured Assessed Valuation: $8,951,276,330
Source: California Municipal Statistics, Inc.

Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated October 1, 2009. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

TABLE 7
HEMET UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of October 1, 2009

2009-10 Assessed Valuation: $9,156,720,130
2008-09 Adjusted Assessed Valuation: $9,331,719,398

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 11/1/09
Metropolitan Water District	0.384%	$ 1,126,752
Hemet Unified School District	**100.**	**149,875,000**
Eastern Municipal Water District Improvement Districts	1.552-100.	3,436,126
City of Hemet Community Facilities District No. 1999-1	100.	12,870,000
Hemet Unified School District Community Facilities Districts	100.	37,140,000
Eastern Municipal Water District, Community Facilities Districts	88.004-100.	30,173,522
Riverside County Community Facilities District No. 03-1	60.106	10,659,799
Lake Hemet Municipal Water District 1915 Act Bonds	100.	1,665,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$246,946,199
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	5.394%	$ 40,538,589
Riverside County Pension Obligations	5.394	20,609,935
Riverside County Board of Education Certificates of Participation	5.394	390,526
Mount San Jacinto Community College District General Fund Obligations	13.682	1,740,350
HEMET UNIFIED SCHOOL DISTRICT CERTIFICATES OF PARTICIPATION	**100.** (2)	**63,125,000**
Idyllwild County Water District General Fund Obligations	100.	679,605
Pine Cove County Water District Certificates of Participation	100.	1,685,000
Valley Wide Recreation and Park District General Fund Obligations	45.966	262,006
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$129,031,011
Less: Riverside County self-supporting obligations		882,156
Hemet Unified School District Qualified Zone Academy Bonds (QZABs) supported by investment fund		**1,692,000**
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$126,456,855
GROSS COMBINED TOTAL DEBT		$375,977,210(3)
NET COMBINED TOTAL DEBT		$373,403,054

(1) Based on 2008-09 ratios.
(2) Excludes QSCBs to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2009-10 Assessed Valuation:

DIRECT DEBT ($149,875,000)	**1.64%**
Total Direct and Overlapping Tax and Assessment Debt	2.70%

Ratios to 2008-09 Adjusted Assessed Valuation:

GROSS COMBINED DIRECT DEBT ($213,000,000)	**2.28%**
NET COMBINED DIRECT DEBT ($211,308,000)	**2.26%**
Gross Combined Total Debt	4.03%
Net Combined Total Debt	4.00%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

Source: California Municipal Statistics, Inc.

BONDOWNERS' RISKS

Failure to Comply with Certain Covenants

In order for the Bonds to be treated as "Qualified Tax Credit Bonds" as defined in the Tax Code and continue to be eligible for the Tax Credit, the Authority and the District must comply with certain requirements of the Tax Code. Failure to satisfy certain requirements, which the Authority and the District have covenanted to comply with, subsequent to the issuance of the Bonds may result in a delay or forfeiture of all or a portion of the Refundable Credit and may cause the Bonds to cease to be treated as "Qualified Tax Credit Bonds" under the Tax Code either prospectively from the date of determination of a failure to comply with the requirements or retroactively to the date of issuance of the Bonds. See also "TAX MATTERS."

Future Legislation or Court Decisions

Legislation affecting the availability of the Tax Credit with respect to the Bonds may be considered by the United States Congress. Federal and state court proceedings and the outcome of such proceedings could also affect the availability of the Tax Credit with respect to the Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the status of the Bonds as "Qualified Tax Credit Bonds" or the market value of the Bonds.

Investment of Funds

[Amounts received from the District and deposited in the Revenue Fund will be invested in _____, and held for payment of the Bonds. Investment earnings have been estimated as set forth under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Cash Flow Projections." All investments contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. Although the District Bonds Paying Agent is required to adjust the interest rates on the District Bonds in the event the Trustee notifies it that amounts in the Revenue Fund at expected to be insufficient to pay the principal of the Bonds at maturity, a shortage of funds to pay principal on the Bonds when due could occur.]

Remarketing of District Bonds

In order to provide sufficient monies in the Revenue Fund for the payment of the Bonds at maturity, the District Bonds maturing in the years 2024 through 2033 must be remarketed, and the proceeds of the remarketing must be deposited in the Revenue Fund. There can be no assurance that there will be a market for the District Bonds following the mandatory tender on _____, 2024. In such event, a shortage of funds in the Revenue Fund will occur at the time payment of principal is due on the Bonds.

Secondary Market

There can be no assurance that there will be a secondary market for the Bonds, or if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

THE AUTHORITY

The California Qualified School Bond Joint Powers Authority was formed on May 12, 2009 as a joint exercise of powers authority pursuant to a Joint Exercise of Powers Agreement between the Lemon Grove School District and the South Bay Union School District pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 et seq.) of the State of California, for the purpose of assisting the financing and refinancing of Public Capital Improvements of public school districts and community college districts in the State of California. Except for the assignment of Revenues to the Trustee, the Authority has no financial obligation to the Owners of the Bonds. The Authority has no taxing power.

CONTINUING DISCLOSURE

The District will covenant for the benefit of owners of the District Bonds to provide certain financial information and operating data relating to the District by not later than nine months after the end of the District's fiscal year (which date would be the March 31 following the current end of the District's fiscal year on June 30), commencing with the report for the 2008-09 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in "APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. These covenants have been made in order to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2 12(b)(5) (the "**Rule**").

The District is subject to the reporting requirements of the Rule in connection with other issuances, and the District has never failed to comply with the Rule. The County is not obligated to undertake any continuing disclosure in connection with the Bonds.

LEGAL OPINION

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel for the Authority. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond. The proposed form of Bond Counsel's opinion relating to the Bonds is set forth in APPENDIX D. Certain legal matters will also be passed upon for the Authority and the District by Jones Hall as Disclosure Counsel. Bowie, Arneson, Wiles & Giannone, Newport Beach, California will serve as bond counsel to the District ("District Counsel"). *Payment of the fees of Bond Counsel, Disclosure Counsel and District Counsel is contingent upon issuance of the Bonds.*

TAX MATTERS

Tax Opinion

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986 (the "Tax Code") and are eligible

for the federal income tax credit as of the applicable credit allowance date under Section 54A of the Tax Code, subject to the limitations therein. However, the amount of the Tax Credit will be treated as interest for federal tax purposes and will be included in gross income for all Owners of Bonds, in accordance with each Owner's tax status.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the District comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Bonds in order for the Bonds to be treated as "Qualified School Construction Bonds" and continue to be eligible for the Tax Credit. The Authority and the District have each covenanted to comply with each such requirement. Failure to comply with certain of such requirements may result in a delay or forfeiture of all or a portion of the Tax Credit and may cause the Bonds to cease to be treated as "Qualified School Construction Bonds" either prospectively from the date of determination of a failure to comply with the requirements or retroactively to the date of issuance of the Bonds.

The Tax Credit and interest received on the Bonds, if any, are not excluded from gross income for federal income tax purposes.

California Tax Status. In the opinion of Bond Counsel, interest, if any, paid with respect to the Bonds is exempt from personal income taxation imposed by the State of California. Although the Tax Credit is treated as interest for federal tax purposes, there is no guidance whether the State of California will treat the Tax Credit as interest and, if it is treated as interest, whether said interest will be exempt from personal income taxation imposed by the State of California.

Form of Bond Counsel Opinion. At the time of issuance of the Bonds, Bond Counsel expects to deliver a final approving opinion for the Bonds in substantially the form set forth in Appendix D.

Other Tax Considerations. Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

Circular 230 Disclosure. To ensure compliance with the requirements imposed by the Internal Revenue Service, purchasers and Owners of the Bonds should be aware that any federal income tax advice contained in this Official Statement (including the Appendices hereto) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Tax Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed in this Official Statement.

Additional Tax Considerations

This section summarizes certain material federal income tax consequences relating to an investment in the Bonds and does not purport to be a complete discussion of all federal income tax consequences relating to the Bonds. Prospective investors are encouraged consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of owning the Bonds.

Tax Basis. An Owner's initial tax basis in a Bond generally will be equal to the purchase price paid by such Owner for such Bond. An Owner's tax basis in a Bond will be increased by the amount of original issue discount, if any, that is included in the Owner's income, and

decreased by the amount of premium, if any, amortized as a reduction to interest income, as described below.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount is disregarded.

Under the Tax Code, original issue discount on Bonds is treated as ordinary interest for federal income tax purposes. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straightline interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bond to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of Premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

Sale of Bonds. Upon the sale of a Bond for cash, an Owner will recognize gain or loss equal to the difference between the amount of cash received (other than cash attributable to accrued interest) and such owner's adjusted tax basis in the Bond. Such gain or loss will be capital gain or loss if the Bond is a capital asset to such owner. Cash received attributable to accrued interest will constitute ordinary interest income to a cash method Owner, and a return of capital with respect to interest accrued as income by an accrual method Owner.

Tax Credit Strips. Pursuant to Section 54A of the Tax Code, a Bond may be stripped into its Tax Credit and Principal components. An owner who purchases a tax credit strip or principal component strip or who elects to strip a Bond into its Tax Credit and Principal components should consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of stripping the Bonds. As of the date hereof, the United States Department of Treasury has not published guidance regarding the method of stripping Tax Credits.

Tax Reporting. To date, the United States Department of Treasury has not issued any rulings or regulations or otherwise provided any guidance with respect to the mechanics of reporting of the Tax Credits as the equivalent of interest income, the reporting of the availability of the Tax Credits to the Owners thereof, or the accrual of original issue discount on the Bonds. The Owner of a Bond, must include on its income tax return information with respect to the amount of taxable interest accrued as original issue discount during the taxable year.

Backup Withholding. Under current United States federal income tax law, a 28% backup withholding tax requirement may apply to certain payments of interest and original issue discount on, and the proceeds of a sale, exchange or redemption of, the Bonds. The IRS has not provided guidance regarding how the 28% backup withholding tax requirement will apply to the deemed interest payments represented by the Tax Credits. Therefore, it is not clear how or whether such withholding would occur. In addition, certain persons making such payments are required to submit information returns (i.e., IRS Forms 1099) to the IRS with regard to those payments. Backup withholding and information reporting will generally not apply with respect to payments made to certain exempt recipients such as corporations or certain exempt entities.

Foreign Investors. Payments (including deemed payments) on the Bonds to a non-U.S. holder that has no connection with the United States other than holding its Bond generally will be made free of withholding tax, as long as that the holder has complied with certain tax identification and certification requirements.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The Authority and the District are not aware of any litigation pending or threatened that (i) questions the political existence of the Authority or the District, (ii) contests the District's ability to receive ad valorem taxes or to collect other revenues, (iii) contests the Authority's ability to issue and repay the Bonds, or (iv) contest the District's ability to issue and repay the District Bonds.

RATING

Standard and Poor's ("**S&P**") has assigned its rating of "____" to the Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by such rating agency if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by _____ (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at a price of $_____ (which is equal to the initial principal amount of the Bonds). The purchase contract relating to the Bonds provides

that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter will receive a takedown fee of $_____ for the Bonds pursuant to the purchase contract.

The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed by the Underwriter.

ADDITIONAL INFORMATION

The discussions herein about the Indenture and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Trustee in Seattle, Washington.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority, the District and the purchasers or Owners of any of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the District.

CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY

By: _____
Chairperson

APPENDIX A

FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE HEMET UNIFIED SCHOOL DISTRICT AND RIVERSIDE COUNTY

GENERAL DISTRICT INFORMATION

General Information

The District was established on July 1, 1966, as a result of the unification of the Alamos and Cottonwood Districts, the Hemet Valley Union School District, and the Hemet Union High School District. The District covers approximately 740 square miles in the western part of Riverside County. The City of Hemet and unincorporated communities of Idyllwild, Anza, Aguanga and Winchester are situated within the District's boundaries. Hemet is located forty-five miles west of Palm Springs, seventy-five miles north of San Diego, sixty-five miles east of Los Angeles, and thirty-five miles southeast of Riverside.

The District currently operates 12 elementary schools, 3 kindergarten through grade eight schools, 4 middle schools, 4 high schools, 1 continuation high school, 2 alternative schools, 1 charter school and 1 adult education program. The District also operates preschool and Headstart programs. A vocational education focused Charter School opened for the 2007-08 school year.

Administration

The District is governed by a seven-member Governing Board, with each member elected to a four-year term in alternate slates of three and four. Current members of the Governing Board, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Gregg Figgins	President	December 2010
Joe Wojcik	VicePresident	December 2010
Lisa DeForest	Member	December 2012
Marilyn Forst	Member	December 2012
Charlotte Jones	Member	December 2012
Phyllis Petri	Member	December 2010
Bill Sanborn	Member	December 2010

The day-to-day operations are managed by a board-appointed Superintendent of Schools.

Recent Enrollment Trends

The following table shows historical enrollment, with projected figures through fiscal year 2010-11

Table A-1
HEMET UNIFIED SCHOOL DISTRICT
Annual Enrollment
Fiscal Years 2004-05 through 2010-11

School Year	Enrollment
2004-05	21,276
2005-06	22,368
2006-07	23,541
2007-08	23,567
2008-09	22,908
2009-10[(1)]	22,393
2010-11[(1)]	22,393

(1) Estimate.
Source: California Department of Education.

Employee Relations

The District has 2,290 full and part-time employees. Bargaining agents represent all employees except for the 120 employees in management, supervisory, and confidential categories.

Teachers, nurses, librarians, and other certificate employee are represented by the Hemet Teachers Association ("HTA"). The current contract expires on June 30, 2010.

The California School Employees Association has been selected as the bargaining agent for classified personnel and such personnel are covered by a contract that expired on June 30, 2010.

District Retirement Systems

STRS. The District participates in the State of California Teacher's Retirement System ("STRS"). This plan covers basically all full-time certificated employees. Active plan members are required to contribute 8.0% of their salary and the District is to contribute an actuarially determined rate, which was 8.25% of payroll for the 2007-08 fiscal year. The District's contribution to STRS for fiscal year 2007-08 was $7,738,334, for fiscal year 2008-09 was $7,402,308 (unaudited actual) and for fiscal year 2009-10 is $7,138,270(budgeted).

PERS. The District also participates in the State of California Public Employees' Retirement System ("PERS"). This plan covers all classified personnel who are employed four or more hours per day. Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate, which was 9.306 percent of annual payroll for 2007-08. The District's contribution to PERS for fiscal year 2007-08 was $2,845,262, for fiscal year 2008-09 was $2,997,621 (unaudited actual) and for fiscal year 2009-10 is $3,138,568 (budgeted).

Both the PERS and STRS systems are operated on a statewide basis. District contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as liability. STRS has a substantial State unfunded liability. Since this liability has not been broken down by the state agency, information is not available showing the District's share.

Supplemental Employee Retirement Plan. The District offered an early retirement incentive to qualified employees under a qualified plan of Section 401A of the Internal Revenue Code. Eligibility requirements are that the employees attain age 50 with at least ten years of service with the District. The retiree receives an annual benefit payment equal to five percent of their final annual salary on the salary schedule. This benefit is paid out annually to the retiree in equal installments. Currently, there are 56 employees participating in this plan and the District's obligation to those retirees as of June 30, 2008, is $3,104,925.

Other Post Employment Benefits

Other Post-Employment Benefits. In June 2004, the Governmental Accounting Standards Board ("**GASB**") issued Statement No. 45 ("**GASB 45**"), which addresses how state and local governments should account for and report their costs and obligations related to post-employment health care and other non-pension benefits ("OPEB"). GASB 45 generally requires that local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most local governments will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

The Post-Employment Benefit Plan (the "**Plan**") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 231 retirees and beneficiaries currently receiving benefits, 10 terminated plan members entitled to but not yet receiving benefits, and 1,580 active plan members.

The contribution requirements of Plan members and the District are established and may be amended by the District and the Hemet Teachers Association, the local California Service Employees Association, and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2007-08, the District contributed $462,713 to the Plan, all of which was used for current premiums.

The following table shows the components of the District's OPEB cost for the next year, the amount actually contributed to the plan, ad changes in the District's net OPEB obligation.

Table A-2
HEMET UNIFIED SCHOOL DISTRICT
Other Post Employment Benefit Cost - 2007-08

Annual required contribution	$ 3,418,208
Contributions made	(462,713)
Net OPEB obligation, beginning of year	0
Net OPEB obligation, end of year	$2,955,495

Year Ended June 30	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2008	$3,418,208	13.54%	$2,955,495

Source: Hemet Unified School District Audit Reports for fiscal year 2007-08.

For a description of the actuarial methods and assumptions used, see "APPENDIX B - FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS- Note 13 – Post Retirement Healthcare Plan and other Postemployment Benefits (OPEB) Obligation".

Risk Management

The District's risk management activities are recorded in the General and Self-Insurance Funds. Employee life, health, vision, dental, disability and workers' compensation programs are administered by the District. The Property and Liability Program, for which the District retains risk of loss, is administered by the Alliance of Schools Cooperative Insurance Programs JPA ("**ASCIP**"). The District pays an annual premium for its property liability coverage. The relationship between the District and ASCIP is such that it is not a component unit of the District for financial reporting purposes. During the year ended June 30, 2008, the District made payments of $782,429 to ASCIP, for services received.

The District is self-insured for medical, dental, vision, and workers' compensation. The maximum Self-Insurance amount is $125,000 per claim. The District has a stop loss policy for claims that exceed the maximum self-insured amount.

The County Investment Pool

Under the California Education Code, the District is required to deposit all monies received from any source into the County Treasury to be held on behalf of the District. The County Treasurer maintains one Pooled Investment Fund (the "**PIF**") for all local jurisdictions having funds on deposit in the County Treasury. As of July 31, 2009, the portfolio assets comprising the PIF had a market value of $5,339,200,377.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2007, the Auditor-Controller performed an analysis on the County Treasury which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. Collectively, these mandatory deposits constituted approximately 84% of the funds on deposit in the County Treasury, while approximately 16% of the total funds on deposit in the County Treasury represented discretionary deposits.

While State law permits other governmental jurisdictions, with the prior consent of the Board and the County Treasurer, to participate in the County's PIF, none have been authorized entry, nor are any pending consideration. The desire of the County is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2009 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the Pooled Investment Fund as of July 31, 2009, were as follows:

	Market Value	% of Pool
Federal Agency Securities	$4,357,976,250	81.6%
Cash Equivalents & Money Market Funds	414,838,000	7.8
Medium Tem Notes	326,772,162	6.1
Municipal Bonds	122,314,265	2.3
Bonds- U.S. Treasury	29,990,700	0.6
Local Agency Obligations (2)	87,309,000	1.6
Total	$5,339,200,377	100.0%

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS".

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30.

All governmental funds and fiduciary funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, both measurable and available to finance expenditures for the current period. For more information on the District's accounting method, see Note 1 of "APPENDIX B – FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS" attached hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting and (ii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iii) required supplementary information.

Financial Statements

The District's Audited Financial Statements for the fiscal year ending fiscal year 2007-08 were prepared by Vavrinek, Trine, Day & Co., Inc., Rancho Cucamonga, California. Audited financial statements for the District for the fiscal year ended June 30, 2008 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix B hereto for excerpts from the 2007-08 Audited Financial Statements. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District has not requested nor did the District obtain permission from Vavrinek, Trine, Day & Co., Inc. to include the audited financial statements as an appendix to this Official Statement. Accordingly, Vavrinek, Trine, Day & Co., Inc. has not performed any post-audit review of the financial condition or operations of the District.

The following table shows the audited income and expense statements for the District for the 2005-06 through 2007-08 fiscal years.

Table A3
HEMET UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2005-06 through 2007-08 (audited)

	Audited 2005-06	Audited 2006-07	Audited 2007-08
Revenues			
Total revenue limit	$112,255,482	$126,259,072	$129,886,193
Federal revenues	16,180,865	13,961,826	14,549,701
Other state revenues	22,301,315	33,970,429	32,763,770
Other local revenues	13,088,788	18,913,467	21,198,761
Total Revenues	163,826,450	193,104,794	198,398,425
Expenditures			
Instruction	103,607,262	114,458,049	124,003,908
Instruction-related activities:			
Supervision of instruction	6,473,910	6,932,731	6,341,988
Library, media and technology	1,747,269	2,052,304	1,996,406
School site administration	10,812,993	12,044,618	13,485,458
Pupil services:			
Home-to-school transportation	4,846,668	7,085,572	7,774,521
Food services	45	9,914	20,707
All other pupil services	7,731,073	7,827,136	9,109,759
Administration:			
Data processing	1,360,333	2,112,115	2,101,425
All other administration	4,620,896	8,024,894	10,119,205
Plant services	14,082,433	15,970,415	18,832,929
Facility acquisition and construction	340,773	752,250	177,430
Ancillary services	798,927	960,493	1,275,682
Community services		83	10,223
Other outgo			12,963
Debt service: principal	551,611	922,428	--
Debt service: interest	193,148	136,702	722,600
Total Expenditures	157,167,341	179,289,704	195,985,204
Excess of Revenues Over/(Under) Expenditures	6,659,109	13,815,090	2,413,221
Other Financing Sources (Uses)			
Operating transfers in	4,463	410,754	2,300,000
Operating transfers out	(3,112,620)	(4,860,517)	(3,890,668)
Other sources	632,751	721,024	
Total Other Fin. Source(Uses)	(2,475,406)	(3,728,739)	(1,590,668)
Net change in fund balance	4,183,703	10,086,351	822,553
Fund Balance, July 1	6,595,331	10,779,034	20,865,385
Fund Balance, June 30	$10,779,034	$20,865,385	$21,687,938

Source: Hemet Unified School District Audit Reports for fiscal years 2005-06 through 2007-08.

The following table shows the District's Budget, as adopted by the Governing Board, for fiscal year 2008-09, compared to estimated actuals for the General Fund for fiscal year. The table also shows the fiscal year 2009-10 District General Fund Budget.

Table A4
HEMET UNIFIED SCHOOL DISTRICT
Adopted Budgets
For Fiscal Year Ended June 30, 2009 and June 30, 2010

	Adopted Budget 2008-09	Estimated Actuals 2008-09 (1)	Adopted Budget 2009-10
Revenues			
Revenue Limit Sources	$130,276,237	$122,104,994	$115,257,723
Federal revenues	13,537,965	21,084,517	14,968,915
Other state revenues	23,887,681	24,599,034	23,629,555
Other local revenues	21,063,905	23,873,359	21,406,108
Total Revenues	188,765,788	191,661,904	175,262,301
Expenditures			
Certificated Salaries	89,622,498	90,151,511	86,070,097
Classified Salaries	30,686,903	31,710,502	30,675,597
Employee Benefits	35,658,373	36,242,476	34,283,216
Books and Supplies	9,037,428	9,509,706	7,184,991
Services and Other Operating Expenditures	16,919,341	20,163,803	17,028,183
Capital Outlay	132,724	1,121,895	180,809
Other Outgo	4,544,265	5,231,976	5,331,517
Transfers of Indirect Costs	(568,536)	(490,130)	(471,034)
Total Expenditures	186,032,996	193,641,739	180,283,376
Excess of Revenues Over/(Under) Expenditures	2,732,792	(1,979,835)	(5,021,075)
Other Financing Sources (Uses)			
Operating Transfers In	300,000	1,380,946	127,011
Operating Transfers Out	-	(1,698,591)	(1,296,961)
Total Other Financing Sources (Uses)	300,000	(317,645)	(1,169,950)
Net Change in Fund Balance	3,032,792	(2,297,480)	(6,191,025)
Fund Balance, July 1	19,472,508	21,687,939	19,390,459
Fund Balance, June 30	$22,505,300	$19,390,459	$13,199,434

Source: Hemet Unified School District.

State law generally requires that the District maintain its reserve for economic uncertainty funded at 3.0% of total general fund expenditures. For 2007-08, the reserve was ___%, for 2008-09 was ___% and is projected to be ___% for 2009-10

In order to address reductions in State funding of education (see "STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS"), the District has seen increased fiscal responsibility on the part of the Governing Board, cabinet, and site and department administrators. This has enabled the District to vastly improve its cash and financial position over the past few years helping to place the District in a favorable position to meet these challenges. Proactive actions such as providing an early retirement incentive again in 2008-09, implementing spending and hiring freezes when the 2008-09 mid-year reductions in State revenues were presented by the Governor in February 2009, were instrumental in preparing the District for the year ahead. These actions helped the District to make budget adjustments without drastic staff lay-offs that were necessary in neighboring districts. The District's

administration will continue to carefully monitor the district's budget and make adjustments based on information as it becomes available from the state.

Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. A district may be on either a dual or single budget cycle. The dual budget option requires a revised and readopted budget by September 1 that is subject to State-mandated standards and criteria. The revised budget must reflect changes in projected income and expenses subsequent to July 1. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

For both dual and single budgets submitted on July 1, the county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than August 20, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budget has been disapproved.

For all dual budget options and for single and dual budget option districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

The District has never had an adopted budget disapproved by the county superintendent of schools or received qualified certifications of interim financial reports.

Long-Term Debt

The District has never defaulted on the payment of principal of or interest on any of its indebtedness.

2004 Certificates of Participation: In October 2004 the Hemet Unified School District School Facilities Corporation issued the 2004 Certificates of Participation in the amount of $23,425,000. The certificates were issued to prepay the $6,945,000 of the outstanding Hemet Unified School District School Facilities Corporation 1993 Certificates of Participation and to acquire, construct, deliver, and install certain school facilities, buildings, land and capital projects. As of January 1, 2008, the outstanding principal amount was $21,710,000 and the final maturity is October 1, 2032.

2006 Certificates of Participation: In June 2006, the Hemet Unified School District School Facilities Corporation issued the 2006 Certificates of Participation in the amount of $29,445,000. The certificates were issued to acquire, construct, deliver, and install certain school facilities, buildings, land and capital projects. As of January 1, 2008, the outstanding principal amount was $29,445,000 and the final maturity is October 1, 2036.

2007 Certificates of Participation: In November 2007, the Hemet Unified School District School Facilities Corporation issued the 2007 Certificates of Participation in the amount of $4,610,000. The certificates were issued to acquire, construct, deliver, and install certain school facilities, buildings, land and capital projects. As of January 1, 2008, the outstanding principal amount was $4,610,000 and the final maturity is October 1, 2036.

2005 Refunding Lease Revenue Bonds: In December 2005, the Golden West Schools Financing Authority issued $5,205,000 of 2005 Refunding Lease Revenue Bonds. The proceeds of which were used primarily to set up an escrow account to refund the outstanding amount of the 1997 Certificates of Participation. The outstanding principal amount as of January 1, 2008 is $4,880,000. The final maturity of the Refunding Lease Revenue Bonds is April 1, 2027.

2005 Qualified Zone Academy Bonds: In December 2005, the Golden West Schools Financing Authority issued $5,000,000 of Qualified Zone Academy Bonds (QZABs) for the Hemet Unified School District Project. The QZABs represent interest-free financing for the District. The purchaser of the QZABs receives a Federal Tax Credit in lieu of interest payments on the Bonds. Debt service on the Bonds will be paid through annual lease payments by the District under a Lease Agreement with the Authority. The Bonds mature on December 27, 2020.

General Obligation Bonds: Shown in the following table are the outstanding general obligation bonds of the District as of October 1, 2009 (excluding the Bonds).

Issue	Date Issued	Final Maturity Date	Original Principal Amount	Principal Outstanding as of October 1, 2009
2002 Authorization				
Series A	06/2002	08/2026	$ 23,000,000	
Series B	06/2003	08/2027	15,000,000	
Series C	06/2004	08/2028	10,000,000	
Series D	05/2005	08/2029	6,000,000	
Series E	01/2006	08/2030	6,000,000	
2006 Authorization				
Series A	03/2007	08/2037	60,000,000	
Series B	03/2008	08/2038	40,000,000	39,455,000

Short-Term Debt

On July 1, 2009 the District issued $14,775,000 in Tax and Revenue Anticipation Notes. The Notes mature on July 1, 2010 and bear interest at 2.50%.

State Funding of Education and Revenue Limitations

Annual State apportionments of basic and equalization aid to school districts for general purposes are computed up to a revenue limit per unit of average daily attendance (**"A.D.A."**). Such apportionments will, generally speaking, amount to the difference between the District's revenue limit and the District's local property tax allocation. Revenue limit calculations are adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among California school districts.

In the event that a school district's property tax revenue exceeds its calculated revenue limit entitlement, that school district retains all of its property tax revenue, and State apportionments to that district are limited to the minimum "basic aid" amount of $120 per A.D.A. set forth in the Constitution. Currently the State allocates basic aid funding to categorical entitlements that would have been received in any event. Such districts are commonly known as "Basic Aid Districts." The District is not a Basic Aid district.

A schedule of the District's A.D.A. and base revenue limit during the past five years, as well as a projection for 2009-10, is shown below.

Table A5
HEMET UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2004-05 through 2009-10 (projected)

Fiscal Year	P-2 ADA	Base Revenue Limit Per ADA
2004-05	19,948	$4,974
2005-06	19,499	5,185
2006-07	18,957	5,541
2007-08	18,586	5,793
2008-09	21,838	5,642
2009-10[2)]	21,208	4,958

(1) Projected.
Source: Hemet Unified School District.

California school districts receive a significant portion of their funding from State appropriations. As a result, decreases in State revenues may affect appropriations made by the Legislature to school districts.

Revenue Sources

The District categorizes its general fund revenues into four sources:

Table A6
HEMET UNIFIED SCHOOL DISTRICT
District Revenue Sources

	Percentage of Total District General Fund Revenues		
Revenue Source	2006-07	2007-08	2008-09*
Revenue limit sources (1)	65	65	64
Federal revenues	7	7	11
Other State revenues	17	17	13
Other local revenues	11	11	12

*Estimate.
(1) Consists of a mix of State apportionments of basic and equalization aid and local property tax revenues.
Source: Hemet Unified School District.

Each of these revenue sources is described below.

Revenue Limit Sources. Since fiscal year 1973-74, California school districts have operated under general purpose revenue limits established by the State Legislature. In general, revenue limits are calculated for each school district by multiplying (1) the average daily attendance for such district by (2) a base revenue limit per unit of A.D.A. The revenue limit calculations are adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type.

Funding of the District's revenue limit is provided by a mix of (1) local property taxes and (2) State apportionments of basic and equalization aid. Generally, the State apportionments will amount to the difference between the District's revenue limit and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives substantial other State revenues.

These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Class Size Reduction Program, home-to-school transportation, Economic Impact Aid, School Improvement Program, Educational Technology Assistance Grants, mandated cost reimbursements, instructional materials and mentor teachers.

The District receives State aid from the California State Lottery (the **"Lottery"**), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Lottery revenues generally comprise approximately 2% of general fund revenues.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings and other local sources.

Effect of State Budget on Revenues Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - State Funding of Education and Revenue Limitations" below). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs. Revenues received by the District from all State sources generally accounted for about half of total general fund revenues.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process.

State Funding of Education and Recent State Budgets

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher

education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "– State Funding of Education and Revenue Limitations" above). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the County, nor the Underwriter is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the **"Governor's Budget"**). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office (the **"LAO"**) prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Tax Shifts and Triple Flip. Assembly Bill No. 1755 (**"AB 1755"**), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and schools. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required ERAF shift to $135 million. Legislation commonly referred to as the "Triple Flip," was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip", one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction are redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds were repaid, which is currently expected to occur in approximately 9 to 13 years.

2008-09 State Budget. On September 23, 2008, the Governor signed the 2008-09 State Budget into law (the **"2008-09 Budget"**). The 2008-09 Budget attempted to resolve the $24.3 billion budget deficit identified in the May (2008) Revision to the Governor's Proposed Budget. The 2008-09 Budget projected revenues of $103.027 billion in 2007-08 and $101.991 billion in 2008-09, provided a modest reserve of $1.7 billion, but projected a deficit of $1.0 billion in 2009-10.

Special Session – Revisions to 2008-09 Budget; 2009-10 Adopted State Budget. The following is a summary of legislative actions from November 5, 2008 through February 20, 2009, on which date the Governor signed a budget package addressing the 2008-09 Budget deficit, and adopting the 2009-10 Budget.

November 5, 2008. The Governor called the State Legislature into special session to address the $11 billion budget deficit that had arisen since the 2008-09 budget was adopted.

January 9, 2009. The Governor submitted his proposed 2009-10 Budget (the **"2009-10 Proposed Budget"**) to the State Legislature. The 2009-10 Proposed Budget assumed that, without corrective action, the State would face a deficit of $39.6 billion at the end of 2009-10. The 2009-10 Proposed Budget proposed $41.7 billion in budgetary solutions to close the gap and establish a $2.2 billion reserve, including: the issuance of $4.7 billion in revenue anticipation warrants, capturing savings in K-14 education through spending reductions, accounting changes and cost deferrals and raising $5 billion in proceeds with the securitization of lottery revenues. Many of the Governor's proposals required voter approval to be implemented.

The LAO stated that while the 2009-10 Proposed Budget was generally reasonable it would likely be subject to risks associated with continued deterioration of the economy, noting that it relied heavily on State borrowing, which was subject to voter approval, the favorable resolution of legal issues, and the State's access to credit markets. On January 14, 2009, the LAO released its report entitled "California's Cash Flow Crisis" stating that the State's cash flow had deteriorated steadily since the end of calendar year 2007 due to, among other things, sharply weakened General Fund revenues and limited access to credit markets.

February 19, 2009. The California Legislature voted to approve a budget package (the **"Budget Package"**) addressing the State's $42 billion deficit, which included $15 billion in State spending reductions, $12.8 billion in temporary tax increases (including an increase in the vehicle license fee and an increase in State sales and income taxes), $11.4 billion in borrowing and a $1 billion reserve. The Budget Package included revisions to the 2008-09 Budget and adoption of the 2009-10 Budget, covering a 17-month period ending July 1, 2010 (the "budget year"), addressing spending reductions, revenue increases, economic stimulus and increasing governmental efficiency. Certain measures contained in the Budget Package were rejected by the voters at a special State-wide election which was held on May 19, 2009, meaning that further revisions to the Budget would be required (see "May 14, 2009 Budget Revision" below). Key provisions of the Budget Package were:

- *Education Spending Reductions*: Significant Proposition 98-related reductions, consisting of approximately $7.4 billion in reductions in Proposition 98 funding in 2008-09 compared to the adopted 2008-09 Budget, comprised of $2.4 billion in program reductions and savings and $5 billion in Proposition 98 funding deferrals and fund swaps. The 2009-10 Budget provided for $400 million in fund swaps and a total Proposition 98 funding of $55.3 billion, which was $400 million less than the total amount proposed in 2008-09.

- *Health and Human Services Reductions*: Approximately $1.6 billion in reductions by eliminating cost-of-living increases, reductions in public assistance benefit payments and delaying projects.

- *State Employee Payroll Reductions*: Approximately $1.4 billion in reductions by implementing furloughs, reducing overtime and eliminating certain paid holidays.

- *Sales Tax Increase*: A 1-cent increase in the State sales tax, generating approximately $5.9 billion (2 years).

- *Vehicle License Fee Increase*: Increasing the fee from 0.65 percent to 1.15 percent (2 years).

- *State Personal Income Tax Increase*: Imposing a 0.25 percent surcharge on personal income tax and reducing the dependent tax credit (2 years).

- *State Lottery*: Provisions modernizing the State Lottery to generate approximately $5 billion in revenues in 2009-10.

- *Reducing State Categorical Funding for Education; Increasing Categorical Flexibility*: Reductions in K-12 categorical programs estimated at approximately 15 percent. However, to mitigate program reductions, the Budget Package provided for categorical funding flexibility over 5 years, allowing the transfer of funds from 40 categorical programs to the general fund, commencing in 2008-09. In addition, categorical ending balances could be used for general purpose activities in the current and budget year with certain exclusions.

February 13, 2009. The U.S. House of Representatives and the Senate approved the American Recovery and Reinvestment Act, committing a total of $787 billion nationwide. A report issued by the LAO entitled "Federal Economic Stimulus Package: Fiscal Effect on California" estimated that the State will receive over $31 billion in aid and billions more in competitive grants, about $8 billion of which would be available in 2008-09 and 2009-10.

February 20, 2009. The Governor signed the Budget Package. The Governor used his line item veto power in an attempt to achieve $1 billion more in savings, including replacing General Fund appropriations for higher education with federal funds, and reforms and cost-saving measures for state prisons.

March 13, 2009 LAO Report. On March 13, 2009, the LAO updated its revenue forecast, projecting that revenues would fall short of the assumptions in the 2009-10 Budget by $8 billion and foreseeing huge operating shortfalls in future years.

May 7, 2009 LAO Report. On May 7, 2009, the LAO reported that, as result of the budget and cash pressures of recent months, the General Fund's "cash cushion"—the monies available to pay State bills at any given time—currently is projected to end fiscal year 2008-09 at a much lower level than normal, meaning that the State would not be able to pay many of its bills on time for much of fiscal year 2009-10. The LAO concluded that the State would have difficulty borrowing anywhere close to the needed amounts from the short-term bond markets based on the State's own credit. The LAO advised the Legislature to reduce the State's short-term borrowing need to an amount under $10 billion for fiscal year 2009-10, which would require pursuit of two options: (i) additional actions to increase revenues or decrease expenditures in order to return the fiscal year 2009-10 budget to balance and (ii) additional actions to delay or defer scheduled payments to schools, local governments, service providers, and others.

May 14, 2009 Budget Revision. Under California law, in May of each year the Governor issues a revised budget with changes he or she can support, based on the debate, analysis and changes in the economic forecasts. On May 14, 2009, the Governor released the May Revision, which included two alternative proposals to revise the State budget to address the State's increasing deficit, based on the success or failure of the statewide ballot measures on the May 19, 2009 special election ballot.

Because the voters of the State rejected the three propositions on the special election ballot intended to help balance the State's budget, the May Revision estimated a budget shortfall of $21 billion in 2009-10, meaning that the legislature and the Governor would need to agree to billions of dollars in additional spending cuts, tax increases or other budgetary solutions to bring the budget back into balance.

May 21, 2009 LAO Report. On May 21, 2009, the LAO commented on the May Revision, stating that the Governor's estimate of a new $21 billion budget problem was reasonable and the May Revision proposals included major spending reductions and serious efforts for long–term state efficiencies and savings. The LAO urged the legislature to act quickly to return the budget to balance and prevent another state cash crunch.

Governor Declares Fiscal Emergency; State Begins Issuing IOU's; Budget Compromise Announced. The Governor announced on July 1 that the budget deficit had grown by $2 billion to $26.3 billion due to the failure of State lawmakers to adopt immediate education cuts and money-shifting plans by the June 30 fiscal year end. He declared a fiscal emergency and ordered a Proposition 58 special session of the Legislature to solve the State's deficit, ordered State employees to take three unpaid furlough days every month and proposed closing the additional $2 billion shortfall largely by cutting school spending even further. To address the State's cash crisis, on July 2 the State began issuing registered warrants, or IOU's, to several classes of creditors, including certain local governments.

2009-10 State Budget Amendments. On July 24, the California legislature approved amendments to the 2009-10 budget involving 30 separate pieces of legislation to close the $26.3 billion shortfall in the State's 2009-10 general fund budget. The Governor signed the budget plan on July 28. Total general fund spending in 2009-10 will be more than $84 billion, down from nearly $91.7 billion in 2008-09 and nearly $103 billion in 2007-08. The budget amendments combine deep spending cuts, borrowing from local governments and accounting maneuvers.

The $15.3 billion in additional spending cuts include:

- $6.1 billion from the K-14 education budget.
- $2.8 billion from the California State University and University of California systems.
- $1.3 billion in savings by furloughing nearly 200,000 state workers three days out of each month.
- Approximately $3. 2 billion from health and human services, including $1.3 billion in cuts to Medicaid.

The approved amendments include borrowing from local governments and various accounting maneuvers to generate additional revenues in the 2009-10:

- $2 billion borrowed from counties' property tax collections under provisions of Proposition 1A approved by the voters in 2004, but the State must repay counties with interest within three years.
- $1.7 billion shift from redevelopment agencies into State funds in exchange for extending the number of years the agencies could collect tax increment.

- $1 billion in revenues to be generated by selling a portion of the State Compensation Insurance Fund's workers compensation insurance portfolio.

- $1.2 billion in savings from a one-time deferment of state worker paychecks for one day, moving them into the next fiscal year.

- $1.7 billion in revenues by requiring taxpayers who make quarterly estimated payments to pay more in the first six months. This will result in lower revenues in the first half of the next fiscal year.

- $600 million in revenues by increasing income tax withholdings from paychecks. This allows the State to grab more tax revenue earlier but will result in lower revenue later due to higher tax refunds or less taxes owed.

The accounting shifts rely on the assumption that an economic recovery will be well underway in the next fiscal year and many economists believe that they will result in a huge budget shortfall next year. Additionally, borrowing revenues from local governments is likely to result in litigation.

The approved budget amendments discarded plans to take $1 billion in gasoline tax revenues from local governments and failed to approve $100 million in revenue from oil leases to be sold in the Santa Barbara Channel. Instead, the legislature intended the $1.1 billion difference was to be made up by tapping out the general fund reserve. The Governor, however, exercised his line-item veto power to make nearly $500 million in additional cuts to social services, state prisons and higher education, and providing for a general fund reserve of $500 million.

K-14 Spending Cuts. Total Proposition 98 funding is reduced by $2.1 billion in 2008-09 and $4.5 billion in 2009-10 compared to the levels appropriated in the February Budget Act. However, Proposition 98 General Fund savings are $5.3 billion in 2009-10 because of the property tax shift of $850 million from redevelopment agencies to schools.

Additional detail with respect to the effect of the budget amendments relating to K-14 education follows:

- A $1.6 billion "recapture" of 2008-09 categorical funding for schools that had been appropriated but not actually sent to districts and county offices. This was seen as the only way to reduce funding for the fiscal year ending 2008-09, thereby lowering the base for 2009-10. To equalize the impact among all districts, the categorical cuts will be restored in 2009-10 and an equal amount of approximately $250 per ADA will be reduced from revenue limits statewide.
- $2.4 billion from 2009-10 general-purpose spending for local educational agencies resulting in cuts of approximately $390 per ADA.
- $1.7 billion of 2009-10 payments that will be deferred from April and May into August of fiscal year 2010-11.

Additional changes include provisions to permit school districts to reduce the number of school days by five days to 175 days through 2012-13 and lowering the reserve requirement for economic uncertainty to one-third of the usual requirement.

Redevelopment Agencies. The approved budget amendments include a take of $2.05 billion in redevelopment funds ($1.7 billion in 2009-10 and $350 million in 2010-11), to be deposited in county "Supplemental" Educational Revenue Augmentation Funds ("SERAF") in

order to meet the State's Proposition 98 obligations to schools. The structure for the redevelopment take is similar to last year's budget trailer bill, AB 1389, which attempted to take $350 million. The Department of Finance will determine each agency's SERAF payment by November 15 of each year, calculated based on half of each agency's net tax increment (net of pass-throughs) and half on gross tax income. Payments are due by May 10 of the applicable year and agencies that do not make their payment by this date will suffer the "death penalty" and must increase their housing set aside to 25% for the remainder of the redevelopment project area's life. The "death penalty" lasts until the required payments have been made and means that an agency could not adopt a new redevelopment plan, amend an existing plan to add territory, issue bonds, further encumber funds or expend any moneys derived from any source except to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on agency administration for the preceding fiscal year.

The California Redevelopment Association (**"CRA"**) has begun preparation of a lawsuit to challenge the State's take of redevelopment funds approved in the budget amendments. CRA was successful in overturning the ERAF shift authorized by AB 1389 last year.

Information about State budgets is regularly available at various State-maintained websites. See: www.dof.ca.gov, under the heading "California Budget". Additionally, an impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

The State has not entered into any contractual commitment with the District, the County, the Underwriter or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated by reference in this Official Statement.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the District Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "SECURITY FOR THE DISTRICT BONDS" in the Official Statement.) The provisions of law discussed below are included in this section to describe the potential effect of Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes. It should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the District Bonds. The tax levied by the County for payment of the District Bonds was approved by the District's voters in compliance with all applicable laws.

Article XIIIA of the California Constitution

Proposition 13-Article XIIIA. On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIIIA to the State Constitution ("Article XIIIA"). Article XIIIA limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978.

Proposition 46. Under Proposition 46, approved by the voters on December 13, 1986, Article XIIIA was amended to allow bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-third of the voters on such indebtedness.

Proposition 39. Proposition 39, approved by voters on November 7, 2000, further amended Article XIIIA to permit bonded indebtedness to be incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, if approved by 55% of the voters of the district voting at the election, but only if certain accountability measures are included in the proposition.

"Cash Value." Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies (such as the District) are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies in the county. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated

among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Article XIIIB of the California Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District's budgeted appropriations from "proceeds of taxes" for the 2001-02 fiscal year are equal to the allowable limit. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Articles XIIIC and XIIID of the California Constitution

Proposition 218 – Articles XIIIC and XIIID. On November 5, 1996, the voters approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, containing provisions affecting the ability of local agencies, including cities, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies, such as the District, from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two thirds vote. Article XIIIC also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power is not limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a mandatory, statutory duty on the County Treasurer to levy a property tax sufficient to pay debt service on any Bonds coming due in each year. The initiative power cannot be used to reduce or repeal the Authority and obligation to levy such taxes or to otherwise interfere with performance of the mandatory, statutory duty of the District and the County with respect to such taxes which are pledged as security for payment of the District

Bonds. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; no such fees or charges are imposed by the District and pledged or expected to be used to pay the District Bonds.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("unitary property"). Under the State Constitution, such property is assessed by the State Board of Equalization ("**SBE**") as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formula generally based on the distribution of taxes in the prior year.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, non-utility companies may affect how those assets are assessed and which local agencies are to receive the property taxes. The California energy markets have also experienced recent and severe disruption, which has and will affect State finances. The District is unable to predict the impact of these changes and events on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring or the market disruption, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula.

Propositions 98 and 111

Proposition 98. On November 8, 1988, the voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changes State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of General Fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9 %, or (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of General Fund revenues to be allocated to K-14 districts than the 40.9% percentage, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to schools is four percent of the minimum State spending for education mandated by the Accountability Act, as described above.

Proposition 111. On June 5, 1990, California voters approved Proposition 111 which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of four percent of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if SCA 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of General Fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of General Fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita General Fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita General Fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when General Fund revenue growth exceeds personal income growth.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding, see "DISTRICT FINANCIAL INFORMATION."

Future Initiatives

From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

THE CITY OF HEMET AND RIVERSIDE COUNTY

General

The District is located in Riverside County, California. Set forth below is certain demographic information in Riverside County that could affect the economic environment within which the District operates.

Riverside County

Riverside County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of California, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the South by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 24 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

City of Hemet

The City of Hemet is located in Riverside County approximately 35 miles southeast of the City of Riverside, 85 miles southeast of Los Angeles and 83 miles north of San Diego. The yearly temperature average for Hemet is 62 degrees with a minimum of 34 degrees Fahrenheit and a maximum of 98 degrees Fahrenheit. The City is predominantly a retirement community, made up largely from relocated individuals who desire the warm winter climate available in Hemet. Planned recreational areas and activities include: camping, boating, cycling, bird watching, fishing, picnic areas, equestrian trails, hiking, golf, and a sports complex.

Riverside County Population

The largest cities in Riverside County are the cities of Riverside, Moreno Valley, Corona, Hemet, Indio, Palm Springs, Murrieta, Temecula and Cathedral City. The areas of most rapid population growth continue to be those more populated and industrialized cities in the western and central regions of Riverside County and the southwestern unincorporated region of Riverside County between Sun City and Temecula. Growth in Hemet has been 9.3% over the past five-year period.

The following table sets forth annual population figures, as of January 1, for the City of Hemet, Riverside County and the State, for each of the years listed:

COUNTY OF RIVERSIDE
Population Estimates

Year (January 1)	City of Hemet	Riverside County	State of California
2005	68,030	1,882,812	36,675,346
2006	71,315	1,962,801	37,114,598
2007	73,299	2,034,840	37,559,440
2008	73,205	2,078,601	37,883,992
2009	74,361	2,107,653	38,292,687

Source: State of California Department of Finance, Demographic Research Unit.

Employment

The District is included in the Riverside-San Bernardino-Ontario labor market area. The unemployment rate in the Riverside-San Bernardino-Ontario MSA was 14.5 percent in August 2009, unchanged from a revised 14.5 percent in July 2009, and above the year-ago estimate of 9.3 percent. This compares with an unadjusted unemployment rate of 12.1 percent for California and 9.6 percent for the nation during the same period. The unemployment rate was 15.0 percent in Riverside County, and 13.9 percent in San Bernardino County.

The following table shows the average annual estimated numbers of wage and salary workers by industry. The table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

RIVERSIDE-SAN BERNARDINO-ONTARIO METROPOLITAN STATISTICAL AREA
(RIVERSIDE COUNTY)
Civilian Labor Force, Employment and Unemployment
(Annual Averages)

	2004	2005	2006	2007	2008
Civilian Labor Force [1]	1,653,300	1,713,500	1,758,800	1,782,700	1,795,200
Employment	1,555,900	1,622,300	1,672,100	1,678,900	1,646,300
Unemployment	97,400	91,200	86,700	103,800	148,900
Unemployment Rate	5.9%	5.3%	4.9%	5.8%	8.3%
Wage and Salary Employment: [2]					
Agriculture	18,700	18,300	17,300	16,400	16,200
Natural Resources and Mining	1,200	1,400	1,400	1,300	1,200
Construction	111,800	123,300	127,500	112,500	90,500
Manufacturing	120,100	121,000	123,400	118,500	107,000
Wholesale Trade	45,600	49,900	54,200	56,800	55,100
Retail Trade	153,800	165,700	173,200	175,600	168,000
Transportation, Warehousing and Utilities	55,500	60,200	63,800	69,500	70,200
Information	14,000	14,500	15,300	15,400	14,800
Finance and Insurance	28,000	30,100	31,700	30,700	27,800
Real Estate and Rental and Leasing	17,700	18,900	19,900	19,500	18,500
Professional and Business Services	125,500	133,200	142,300	145,000	136,700
Educational and Health Services	118,400	119,900	122,100	127,000	131,700
Leisure and Hospitality	116,700	122,600	128,100	132,600	130,100
Other Services	39,300	40,800	42,500	41,200	40,900
Federal Government	17,300	18,700	19,300	19,400	19,600
State Government	26,500	27,000	27,400	28,700	29,400
Local Government	168,700	174,800	175,700	177,200	181,000
Total All Industries	1,178,700	1,240,300	1,285,000	1,287,300	1,238,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Source: State of California Employment Development Department.

Largest Employers in Riverside County

The following table lists the largest employers within the County:

COUNTY OF RIVERSIDE
Major Employers
(As of January 1, 2009)

Employer Name	Location	Industry
Corrections Dept	Norco	State Govt-Correctional Institutions
Crossroads Truck Dismantling	Mira Loma	Automobile Wrecking (Whls)
Desert Sands Unified School District	La Quinta	Schools
Eisenhower Medical Ctr	Rancho Mirage	Hospitals
Eisenhower Medical Ctr	Rancho Mirage	Laboratories-Medical
Fantasy Springs Resort Casino	Indio	Bowling Centers
Handsome Rewards	Perris	Internet & Catalog Shopping
Hemet Valley Medical Ctr	Hemet	Hospitals
Hub International Of CA Ins	Riverside	Insurance
J W Marriott-Desert Spgs Resrt	Palm Desert	Hotels & Motels
Kaiser Permanente	Riverside	Physicians & Surgeons
La Quinta Resort & Club	La Quinta	Resorts
Morongo Casino Resort & Spa	Cabazon	Casinos
Mountain & Dunes Golf Courses	La Quinta	Golf Courses-Private
Pechanga Development Corp	Temecula	Casinos
Riverside City Council	Riverside	Government Offices-City, Village & Twp
Riverside Community Hospital	Riverside	Hospitals
Riverside County Regional Med	Moreno Valley	Hospitals
Riverside Forklift Training	Riverside	Trucks-Industrial (Whls)
Robertson's Ready-Mix	Corona	Concrete-Ready Mixed
Starcrest Of California	Perris	Internet & Catalog Shopping
Starcrest Products-California	Perris	Gift Shops
Sun World Intl LLC	Coachella	Fruits & Vegetables-Growers & Shippers
University Of Cal-Riverside	Riverside	Schools-Universities & Colleges Academic
Watson Pharmaceuticals Inc	Corona	Marketing Programs & Services

Source: California Employment Development Dept., America's Labor Market Information System (ALMIS) Employer Database, 2009 2nd Edition

Riverside County Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

COUNTY OF RIVERSIDE
Effective Buying Income
For Calendar Years 2004 through 2008

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2004	City of Hemet	$ 916,100	$26,824
	Riverside County	29,468,208	40,275
	California	705,108,410	43,915
	United States	5,692,909,567	39,324
2005	City of Hemet	$ 963,308	$27,407
	Riverside County	32,004,438	41,326
	California	720,798,106	44,681
	United States	5,894,663,364	40,529
2006	City of Hemet	$ 1,053,658	$28,755
	Riverside County	35,656,620	43,490
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	City of Hemet	$ 1,139,323	$29,931
	Riverside County	38,631,365	45,310
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	City of Hemet	$ 1,168,335	$30,689
	Riverside County	40,935,408	46,958
	California	832,531,445	48,952
	United States	6,443,994,426	42,303

Source: Sales & Marketing Management Survey of Buying Power.

Construction Trends

Provided below are the building permits and valuations for the City and the County, for calendar years 2004 through 2009. Annual figures are not yet available for 2009.

COUNTY OF RIVERSIDE
Total Building Permit Valuations
(valuations in thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$5,997,513.2	$6,243,791.7	$4,412,255.1	$2,207,519.5	$1,214,753.0
New Multi-family	404,615.9	407,432.1	431,580.9	238,315.9	243,741.9
Res. Alterations/Additions	135,176.6	164,312.5	158,099.4	141,997.0	118,488.7
Total Residential	6,537,305.6	6,815,536.3	5,001,935.4	2,587,832.4	1,576,983.5
New Commercial	580,057.8	552,666.9	648,065.7	682,331.0	539,943.4
New Industrial	203,311.9	120,367.6	288,352.6	184,505.6	70,410.8
New Other	334,001.0	344,703.2	290,006.3	240,767.0	138,765.2
Com. Alterations/Additions	222,495.5	274,337.7	303,408.9	350,539.1	292,693.8
Total Nonresidential	1,339,866.1	1,292,075.4	1,529,833.4	1,458,142.7	1,041,813.1
New Dwelling Units					
Single Family	29,478	29,994	20,692	9,763	3,815
Multiple Family	4,748	4,140	4,519	2,690	2,104
TOTAL	34,226	34,134	25,211	12,453	5,919

Source: Construction Industry Research Board, *Building Permit Summary.*

CITY OF HEMET
Total Building Permit Valuations
(valuations in thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$160,239.3	$390,109.5	$124,831.7	$138,474.5	$35,177.7
New Multi-family	6,138.4	0.0	4,400.0	15,445.6	0.0
Res. Alterations/Additions	1,778.0	2,057.4	2,138.7	1,759.4	987.5
Total Residential	168,155.7	392,166.9	131,370.4	155,679.5	36,165.2
New Commercial	27,244.3	13,997.9	13,311.9	11,857.1	13,547.8
New Industrial	0.0	0.0	0.0	4,021.2	0.0
New Other	6,232.4	8,979.2	12,294.8	21,731.0	4,808.6
Com. Alterations/Additions	4,114.6	12,657.3	5,618.3	5,750.3	8,794.6
Total Nonresidential	37,591.3	35,634.4	31,225.1	43,359.6	27,151.1
New Dwelling Units					
Single Family	804	1,489	409	395	121
Multiple Family	68	0	79	218	0
TOTAL	872	1,489	488	613	121

Source: Construction Industry Research Board, *Building Permit Summary.*

Riverside County Commercial Activity

Commercial activity is an important factor in Riverside County's economy. Much of Riverside County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are eight regional shopping malls in Riverside County: Riverside Plaza, Galleria at Tyler (Riverside), Palm Springs Mall, Desert Fashion Mall, Indio Fashion Mall, Hemet Valley Mall, Palm Desert Town Center and Moreno Valley Mall at Towngate. There are also two factory outlet malls (Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area centers in Riverside County.

Total taxable sales during the first two quarters of calendar year 2008 in the City were reported to be $451,119,000, a 7.0% decrease over the total taxable sales of $485,165,000 reported in the City during the first two quarters of calendar year 2007. The valuations of taxable transactions in the City are presented in the following table. Annual figures are not yet available for 2008.

CITY OF HEMET
Taxable Transactions
(figures in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	698	$685,547	1,436	$ 761,734
2004	823	806,848	1,527	896,825
2005	847	907,128	1,510	1,006,866
2006	858	945,412	1,452	1,053,235
2007	819	858,551	1,441	962,919

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first two quarters of calendar year 2008 in the County were reported to be $13,495,271,000, a 8.8% decrease over the total taxable sales of $14,789,713,000 reported during the first two quarters of calendar year 2007. The valuations of taxable transactions in the County are presented in the following table. Annual figures are not yet available for 2008.

COUNTY OF RIVERSIDE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	18,300	$16,030,952	40,833	$21,709,135
2004	20,642	18,715,949	42,826	25,237,148
2005	22,691	20,839,212	44,222	28,256,491
2006	23,322	21,842,345	43,672	29,816,237
2007	22,918	21,242,516	45,279	29,023,609

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Riverside County Agriculture

Agriculture remains a leading source of income in Riverside County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, dates, lemons and avocados. Four areas in Riverside County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of Riverside County, the Coachella Valley in the central portion and the Palo Verde Valley near Riverside County's eastern border.

Riverside County Transportation

Easy access to job opportunities in Riverside County and nearby Los Angeles, Orange and San Diego Counties is important to Riverside County's employment picture. Several major freeways and highways provide access between Riverside County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of Riverside County, the western-most portion of which links up with major cities and freeways in the eastern part of Los Angeles County and the southern part of San Bernardino County. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. The Moreno Valley Freeway (U.S. 60) provides an alternate (to Interstate 10) east-west link to Los Angeles County.

Currently, Metrolink provides commuter rail service to Los Angeles and Orange Counties from several stations in Riverside County. Transcontinental passenger rail service is provided by Amtrak with a stop in Indio. Freight service to major west coast and national markets is provided by two transcontinental railroads – Burlington Northern/Santa Fe and Union Pacific. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and

communities. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The City of Banning also operates a local bus system.

Riverside County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Force Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Plans for joint military and civilian use of the base thereafter are presently being formulated by the March AFB Joint Powers Authority, comprised of Riverside County and the Cities of Riverside, Moreno Valley and Perris.

Riverside County Environmental Control Services

Water Supply. Riverside County obtains a large part of its water supply from groundwater sources, with certain areas of Riverside County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand and Riverside County's water supply is supplemented by imported water. At the present time imported water is provided by the Colorado River Aqueduct and the State Water Project.

At the regional and local level, there are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Rancho California Water District, the Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. Riverside County is also served by the San Gorgonio Pass Water Agency, Desert Water Agency and Palo Verde Irrigation District.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within Riverside County is provided by the Riverside County Flood Control and Water Conservation District and the Coachella Valley Storm Water Unit.

Sewage. There are 18 wastewater treatment agencies in Riverside County's Santa Ana River region and nine in Riverside County's Colorado River Basin region. Most residents in the rural unsewered areas of Riverside County rely upon septic tanks and leach fields as an environmentally acceptable method of sewage disposal.

Riverside County Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in Riverside County. Ninety-five percent of all K-12 students attend schools in the unified school districts. The three largest unified districts are Riverside Unified School District, Moreno Valley Unified School District and Corona-Norco Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also two universities and a four-year college located in the City of Riverside – the University of California, Riverside, La Sierra University and California Baptist College.

APPENDIX B

EXCERPTS FROM AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2008

APPENDIX C

SUMMARY OF INDENTURE OF TRUST

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
HEMET UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2006 Election, Series C
(Qualified School Construction Bonds)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Hemet Unified School District (the "District") in connection with the issuance of $_____ aggregate principal amount of Hemet Unified School District School District (County of Riverside, California) General Obligation Bonds 2006 Election, Series C (Qualified School Construction Bonds) (the "Bonds"). The Bonds are being issued pursuant to Resolutions adopted by the Board of Education of the District on October 6, 2009 and October 20, 2009 and a Resolution adopted by the Board of Supervisors of Riverside County on November ___, 2009 (together, the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Holders*" shall mean registered owners of the Bonds.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for

purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall provide, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2010 with the report for the 2006-09 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to the Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial

statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) pension plan contributions made by the District for the preceding fiscal year;

(iii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the District as of the end of the preceding fiscal year;

(iv) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(v) the District's total revenue limit for the preceding fiscal year and for the current budget year;

(vi) property tax collection delinquencies for the District, for the most recently completed Fiscal Year, if the District is no longer a participant in the County of Riverside's Teeter Plan; and

(vii) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

(viii) amount of Bond proceeds, if any, remaining on deposit in the Building Fund.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security Holders.

(8) Contingent or unscheduled bond calls.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances

that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by Holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended under the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any Holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2009

HEMET UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Hemet Unified School District

Name of Bond Issue: $_____ aggregate principal amount of Hemet Unified School District (County of Riverside, California) General Obligation Bonds, 2006 Election, Series C (Qualified School Construction Bonds)

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has not provided an Annual Report with respect to the above-named Bonds as required by the District's Bond Resolution authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated:_____

HEMET UNIFIED SCHOOL DISTRICT

By_____
Superintendent

APPENDIX F

BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the Authority, the District, nor the Trustee take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Bonds"). The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one Bond will be issued with respect to each $500 million of principal amount and an additional Bond will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation

(NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from The District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or The District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, security Bonds are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security Bonds will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR DATE 10/19/09

702

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Redevelopment Agency

SUBMITTAL DATE: September 15, 2009

SUBJECT: Varner Road & Monterey Avenue Street Improvement Project

RECOMMENDED MOTION: That the Board of Directors ratifies and authorizes the Chairman to execute the second amendment to the agreement with Albert A. Webb & Associates for construction management services.

BACKGROUND: On December 11, 2007 the Board approved the contract with Albert A. Webb & Associates for construction management services for the Varner Road & Monterey Avenue Street Improvement Project. The project is located in the unincorporated community of Thousand Palms.

(Continued)

Robert Field
Executive Director

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 245,180	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ 0	**Budget Adjustment:**	No
	Annual Net County Cost:	$ 0	**For Fiscal Year:**	09/10

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Desert Communities Redevelopment Project Area Capital Improvement Funds

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Jennifer L Sargent

County Executive Office Signature

Departmental Concurrence

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: 4.6 12/11/07 | **District:** 4 | **Agenda Number:** 4.1

BACKGROUND: (continued)

The project improves Varner Road and Monterey Avenue both aesthetically and functionally. These two streets are the main points of entry into the community and are in very poor condition. The scope of the project includes widening the streets to ultimate right-of-way and installing pedestrian sidewalks, median, new asphalt, new stripping, curbs, gutters and under grounding of overhead utilities.

Construction began in January 2008, and additional services for utility coordination with Imperial Irrigation District, Gas Company, Coachella Valley Water District, Verizon, Time Warner and Sprint have been required. Surveying and staking services required by the aforementioned utilities were required. Multiple structural engineering revisions to the block wall along Monterey Avenue were requested by Coachella Valley Water District. Special inspection services were needed for the block wall construction. These delays caused an additional one hundred and twenty five working days needed to complete the work required. Additional electrical engineering services for the Tri-Palms Mobile Home Park were needed and not covered in the original scope.

A summary of the costs associated with this contract are as follows;

1. Original Webb Contract - $398,900
2. First Amendment - $187,479
3. Second Amendment (Proposed) - $245,180
4. Total Amended contract amount (Proposed) - $831,559

Breakdown of Second Amendment

1. Additional Construction Management & Support Services - $41,500
2. Additional Construction Inspection Services - $125,000
3. Specialized Inspection Services for block wall - $27,000
4. Testing Services for IID block wall - $8,800
5. Provide Re-testing services - $15,900
6. Revise "U-Store It" property easement documentation -$2,800
7. Utility Coordination w/ Gas Co., IID, CVWD - $2,500
8. Staking services for IID and CVWD - $19,880
9. Revisions for block wall - $1,800

In conclusion, additional construction management services, support services, and inspection services that are beyond the original scope are needed to complete the project. The second amendment for the additional construction management services is well below the 10% threshold of the $10,200,000 project budget that was approved by the Board on March 25, 2008. The project is funded by the Redevelopment Agency. Therefore, it is recommended by staff that the Board approve the Second Amendment for construction management services with Albert A. Webb & Associates in an amount not to exceed $245,180.00 and approve the attached amendment.

SECOND AMENDMENT TO
AGREEMENT FOR CONSTRUCTION MANAGEMENT SERVICES
BY AND BETWEEN
THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
AND
ALBERT A. WEBB & ASSOCIATES
FOR VARNER ROAD/MONTEREY STREET IMPROVEMENT PROJECT

THIS SECOND AMENDMENT TO THE "Construction Management Services Agreement for the Varner Road/Monterey Street Improvement Project between Albert A. Webb Associates and the Redevelopment Agency for the County of Riverside" (the "2nd Amendment") is entered into on this _____ day of _____, 2009, by and between the Redevelopment Agency for the County of Riverside, a public body (hereinafter "Agency"), and Albert A. Webb Associates (hereinafter "Consultant").

WITNESSETH:

WHEREAS, the parties entered into the original Agreement on December 19, 2007; and

WHEREAS, the parties entered into the first amendment on March 31, 2009; and

WHEREAS, the scope of services required for successful completion of the project has been expanded to include additional services beyond the original scope of work; and

WHEREAS, Agency is requesting the Consultant to provide the additional services; and

WHEREAS, fees for the additional services total $245,180;

NOW, THEREFORE, in consideration of the foregoing and providing that all other sections not amended remain intact, the parties hereto do hereby agree as follows:

A. Section 1 of the Agreement is hereby amended to add the following:

1. DESCRIPTION OF SERVICES.

Consultant shall provide additional construction management services, support services and utility coordination. Also provide special testing for block wall construction and all necessary revisions for successful completion of said wall. Revise the "U-Store It" property easement document and provide coordination for its implementation. Provide additional staking required by the Imperial Irrigation District, Hazard Construction and mandatory revisions to block wall required by the Coachella Valley Water District, which services are more fully described in

Exhibit A-1, attached hereto and incorporated herein. Options specified in the scope of services are to be exercised at the discretion of Agency per written request to Consultant. The project site is located at the intersection of Varner Road and Monterey Avenue in Thousand Palms, California as shown on Exhibit B-1, attached hereto and incorporated herein.

B. Section 2 of the Agreement is hereby amended by changing the first paragraph in its entirety to read as follows:

2. PERIOD OF PERFORMANCE. CONSULTANT shall commence performance upon date of execution of this Agreement and complete performance within two (2) years from said date. CONSULTANT will diligently and responsibly pursue the performance of the services required of it by this Agreement through project completion unless the work is altered by written amendment(s) pursuant to Section 12, or terminated as specified in Section 6. All applicable indemnification provisions in this Agreement shall remain in effect following the termination of this Agreement.

C. Section 3 of the Agreement is hereby amended by changing the first paragraph in its entirety to read as follows:

3. COMPENSATION. The Agency shall pay the consultant for services performed and expenses incurred in accordance with the terms of this Agreement. CONSULTANT shall be aid an amount not to exceed Eight Hundred Thirty One Thousand Five Hundred Fifty Nine Dollars and no Cents ($831,559.00). Consultant shall submit invoices to the Agency for progress payments based on work completed to date.

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IN WITNESS WHEREOF, the Consultant and the Agency have executed this Amendment as of the date first above written.

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

By:_____
Jeff Stone
Chairman, Board of Directors

Albert A. Webb & Associates

By: Mathew E. Webb
Mathew E. Webb, President

ATTEST:

BY:_____
Kecia Harper-Ihem, Clerk of the Board

APPROVED AS TO FORM:

By: MV Victor 10/19/07
Marsha L. Victor
Agency Counsel

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EXHIBIT "A"

ALBERT A. WEBB ASSOCIATES

3788 McCRAY STREET • RIVERSIDE, CA 92506
PHONE: 951.686.1070 • FAX: 951.788.1256
WWW.WEBBASSOCIATES.COM

W. O 07-0426

August 18, 2009

Mr. Jim Ayres
Senior Development Specialist
Riverside County Redevelopment Agency
44-199 Monroe Street
Indio, CA 92201

RE: Request for Contract Addendum for Construction Engineering Related Services for Street Improvements on Varner Road, Monterey Avenue, Haskell Road, and Rosemary Avenue in Thousand Palms, CA.

Dear Jim:

Webb Associates has been providing out of scope services for Street Improvement Project for Varner Road, Monterey Avenue, Haskell Road, and Rosemary Avenue in Thousand Palms, CA. Our contract included project management and inspection services, construction staking services, construction testing services. We are currently providing out of scope services for following items, which are providing addition to previous contracts.

The Scope of Services covered by this contract addendum shall consist of:

1. **Additional Construction Management and Construction Support Services**

   Scope Covered under Current Contract: *Provide construction management and construction support services for 225 working days.*

   Additional Scope of Services: Provided construction management and construction support services for additional 125 working days.

2. **Additional Construction Inspection Services**

   Scope Covered under Current Contract: *Provide construction inspection services for 225 working days.*

   Additional Scope of Services: Provided construction inspection services for additional 125 working days.

3. **Provide Specialized Inspection Services for Block Wall Construction**

   Scope Covered under Current Contract: *None.*

   Additional Scope of Services: Provided specialized construction inspection services for the construction of approximately 1400' long block wall.

4. **Provide Testing Services for Imperial Irrigation District Facilities and Block Wall**

   Scope Covered under Current Contract: *None.*

   Additional Scope of Services: Provided compaction and concrete testing services for Imperial Irrigation District Facilities and block wall. Provided additional testing services for County Transportation portion of Varner Road street improvement project.

5. **Provide Re-testing Services for Contractor's Test Failure**

   Scope Covered under Current Contract: *None.*

   Additional Scope of Services: Provided re-test services for contractor's test failures. The contractor will be responsible for re-test. The County will deduct the total amount from the Contractor's pay estimate.

6. **Revise "U Store It" Property Easement Document and Provide Coordination**

   Scope Covered under Current Contract: *Prepare easement document for one time.*

   Additional Scope of Services: Revised easement document four times per "U Store It" attorney's request. Prepared cost estimate to show benefit of improvements to the attorney. Provided coordination with "U Store It" attorney and engineers.

7. **Additional Utility Coordination with Imperial Irrigation District, Gas Company, and Coachella Valley Water District.**

   Scope Covered under Current Contract:

   - Provide coordination with Imperial Irrigation District for Transmission and Distribution lines relocation.

- Provide coordination with Imperial Irrigation District for re-design of IID electrical facility along east side of Monterey Avenue and north side of Varner Road.
- Provide assistance for Distribution Lines and Under Ground Facility Revisions.
- Provide coordination with Sunline regarding removal of communication cable from IID power poles.
- Provide coordination with Verizon for the installation of Verizon Conduits in the IID trench.
- Provide coordination with IID regarding block wall around Edom Sub-Station.
- Provide coordination with IID regarding removal of Palm trees and installation of power poles along west side of Monterey Avenue between Haskell and Ramon.
- Provide coordination with IID regarding installation of conduit on Monterey Avenue.
- Provide coordination with Time Warner Cable, and Coachella Valley Water District for their facility relocation.
- Provide coordination with Gas Company to relocate Gas Meters along Monterey Avenue.

Additional Scope of Services:

- Provided additional coordination with IID for construction of block wall.
- Reviewed Edom Station block wall cost breakdown for cost savings.
- Provided additional coordination and attended meetings with IID staff to have material secure for transmission line relocation.

8. **Additional Staking Services :**

Scope Covered under current Contract:

- Provide staking services for street improvements only.
- Provide staking services for the relocation of Transmission Lines on the west side of Monterey Avenue.
- Provide staking services for relocation of Distribution Lines along Varner Road.
- Provide staking services for IID vaults, switches, transformers, and other underground facilities.
- Provide staking services for relocation of Fire Hydrants along Varner Road, Monterey Avenue, and Haskell Road.

Additional Scope of Services:

- Provided additional staking services for the intersection of Monterey Avenue and Ramon Road.

- Provided additional staking services for County of Riverside Transportation portion of street improvements on Varner Road.
- Provided additional staking services for concrete barrier along Interstate 10 Freeway.
- Provided additional staking services for along "U Store It" right of way.
- Provided additional staking services for Concrete V Ditch along the basin.
- Provided re-staking for wind damage stakes.
- Provided staking for right of way along Monterey Avenue for installation of block wall.

9. Provided Revisions for Block Wall, Provided Coordination with Tri-Palm Mobile Home Park Residents

Scope Covered under Current Contract:

- Provide coordination with CVWD for the revised wall approval.
- Provide coordination with Tri-Palm Mobile Home Park for revised wall approval.
- Attend meetings with Trip Palms residents
- Revise block wall design per input from CVWD.
- Prepare block wall and wood fence detail.

Additional Scope of Services

-
- Provided add revised wall approval.
- Provide coordination with Tri-Palm Mobile Home Park for revised wall approval.
- Attend meetings with Trip Palms residents
- Revise block wall design per input from CVWD.
- Prepare block wall and wood fence detail.

Following is a breakdown of effort to date and estimated remaining effort:

	Item		Total Effort
1	Additional Construction Management and Construction Support Services	$	41,500.00
2	Additional Construction Inspection Services	$	125,000.00
3	Provide Specialized Inspection Services for Block Wall Construction	$	27,000.00
4	Provide Testing Services for Imperial Irrigation District Facilities and Block Wall	$	8,800.00
5	Provide Re-testing Services for Contractor's Test Failure	$	15,900.00
6	Revise "U Store It" Property Easement Document and Provide Coordination	$	2,800.00
7	Additional Utility Coordination with Imperial Irrigation District, Gas Company, and Coachella Valley Water District.	$	2,500.00
8	Staking Services for Imperial Irrigation District and Coachella Valley Water District Facilities	$	19,880.00
9	Provide Revisions for Block Wall, Provided Coordination with Tri-Palm Mobile Home Park Residents	$	1,800.00
		$	245,180.00

We propose to complete the services outlined above on a time and materials basis, in accordance with our current schedule of fees, for an estimated budget of **$245,180**. Additional services shall not exceed $245,180 without prior authorization from client. Reimbursable expenses are included in this cost. The scope does not include additional services provided during construction.

Should you find this proposal acceptable, please issue a contract amendment.

We appreciate this opportunity to be of continued service; and should you have any questions regarding this change order, please contact me at (951) 686-1070.

Sincerely,
ALBERT A. WEBB ASSOCIATES

Dilesh Sheth

Dilesh Sheth, P.E.
Director of Traffic and Transportation

CC: Phil Lemoine
Mike Johnson

920

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Redevelopment Agency

SUBMITTAL DATE: September 24, 2009

SUBJECT: First Amendment to the Disposition and Development Agreement, Desert Center Airport, Promissory Note and Deed of Trust Between the Redevelopment Agency and Chuckwalla Valley Associates, LLC

RECOMMENDED MOTION: That the Board of Directors:

1. Find that although the First Amendment to the Disposition and Development Agreement, Desert Center Airport ("First Amendment to DDA") and First Amendment to Promissory Note and Deed of Trust ("First Amendment to Note and Deed") could have a significant effect on the environment, nothing further is required because all potentially significant effects have been adequately analyzed in an earlier Mitigated Negative Declaration ("MND") and have been avoided or mitigated pursuant to that earlier MND;
2. Approve the attached First Amendment to DDA;
3. Approve the attached First Amendment to Note and Deed;
4. Authorize the Chairman to execute the attached First Amendment to DDA and First Amendment to Note and Deed; and
5. Authorize the Executive Director or designee to execute any subsequent relevant and necessary documents to implement the First Amendment to DDA and First Amendment to Note and Deed.

BACKGROUND: (Commences on Page 2

Robert Field
Executive Director

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	NA
	Annual Net County Cost:	$ 0	For Fiscal Year:	NA

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: NA

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK DATE 10/22/09

Departmental Concurrence

Dep't Recomm.: ☐ Consent ☒ Policy
Per Exec. Ofc.: ☐ Consent ☑ Policy

Prev. Agn. Ref.: 2/7/06 4.1; 10.24. 2006 4.2 | **District:** 4th | **Agenda Number:** 4.2

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

BACKGROUND:

On October 24, 2006, the Board of Directors of the Redevelopment Agency for the County of Riverside (Agency), in joint session with the Board of Supervisors for the County of Riverside, recommended that a joint public hearing be conducted regarding the sale of Desert Center Airport, Adopted RDA Resolution 2006-41authorizing the sale of Desert Center Airport to Chuckwalla Valley Associates, LLC, (Chuckwalla) and Approved the Development and Disposition Agreement for Desert Center Airport (hereinafter DDA) Between the Redevelopment Agency for the County of Riverside and Chuckwalla Valley Associates, LLC, date October 24, 2006.

The DDA provided for the development of an aviation oriented housing development with associated recreational amenities. The purchase price for the property was $1,437,000, with Chuckwalla paying $800,000 down and the Agency carrying back an all inclusive note (the "Note") and deed of trust for $637,000, all due in one year with an interest rate of seven percent.

Since that time, economic conditions have deteriorated and the demand for new housing in the area has declined to the point that development of the property for residential development is no longer feasible or financeable.

Chuckwalla has requested that the DDA be amended to allow for the development of a multi use recreational facility including an automotive race track facility with accessory buildings, dry camping and associated amenities, all of which are to be developed in phases.

The note is currently delinquent with a balance (including principal, interest and penalties), as of October 31, 2009, of $797,916.28. Chuckwalla has requested that the terms of the note be restricted as follows: $50,000 upon execution of the new note, the balance of $747,913.28 payable at 5% interest only quarterly, all due in three years.

Staff prepared an Initial Study and determined that although the First Amendment to the Disposition and Development Agreement, Desert Center Airport ("First Amendment to DDA") and First Amendment to Promissory Note and Deed of Trust ("First Amendment to Note and Deed") could have a significant effect on the environment, nothing further is required because all potentially significant effects were adequately analyzed in Environmental Assessment No. 41998 and a Mitigated Negative Declaration was adopted by the Riverside County Planning Director on September 24, 2009.

In accordance with the California Environmental Quality Act, the attached Notice of Intent to Adopt a Finding of Nothing Further is Required was posted in the Desert Sun newspaper on Sunday, October 11, 2009 for the 20 day review period.

The Redevelopment Agency for the County of Riverside recommends that the Board of Director of the Redevelopment Agency approve the First Amendment to DDA and First Amendment to Note and Deed.

County Counsel has reviewed the Amendments and approved it as to form.

NOTICE OF INTENT TO ADOPT A FINDING THAT NOTHING FURTHER IS REQUIRED

In accordance with the California Environmental Quality Act (CEQA), the Redevelopment Agency for the County of Riverside has found although the proposed project listed below could have a significant effect on the environment, nothing further is required because all potentially significant effects have been adequately analyzed in an earlier Mitigated Negative Declaration pursuant to applicable legal standards and have been avoided or mitigated pursuant to that earlier Mitigated Negative Declaration.

All potentially significant effects were adequately analyzed in Environmental Assessment No. 41998 and a Mitigated Negative Declaration was adopted on September 24, 2009. Environmental Assessment No. RDA/CEQA 2009-08, the Mitigated Negative Declaration and accompanying Environmental Assessment No. 41998 may be examined at the Riverside County Economic Development Agency, 3403 Tenth St., Ste. 300, Riverside, CA 92501. Comments regarding the determination may be directed to the Economic Development Agency, Chad Davies no later than 9 am, October 30, 2009.

The Finding will be considered by the appropriate public official or body that has the authority to approve or deny the project. Any comments received will be forwarded to the appropriate official or body and will be considered before final action is taken on the Finding and project. The official or body may take action on the project any time on or after November 3, 2009. The final decision will be mailed to anyone requesting such notification.

Project Description and Location

An Initial Study has been prepared for the project titled "First Amendment to the Development and Disposition Agreement for Desert Center Airport between the Redevelopment Agency for the County of Riverside and Chuckwalla Valley Associates, LLC".

The amendment to the Disposition and Development Agreement, amendment to the Promissory Note and Deed of Trust (the "Amendment") proposes to change the development of the property from an aviation orientated housing development with associated recreational amenities to a multi use recreational facility including an automotive race track facility with accessory buildings, dry on-site camping and associated amenities. The purpose of the Amendment is to implement the use permitted by Plot Plan 23577. Plot Plan 23577 permits the operation of a private special-use airport, previously known as Desert Center Airport, consisting of one operational runway, a taxiway, two small unmanned airport buildings, and a beacon tower, in conjunction with the construction and operation of a members-only road course racing facility to be built in multiple phases with three racetracks, club house, parking garages with view stands, administration buildings, two timing and scoring towers, pit lanes, a 170 space parking area (including ten handicap spaces), and a phased Vacation RV Park with dry camping (no hookups), to be limited to 40 spaces at full build out (the "Project").

The project is located approximately 4 miles north of Interstate 10 (near the community of Desert Center) and east of Rice Road, also known as Highway 177.

Please direct all questions regarding this notice to Chad Davies at (951) 677-1862.

FIRST AMENDMENT TO THE DEVELOPMENT AND DISPOSITION AGREEMENT FOR DESERT CENTER AIRPORT BETWEEN THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND CHUCKWALLA VALLEY ASSOCIATES, LLC

THIS FIRST AMENDMENT TO THE DISPOSTION AND DEVELOPMENT AGREEMENT FOR DESERT CENTER AIRPORT BETWEEN THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND CHUCKWALLA VALLEY ASSOCIATES ("First Amendment") is entered into as of _____, 2009, by and between the Redevelopment Agency for the County of Riverside, a public body, corporate and politic (the "Agency"), and Chuckwalla Valley Associates, LLC, a California limited liability company (the "Developer").

RECITALS

WHEREAS, the Agency and Developer entered into that certain Development and Disposition Agreement for Desert Center Airport on October 24, 2006. ("DDA"); and

WHEREAS, pursuant to the DDA, Developer agreed to develop an aviation oriented housing development with associated recreational amenities on the subject property; and

WHEREAS, section 2(b)(i) of the DDA provides that the Developer shall deliver to Escrow Company an all-inclusive promissory note in the amount of Six Hundred Thirty Seven Thousand Dollars ("Note") with a maturity date of one year from the Close of Escrow, unless the Note it is extended by mutual agreement of the Parties; and

WHEREAS, the Close of Escrow was December 13, 2006, and the Note was delivered to the Escrow Company; and

WHEREAS, the balance of the Note as of October 31, 2009, is $797, 913.28, which includes the Note balance of $637,000, accrued simple interest of $129, 063.28 and a late fee of $31,850; and

WHEREAS, the Agency and Developer have determined that it is necessary to restructure the terms of the Note and modify the subject property's planned development and use; and

WHEREAS, the objective of the Redevelopment Plan for Redevelopment Project Airports – 1988, is to eliminate blight by providing needed public improvements, encouraging rehabilitation and repair of deteriorated structures, by facilitating commercial and industrial development which will result in employment opportunities and by promoting development in accordance with the Riverside County Comprehensive General Plan and Airport Land Use plans; and

WHEREAS, section 34 of the DDA provides that the DDA may be changed or modified only upon written consent of the Agency and Developer.

NOW, THEREFORE, in consideration of the mutual understanding provided herein, the Agency and Developer do hereby agree to the following:

Section 1. The following is added to Section 2 of the DDA:

(c) Developer hereby agrees to pay the sum of $797, 913.28 in accordance with the terms set forth in the First Amendment to Promissory Note Secured by All Inclusive Deed of Trust and All Inclusive Purchase Money Deed of Trust with Assignment of Rents, which is attached hereto as Exhibit A and incorporated herein by reference.

Section 2. Section 17(a) of the DDA is hereby amended in its entirety and replaced with the following:

17. DEVELOPMENT OF THE PROPERTY:

(a) Subject to the County of Riverside's land use approvals, Developer agrees to develop on the Property a multi use recreational facility including an automotive race track facility with accessory buildings, dry on-site camping and associated amenities to be constructed in phases (the "Project"). Developer is solely responsible for securing and funding all costs associated with obtaining the appropriate land use and permit approvals necessary to develop the Project. Developer agrees to endeavor to design and construct the Project within a timely fashion in order to effectuate the Redevelopment Plan. Developer shall:

(i) Prepare a site development plan within two years after the close of escrow;

(ii) Submit plans to the County of Riverside for land use approvals within five years after the close of escrow;

(iii) Obtain land use approvals within eight years after the close of escrow;

(iv) Initiate construction of the first phase of development within fifteen years after the close of escrow.

Section 3. Section 18(a) of the DDA is hereby amended in its entirety and replaced with the following:

18. USE OF THE PROPERTY

(a) Developer shall develop the Project on the Property. Developer covenants and agrees for itself and its successors and assigns and every successor in interest to the Property, or any portion thereof, that during construction and thereafter, Developer and such successors and assigns shall use the Property exclusively for the purposes herein stated and shall not devote the Property to any uses which are inconsistent with this Agreement and applicable County land use entitlements.

Section 4. This First Amendment shall be governed by the laws of the State of California.

Section 5. This First Amendment may be signed in counterparts, with all such counterparts taken together constituting a single original.

Section 6. Except to the extent modified by this First Amendment, the DDA remains in full force and effect as originally written. All defined terms used herein shall have the same meaning as in the DDA, as originally written.

Section 7. This First Amendment shall not be binding until its approval by the Agency's Board of Directors.

IN WITNESS WHEREOF, Agency and Developer have executed this First Amendment on the date first above written.

Agency:
Redevelopment Agency for the
County of Riverside

By:_____
Jeff Stone, Chairman

Developer:
Chuckwalla Valley Associates
a California limited liability company

By:_____
Matthew V. Johnson
Managing Member

APPROVED AS TO FORM
PAMELA J. WALLS
Agency Counsel

By:_____ 10/22/09
Michelle Clack, Deputy

FIRST AMENDMENT TO THE PROMISSORY NOTE SECURED BY ALL-INCLUSIVE DEED OF TRUST AND ALL INCLUSIVE PURCHASE MONEY DEED OF TRUST WITH ASSIGNMENT OF RENTS

THIS FIRST AMENDMENT TO THE Promissory Note Secured by All Inclusive Deed of Trust and All Inclusive Purchase Money Deed of Trust with Assignment of Rents ("First Amendment") is entered into as of _____, 2009, by and between the Redevelopment Agency for the County of Riverside, a public body, corporate and politic (the "Agency"), and Chuckwalla Valley Associates, LLC, a California limited liability company (the "Developer").

RECITALS

WHEREAS, the Agency and Developer entered into that promissory note dated as of June 30, 2006, in the amount of Six Hundred Thirty-Seven Thousand Dollars ($637,000) ("Note"), which is secured by an All Inclusive Purchase Money Deed of Trust with Assignment of Rents dated June 30, 2006 ("Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 2006-0913983 on December 13, 2006; and

WHEREAS, the Agency and Developer entered into that certain Development and Disposition Agreement for Desert Center Airport on October 24, 2006. ("DDA"); and

WHEREAS, section 2(b)(i) of the DDA provided that the Developer shall deliver to Escrow Company the Note with a maturity date of one year from the Close of Escrow, unless the Note it is extended by mutual agreement of the Parties; and

WHEREAS, the balance of the Note as of October 31, 2009, is $797,913.28, which includes the Note balance of $637,000, accrued simple interest of $129,063.28 and a late fee of $31,850; and

WHEREAS, the Note was subordinate to a deed of trust securing a promissory note dated February 2, 2006, given by the Agency in favor of the County of Riverside in the principal sum of One Million Seventy Seven Thousand Seven Hundred Fifty Dollars ($1,077,750) ("County Note"); and

WHEREAS, the County Note has been paid in full; and

WHEREAS, the Developer has requested modifications to the Note; and

WHEREAS, the Agency and Developer have determined that it is necessary to restructure the terms of the Note; and

WHEREAS, the Note was incorporated into the DDA; and

WHEREAS, section 34 of the DDA provides that the DDA may be changed or modified only upon written consent of the Agency and Developer.

NOW, THEREFORE, in consideration of the mutual understanding provided herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. The introductory paragraph of the Note is hereby amended in its entirety and replaced with the following:

FOR VALUE RECEIVED, the undersigned, Chuckwalla Valley Associates, LLC, a California limited liability company, ("Chuckwalla") as a principal and not as an accommodating party, hereby promises to pay to the order of the Redevelopment Agency for the County of Riverside ("RDA") at such place as designated from time to time by the holder or holders of this note, the principal sum of Seven Hundred Ninety-Seven Thousand Nine Hundred Thirteen and Twenty Eight cents ($797,913.28), with interest thereon at the rate of five percent (5%) per annum from the date hereof until paid in full. Interest shall be computed on a per annum basis of a year of Three Hundred Sixty (360) days and for the actual number of days elapsed.

Section 2. Section 1.1 of the Note is hereby amended in its entirety and replaced with the following:

1.1 Fifty Thousand Dollars ($50,000) shall be due and payable upon execution of this First Amendment by Agency and Developer.

1.2 Interest only shall be paid quarterly beginning on January 31, 2010.

1.3 All unpaid principal and interest shall be due and payable in full on October 31, 2012.

Section 3. Existing Section 1.2 of the Note shall be renumbered as Section 1.4.

Section 4. Existing Section 1.3 of the Note shall be renumbered as Section 1.5.

Section 5. Section 2 of the Note is hereby amended in its entirety and replaced with the following:

Security. This note is secured by an All-Inclusive Deed of Trust ("Deed of Trust"), executed by Chuckwalla, as Trustor, in favor of RDA as Beneficiary, which is a lien on that certain real property described therein (the "Property) located in Riverside County, California.

Section 6. All references to the principal sum or principal amount of Six Hundred Thirty Seven Thousand ($637,000.00) in the Deed of Trust are hereby replaced with the principal sum of Seven Hundred Ninety-Seven Thousand Nine Hundred Thirteen and Twenty Eight cents ($797,913.28).

Section 7. This First Amendment may be signed in counterparts, with all such counterparts taken together constituting a single original.

Section 8. Except to the extent modified by this First Amendment, the Note and Deed of Trust remain in full force and effect as originally written. All defined terms used herein shall have the same meaning as in the Note and Deed of Trust, as originally written.

Section 9. This First Amendment shall not be binding until its approval by the Agency's Board of Directors.

IN WITNESS WHEREOF, Agency and Developer have executed this First Amendment on the date first above written.

Agency:
Redevelopment Agency for the
County of Riverside

By:_____
Jeff Stone, Chairman

Developer:
Chuckwalla Valley Associates
a California limited liability company

By:_____
Matthew V. Johnson
Managing Member

APPROVED AS TO FORM
PAMELA J. WALLS
Agency Counsel

By:_____ 10/22/09
Michelle Clack, Deputy

123 C

SUBMITTAL TO THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Redevelopment Agency

SUBMITTAL DATE: October 22, 2009

SUBJECT: Approval of Reimbursement Agreement between the Riverside County Redevelopment Agency and the County of Riverside for the Mecca Downtown Revitalization Project.

RECOMMENDED MOTION: That the Board of Directors:

1. Find the following in accordance with Section 33445 of the Health and Safety Code:
   a) The Mecca Downtown Street Revitalization Project is of benefit to the Desert Communities Project Area (Sub-Area Mecca) because it will provide necessary infrastructure improvements within the community; and

Recommend Motions Continued on Page 2

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK DATE 10/22/09

Departmental Concurrence

RF:CC:AR:LR
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Robert Field
Executive Director

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 2,735,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$ 0	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	09/10

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Redevelopment Agency – Desert Communities Project Area (100%)

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Jennifer L. Sargent

County Executive Office Signature

Dep't Recomm.: ☒ Policy ☐ Consent
Per Exec. Ofc.: ☑ Policy ☐ Consent

Prev. Agn. Ref.: 11.4.08 #3.17 & 4.2, 1.8.08 #9.9, 4.16.06 #4.2, 12.21.04 4.1 | **District:** 4th | **Agenda Number:** 4.3

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Form 11rda (Rev 06/2003)

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION (continued):

b) No other reasonable means of project financing is available to the community; and

c) The proposed improvements will eliminate physical blight and provide essential public facilties within the community; and

d) The proposed improvements are consistent with the Redevelopment Implementation Plan for the Desert Communities Project Area which identifies road infrastructure as a necessary improvement for the Mecca Community; and

2. Approve and authorize the Chairman to execute the Reimbursement Agreement by and between the Redevelopment Agency and the County of Riverside.

BACKGROUND:

The community of Mecca and the County of Riverside have identified certain improvements that are needed in the Mecca Downtown Area, including sidewalk improvements that are a priority for this pedestrian intensive community.

The Mecca Downtown Street Revitalization project will include the construction of approximately seven miles of street, sidewalk, curb and gutter, and street light improvements for streets. The proposed improvements will increase pedestrian safety by providing sidewalks and upgraded street lighting, and will improve driving and drainage conditions through the reconstruction of street pavement and the installation of curb and gutter.

The streets and their limits include:

66th Avenue from Hammond Road to Frank J. Valdovino Road
2nd Street from Hammond Road to Home Avenue
3rd Street from Hammond Road to Frank J. Valdovino Road
4th Street from Hammond Road to Frank J. Valdovino Road
5th Street from Lincoln Street to Frank J. Valdovino Road
6th Street from Lincoln Street to Dale Kiler Road
7th Street from Date Palm Street to Dale Kiler Road
Hammond Road from 5th Street to south of 66th Avenue
Lincoln Street from 5th Street to 7th Street
Coahuilla Street from 66th Avenue to 65th Avenue
Date Palm Street from 66th Avenue to 65th Avenue
Brown Street from 66th Avenue to 6th Street
Dale Kiler Road from 66th Avenue to 7th Street
Home Avenue from 66th Avenue to 5th Street
Frank J. Valdovino Road from south of 3rd Street to 5th Street

The project was found exempt from CEQA on November 4, 2008 BOD Item 4.2.

Section 33445 of the Health and Safety Code provides that a Redevelopment Agency may assist in the design or development of improvements that are of benefit to the project area or in the immediate neighborhood in which the project is located. The attached reimbursement agreement between the Riverside County Redevelopment Agency and the County of Riverside will provide funds for the Transportation Department to perform certain project management and design services for the above listed streets.

It is intended that the project will be constructed in four phases. The first phase of construction will include the following two streets:

2nd Street from Hammond Road to Home Avenue
Hammond Road from 2nd Street to 3rd Street

The attached reimbursement agreement between the Riverside County Redevelopment Agency and the County of Riverside will also provide funds for the Transportation Department to perform construction and construction management services for the first phase of construction of the Mecca Streets Revitalization Project.

The funding for future phases of construction will be handled through separate reimbursement agreements between the Riverside County Redevelopment Agency and the County of Riverside. A project to construct a roundabout at the intersection of Hammond Road and 4th Street in the community of Mecca is a separate project funded through CMAQ and Redevelopment Agency funds, and is not part of this reimbursement agreement.

Agency staff recommends that the Board of Directors make the required findings and approve the reimbursement agreement between the Riverside County Redevelopment Agency and the County of Riverside for the Mecca Downtown Street Revitalization Project.

County Counsel has reviewed and approved the Agreement as to form.

Attachment: Reimbursement Agreement

Contract No. 09-10-007
Riverside Co. Transportation

REIMBURSEMENT AGREEMENT
BY AND BETWEEN THE
REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE
AND THE COUNTY OF RIVERSIDE
FOR THE MECCA STREETS REVITALIZATION PROJECT

THIS REIMBURSEMENT AGREEMENT, hereinafter AGREEMENT, is entered into on this ____ day of _____ 2009, by and between the Redevelopment Agency for the County of Riverside, a public body corporate and politic in the State of California, hereinafter AGENCY, and the County of Riverside, by and through its Transportation Department, hereinafter COUNTY, hereinafter collectively referred to as the Parties.

WITNESSETH

WHEREAS, AGENCY is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and

WHEREAS, the Riverside County Board of Supervisors has adopted by Ordinance No. 638 on December 23, 1986, and amended by Ordinance No. 786 adopted May 11, 1999, a redevelopment plan ("Redevelopment Plan") for an area within the County known as the Mecca Sub-Area of the Desert Communities Redevelopment Project Area (hereinafter "PROJECT AREA"); and

WHEREAS, the Redevelopment Plan for the PROJECT AREA was adopted in order to eliminate blight and revitalize the substandard physical and economic conditions that exist within the PROJECT AREA; and

WHEREAS, pursuant to Section 33421 of the California Health and Safety Code a redevelopment agency may cause, provide to undertake or make provision with other

agencies for the installation, or construction of streets, utilities, parks, playgrounds and other public improvements necessary for carrying out the Redevelopment Plan in the PROJECT AREA; and

WHEREAS, pursuant to Section 33125 of the California Health and Safety Code, the AGENCY is authorized to make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and

WHEREAS, AGENCY and the COUNTY have determined that there is a great need within the PROJECT AREA for street improvements, including reconstructed asphalt pavement, curb, gutter, sidewalk and street lights, for approximately seven (7) miles of streets within the downtown community of Mecca; and

WHEREAS, the Project will benefit the PROJECT AREA by providing improved roadways, sidewalks and street lighting, which will improve pedestrian safety and which will improve drainage within the PROJECT AREA and meets a primary objective of the Redevelopment Plan; and

WHEREAS, the AGENCY agrees to reimburse the COUNTY for AGENCY approved costs of the Project and COUNTY agrees to undertake Project;

NOW, THEREFORE, in consideration of the covenants, conditions and provisions contained herein, the Parties hereto do hereby agree as follows:

SECTION 1. Purpose of AGREEMENT. The purpose of this AGREEMENT is to set forth the terms and conditions by which AGENCY will reimburse COUNTY for the actual costs associated with the project management, design and construction of the Project by COUNTY as described herein.

SECTION 2. Location of the Project. The Project is located within the downtown community of Mecca, as more specifically detailed in Exhibit A, which is attached hereto and made a part hereof by this reference.

SECTION 3. Scope of Work. The work to be performed by COUNTY under this Agreement includes project management and design services for roadway improvements on fifteen streets in the downtown Mecca area. Those streets and their

limits include:

66th Avenue from Hammond Road to Frank J. Valdovino Road

2nd Street from Hammond Road to Home Avenue

3rd Street from Hammond Road to Frank J. Valdovino Road

4th Street from Hammond Road to Frank J. Valdovino Road

5th Street from Lincoln Street to Frank J. Valdovino Road

6th Street from Lincoln Street to Dale Kiler Road

7th Street from Date Palm Street to Dale Kiler Road

Hammond Road from 5th Street to south of 66th Avenue

Lincoln Street from 5th Street to 7th Street

Coahuilla Street from 66th Avenue to 65th Avenue

Date Palm Street from 66th Avenue to 65th Avenue

Brown Street from 66th Avenue to 6th Street

Dale Kiler Road from 66th Avenue to 7th Street

Home Avenue from 66th Avenue to 5th Street

Frank J. Valdovino Road from south of 3rd Street to 5th Street

The work to be performed by COUNTY also includes the construction and construction management for a portion of the streets referred to as Phase 1. The Phase 1 street limits are as follows:

2nd Street from Hammond Road to Home Avenue

Hammond Road from 2nd Street to 3rd Street

The scope of work to be performed by the COUNTY only includes the construction and construction management of the streets identified within this AGREEMENT. The construction and construction management of the remainder streets in the project will be handled by separate reimbursement agreement(s) between the Parties.

The scope of work does not include the project management, design and construction of the Mecca Roundabout, which is proposed at the intersection of

Hammond Road and 4th Street. The project management, design and construction of the Mecca Roundabout will be handled by separate reimbursement agreement(s) between the Parties.

The scope of work to be performed by the COUNTY does not include right-of-way engineering or acquisition of rights-of-way. Right-of-way engineering and acquisition of rights-of-way will be performed by the AGENCY.

The scope of work to be performed by the COUNTY does not include payment of fees for services or for installation of facilities, which would be payable to the Imperial Irrigation District. Said fees will be paid by the AGENCY directly to the Imperial Irrigation District.

The scope of work of this AGREEMENT is outlined in Exhibit B, which is attached hereto and made a part hereof by this reference.

SECTION 4. Construction of the Project. The contractor(s) for the Project are to be selected by COUNTY. COUNTY shall cause the construction of the Project to be carried out in compliance with all applicable laws, including, but not limited to, all applicable federal and state and local environmental, occupational, safety and health standards; nondiscrimination requirements; accessibility for the disabled; and prevailing wage laws.

SECTION 5. Payment. AGENCY shall reimburse COUNTY for the actual cost of the services and improvements for an amount not to exceed Two Million, Seven Hundred and Thirty Five Thousand ($2,735,000.00) dollars which shall constitute the full and complete financial obligation of the AGENCY. Said amount shall include, but is not limited to, all of COUNTY's charges for the project management and design of the Mecca Streets Revitalization Project for all identified streets and for the construction of the Phase 1 streets, as outlined in SECTION 3 herein.

COUNTY shall invoice AGENCY monthly for the work performed during the prior month and submit documentation to verify reimbursable expenditures by COUNTY. A written project status report shall also be included with each invoice. Said status report

shall provide a description of the work completed that AGENCY is being billed for and the work yet to be performed. Status report shall also indicate the percentage of the project which is completed. The final invoice shall be received by AGENCY within 12 months of completion of the project. After said 12 month period, AGENCY will reprogram any remaining funds.

In addition, COUNTY will ensure that the contractor(s) to whom the contract is awarded and any sub-contractor(s) under him shall pay not less than the specified prevailing wage rate of wages as determined by the general prevailing wage determination made by the State of California's Director of Industrial Relations, to all workmen employed in the execution of the improvements under this AGREEMENT. COUNTY further agrees to ensure that each contractor(s) and any subcontractor(s) shall keep an accurate record showing the name, occupation and actual per diem wages paid to each workman employed by him in connection with the work performed under this AGREEMENT. The records shall be kept open at all reasonable hours to the AGENCY for inspection for a period of no less than seven years from completion of the Project.

SECTION 6. Permits. COUNTY agrees to obtain, secure or cause to be secured any and all permits and/or clearances which may be required by COUNTY or any other federal, state or local governmental or regulatory agency relating to the Project.

SECTION 7. Principal Contact Persons. The following individuals are hereby designated to be the principal contact persons for their respective Parties:

AGENCY: Leah Rodriguez, Project Manager
Redevelopment Agency for the County of Riverside
44-199 Monroe St., Suite B, Indio, CA 92201
(760) 863-2534

RCTD: Cathy Wampler, Senior Civil Engineer

Riverside County Transportation Department
4080 Lemon Street, 8th Floor, Riverside, CA 92501
(951) 955-6803

SECTION 8. Conflict of Interest. No member, official or employee of AGENCY or COUNTY shall have any personal interest, direct or indirect, in this AGREEMENT nor shall any such member, official or employee participate in any decision relating to this AGREEMENT which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

SECTION 9. Interpretation and Governing Law. This AGREEMENT and any dispute arising there under shall be governed and interpreted in accordance with the laws of the State of California. This AGREEMENT shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this AGREEMENT, all Parties having been represented by counsel in the negotiation and preparation hereof.

SECTION 10. No Third Party Beneficiaries. This AGREEMENT is made and entered into for the sole protection and benefit of the Parties hereto. No other person or entity shall have any right of action based upon the provisions of this AGREEMENT.

SECTION 11. Indemnification. Except as to any legal challenge or claim brought by any person or entity questioning the use of redevelopment funds for the purposes set forth herein that is the subject of this AGREEMENT:

(i) COUNTY shall indemnify and hold AGENCY, its elected officials, officers, directors, affiliates, agents and employees free and harmless from liability to any person or entity not a party to this AGREEMENT from any damage, loss or injury to person and/or property which primarily relates to or arises from the negligence or willful

misconduct of COUNTY, its officers, agents, or employees in the execution or implementation of this AGREEMENT;

(ii) AGENCY shall indemnify and hold COUNTY, its officers, agents, or employees free and harmless from any person or entity not a party to this AGREEMENT from any damage, loss or injury to person and/or property which primarily relates to or arises from the negligence or willful misconduct of AGENCY, its elected officials, officers, directors, affiliates, agents, or employees in the execution or implementation of this AGREEMENT.

SECTION 12. Insurance. COUNTY shall cause COUNTY's Contractor/Consultant to maintain in force, until completion and acceptance of Phase 1 of the Mecca Downtown Street Revitalization Project construction contract, a policy of Contractual Liability Insurance, including coverage of Bodily Injury Liability and Property Damage Liability, in the amount of $2,000,000 minimum single limit coverage, and a policy of Automobile Liability Insurance in the amount of $1,000,000 minimum. Endorsements to each policy shall be required which name the AGENCY, its officers, directors, officials, agents and employees as additionally insured. COUNTY shall also require COUNTY's Contractors/Consultant to maintain Worker's Compensation Insurance. COUNTY shall provide Certificates of Insurance and Additional Insured Endorsements which meet the requirements of this section to AGENCY prior to start of construction.

SECTION 13. Section Headings. The Section headings herein are for the convenience of the Parties only and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this AGREEMENT.

SECTION 14. Time Limit. COUNTY shall complete the work that is the subject of this AGREEMENT within a period of thirty-six (36) months after the date of execution of this AGREEMENT. In the event said thirty-six (36) month period expires prior to the completion of the work, the terms of this AGREEMENT may be extended upon written

consent of Parties. Nothing in this Section shall be deemed a waiver of any or all claims or other actions by either party in regard to any breach of this AGREEMENT.

SECTION 15. Project Sign. COUNTY agrees that AGENCY may place a project sign at the project site identifying the road improvement project as a Riverside County Redevelopment Agency Project.

SECTION 16. Entire Agreement. This AGREEMENT is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. Any amounts to or clarification necessary to this AGREEMENT shall be in writing and acknowledged by all Parties to the AGREEMENT.

SECTION 17. Amendments and Modifications. It is agreed that the rights, interest, understandings, agreements and obligations of the respective Parties pertaining to the subject matter of this AGREEMENT may not be amended, modified or supplemented in any respect except by a subsequent written instrument evidencing the express written consent of each of the Parties hereto and duly executed by the Parties.

. **SECTION 18. Successors and Assigns.** This AGREEMENT shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the Parties hereto.

SECTION 19. Termination by Agency. Agency shall have the right to terminate this Agreement in the event RCTD fails to perform, keep or observe any of its duties or obligations hereunder; provided however, that RCTD shall have thirty (30) days in which to correct such breach or default after written notice thereof has been served on it by Agency.

SECTION 20. Termination by RCTD. RCTD shall have the right to terminate this Agreement in the event Agency fails to perform, keep or observe any of its other duties or obligations hereunder; provided however, that Agency shall have thirty (30)

days in which to correct such breach or default after written notice thereof has been served on it by RCTD.

IN WITNESS WHEREOF, AGENCY and COUNTY have executed this AGREEMENT as of the date first above written.

REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE

Jeff Stone, Chairman
Board of Directors

ATTEST:
Kecia Harper-Ihem, Clerk of the Board

BY: _____
Deputy

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

BY: Michelle Clack 10/22/09
Deputy Michelle Clack

COUNTY OF RIVERSIDE

Jeff Stone, Chairman
Board of Supervisors

FORM APPROVED COUNTY COUNSEL
BY: MARSHA L. VICTOR 10/22/09 DATE

EXHIBIT A

LOCATION OF PROJECT

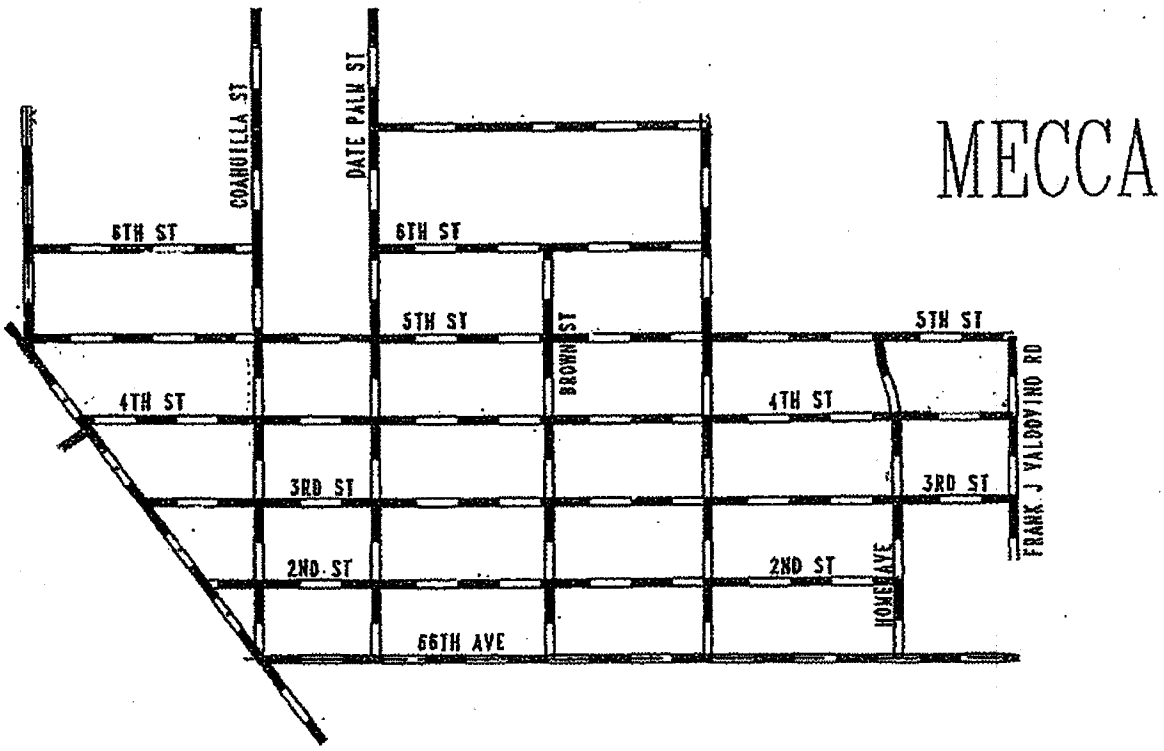


EXHIBIT B

SCOPE OF WORK

The scope of work includes the following tasks for the project management and design of the Mecca Streets Revitalization Project for all identified streets and for the construction of the Phase 1 streets, as outlined in SECTION 3 of the AGREEMENT.

Preliminary Survey	**$0**
Design	**$383,000**
Environmental	**$81,000**
Right of Way	**$0**
Construction (with 15% contingency)	**$1,991,000**
Construction Engineering/Inspection	**$180,000**
Construction Survey	**$100,000**
Utility Relocation/Installation	**$0**
SUBTOTAL	**$2,735,000**

///

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 707B

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Abatement of Public Nuisance [Excess Outside Storage & Accumulation of Rubbish]
Case No.: CV 07-9032
Subject Property: 17736 Alexander Street, Perris; APN: 295-120-010
District One

RECOMMENDED MOTION: Move that:

1. The excess outside storage of materials and accumulation of rubbish on the real property located at 17736 Alexander Street, Perris, Riverside County, California, APN: 295-120-010 be declared a public nuisance and a violation of Riverside County Ordinance Nos. 348 and 541 (Riverside County Code Chapters 17.16 and 8.120).

2. Maria Torres, the owner of the subject real property, be directed to abate the excess outside storage and accumulation of rubbish on the property by removing the same from the real property within ninety (90) days.

(Continued)

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Tina Grande

County Executive Office Signature

Departmental Concurrence

☐ Consent ☒ Policy

☐ Consent ☒ Policy

Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 1 | **Agenda Number:** 9.1

Form 11 (Rev 06/2003)

3. If the owners of the real property do not take the above described action within ninety (90) days of the date of the Board's Order to Abate, that representatives of the Code Enforcement Department, Sheriff's Department, and/or a contractor, upon consent or receipt of a Court Order authorizing entry onto the real property when necessary under applicable law, shall abate the excess outside storage and accumulation of rubbish by removing and disposing of the same from the real property.

4. The reasonable costs of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Riverside County Ordinance No. 725.

5. County Counsel be directed to prepare the necessary Findings of Fact and Conclusions that the excess outside storage of materials and accumulation of rubbish on the real property is declared to be in violation of Riverside County Ordinance Nos. 348 and 541, and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An initial inspection was made of the subject property by the Code Enforcement Officer on October 11, 2007.

2. The inspection revealed the excess outside storage of materials and an accumulation of rubbish on the subject property in violation of Riverside County Ordinance Nos. 348 and 541. The items included but were not limited to: wood boards, planks, metal beams, bricks, cement blocks, plastic containers, scrap wood, construction rubble, and appliance parts.

3. Subsequent follow up inspections of the above-described real property on February 29, 2008, April 18, 2008, May 27, 2008, August 26, 2008, October 10, 2008, December 16, 2008, March 2, 2009, and October 20, 2009 revealed that the property continued to be in violation of Riverside County Ordinance Nos. 348 and 541.

4. Staff and the Code Enforcement Department have complied with the notice requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for the removal of excess outside storage and accumulated rubbish.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

705B

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Abatement of Public Nuisance [Grading Without a Permit]
Case No.: CV 08-10817
Subject Property: 4 parcels northeast of 37480 Via Vista Grande, Murrieta;
APN: 928-220-027
District One

RECOMMENDED MOTION: Move that:

(1) The grading without permits on the real property located at 4 parcels northeast of 37480 Via Vista Grande, Murrieta, Riverside County, California, APN: 928-220-027, be declared a public nuisance and a violation of Riverside County Ordinance No. 457 which does not permit grading of more than fifty (50) cubic yards without a grading permit.

(2) A five (5) year hold on the issuance of building permits and land use approvals be placed on The Property.

Departmental Concurrence

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

(Continued)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

Policy	Consent	Dep't Recomm.:
X	☐	
☐	☐	Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 1 | **Agenda Number:** 9.2

Form 11 (Rev 06/2003)

(2) Jeffrey H. Friestedt and Mary J. Friestedt, the Owners of the subject real property or whoever has possession or control of the premises, be directed to restore the unpermitted grading so as to prevent offsite drainage and slope erosion within ninety (90) days.

(3) If the owners or whoever has possession or control of the real property do not take the above described action within ninety (90) days of the date of the mailing and posting of the Board's Order to Abate, that representatives of the Code Enforcement Department are authorized to obtain the services of a contractor, upon consent of the owner or receipt of a Court Order authorizing entry onto the real property when necessary under applicable law, to restore the property so as to prevent offsite drainage and slope erosion.

(4) The reasonable costs of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Ordinance No. 725.

(5) Upon the restoration of the property, so as to prevent offsite drainage and slope erosion, and payment of all abatement costs assessed against the property the five (5) year hold on the issuance of building permits and land use approvals will be lifted.

(6) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the grading without a permit on the real property is declared to be in violation of Riverside County Ordinance No. 457 and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An inspection was made of the subject property by the Code Enforcement Officer on December 23, 2008. The inspection revealed that a retention basin and road had been graded on the property and that the retention basin blocked a blue-line stream. Further, there was severe erosion as a result of the unapproved grading in violation of Riverside County Ordinance No. 457 (RCC Title 15). The Officer estimated that approximately six hundred sixty-six (666) cubic yards of dirt has been graded. A search of Riverside County records indicates that no permit for grading has been obtained. This creates a public and attractive nuisance.

2. Follow-up inspections on January 28, 2009, July 7, 2009 and August 25, 2009, revealed that the property continues to be in violation of Riverside County Ordinance No. 457.

3. Staff and the Code Enforcement Department have complied with the notice requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for grading without a permit.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Abatement of Public Nuisance [Grading Without a Permit]
Case No.: CV 05-3785 (ZAMORA)
Subject Property: 45712 Gene Road, Aguanga;
APN: 581-240-037
District Three

RECOMMENDED MOTION: Move that:

(1) The grading without permits on the real property located at 45712 Gene Road, Aguanga Riverside County, California, APN: 581-240-037, be declared a public nuisance and a violation of Riverside County Ordinance No. 457, which does not permit grading of more than fifty (50) cubic yards without a grading permit.

(2) A five (5) year hold on the issuance of building permits and land use approvals be placed on The Property.

Departmental Concurrence

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

(Continued)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

County Executive Office Signature

Dep't Recomm.: X Consent ☐ Policy
Per Exec. Ofc.: ☐ Consent ☐ Policy

Prev. Agn. Ref.: | **District:** 3 | **Agenda Number:** 9.3

Form 11 (Rev 06/2003)

(3) Patricia E. Zamora, the Owner of the subject real property or whoever has possession or control of the premises, be directed to restore or remediate the unpermitted grading within ninety (90) days.

(4) If the owner or whoever has possession or control of the real property does not take the above described action within ninety (90) days of the date of the mailing and posting of the Board's Order to Abate, that representatives of the Code Enforcement Department are authorized to obtain the services of a contractor, upon consent of the owner or receipt of a Court Order authorizing entry onto the real property when necessary under applicable law, to restore or remediate the property so as to prevent offsite drainage and slope erosion.

(5) The reasonable costs of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Ordinance No. 725.

(6) Upon the restoration or remediation of the property and payment of all abatement costs assessed against the property the five (5) year hold on the issuance of building permits and land use approvals will be lifted.

(7) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the grading without a permit on the real property is declared to be in violation of Riverside County Ordinance No. 457 and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An inspection was made of the subject property by the Code Enforcement Officer on December 15, 2005. The inspection revealed grading on the property that caused deviation from the natural topography in violation of Riverside County Ordinance No. 457 (RCC Title 15). It was later estimated that approximately one thousand, seven hundred and fifteen (1,715) cubic yards of dirt had been graded. A search of Riverside County records indicates that no permit for grading has been obtained for the portion of the parcel that was graded. This creates a public and attractive nuisance.

2. Follow-up inspections on January 16, 2008, April 30, 2009 and August 25, 2009, revealed that the property continues to be in violation of Riverside County Ordinance No. 457.

3. Staff and the Code Enforcement Department have complied with the notice requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for grading without a permit.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

523 B

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 7, 2009

SUBJECT: Abatement of Public Nuisance [Grading Without a Permit]
Case No.: CV 07-6752 (ERCOLI)
Subject Property: 35376 Borel Road, Winchester;
APN: 964-130-016
District Three

RECOMMENDED MOTION: Move that:

(1) The grading without permits on the real property located at 35376 Borel Road, Winchester Riverside County, California, APN: 964-130-016, be declared a public nuisance and a violation of Riverside County Ordinance No. 457, which does not permit grading of more than fifty (50) cubic yards without a grading permit.

(2) A five (5) year hold on the issuance of building permits and land use approvals be placed on The Property.

Departmental Concurrence

(Continued)

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY Tina Grande
Tina Grande

County Executive Office Signature

Dep't Recomm.: X Policy ☐ Consent
Per Exec. Ofc.: ☐ Policy ☐ Consent

Prev. Agn. Ref.: | **District:** 3 | **Agenda Number:** 9.4

Form 11 (Rev 06/2003)

(3) Michael James Ercoli, the owner of the subject real property or whoever has possession or control of the premises, be directed to restore or remediate the unpermitted grading within ninety (90) days.

(4) If the owner or whoever has possession or control of the real property does not take the above described action within ninety (90) days of the date of the mailing and posting of the Board's Order to Abate, that representatives of the Code Enforcement Department are authorized to obtain the services of a contractor, upon consent of the owner or receipt of a Court Order authorizing entry onto the real property when necessary under applicable law, to restore or remediate the property so as to prevent offsite drainage and slope erosion.

(5) The reasonable costs of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Ordinance No. 725.

(6) Upon the restoration or remediation of the property and payment of all abatement costs assessed against the property the five (5) year hold on the issuance of building permits and land use approvals will be lifted.

(7) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the grading without a permit on the real property is declared to be in violation of Riverside County Ordinance No. 457 and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An inspection was made of the subject property by the Code Enforcement Officer on March 24, 2008. The inspection revealed land had been graded on the property that deviated from the natural topography in violation of Riverside County Ordinance No. 457 (RCC Chapter 15). It was later estimated that approximately three thousand, five hundred and thirty-five (3,535) cubic yards of dirt has been graded. A search of Riverside County records indicates that no current permit for grading has been obtained. This creates a public and attractive nuisance.

2. A follow-up inspection on April 7, 2009, and August 5, 2009 revealed that the property continues to be in violation of Riverside County Ordinance No. 457.

3. Staff and the Code Enforcement Department have complied with the notice requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for grading without a permit.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 8588

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
August 24, 2009

SUBJECT: Abatement of Public Nuisance [Grading without permit/ Construction without permit]
Case No.: CV 07-7450 & CV 06-0356 (ADAMS)
Subject Property: 33171 Madera De Playa, Temecula;
APN: 951-080-032
District Three

RECOMMENDED MOTION: Move that:

(1) The grading without permits on the real property located 33171 Madera De Playa, Temecula, Riverside County, California, APN: 951-080-032, be declared a public nuisance and a violation of Riverside County Ordinance No. 457 which does not permit grading of more than fifty (50) cubic yards without a grading permit.

(2) A five (5) year hold on the issuance of building permits and land use approvals be placed on The Property.

Departmental Concurrence

JULIE AK JARVI, Deputy County Counsel
For PAMELA J. WALLS, County Counsel

(Continued)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

X Policy ☐ Consent

☒ Policy ☐ Consent

Dep't Recomm.:

Per Exec. Ofc.:

Prev. Agn. Ref.:

District: 3

Agenda Number: 9.5

Form 11 (Rev 06/2003)

(3) Nathanael William Adams, the Owner of the subject real property or whoever has possession or control of the premises, be directed to restore or remediate the unpermitted grading within ninety (90) days.

(4) If the owner or whoever has possession or control of the real property does not take the above described action within ninety (90) days of the date of the mailing and posting of the Board's Order to Abate, that representatives of the Code Enforcement Department are authorized to obtain the services of a contractor, to restore the property so as to prevent offsite drainage and slope erosion. Entry onto the property for purposes of abating the nuisance shall be either on receipt of the consent of the owner of the subject real property or by seizure warrant or other court order if necessary.

(5) The construction without permits of a foam pit structure on the real property located 33171 Madera De Playa, Temecula, Riverside County, California, APN: 951-080-032, be declared a public nuisance and a separate violation of Riverside County Ordinance No. 457 which does not permit construction without a permit.

(6) The owner be required either (1) to expeditiously apply for and obtain appropriate construction permits from the County of Riverside within ninety (90) days of the date of the Board's Order for the construction located on the property without a permit; or (2) to demolish and lawfully remove the unpermitted construction within ninety (90) days of the date of the Board's Order and after obtaining any and all appropriate permits and approvals from Riverside County.

(7) If the unpermitted construction is not removed, or permitted in accordance with Riverside County Ordinance No 457 (RCC Title 15), within ninety (90) days of the of the Board's Order to Abate, the unpermitted construction and any contents therein shall be abated by representatives of Riverside County Code Enforcement Department, a contractor or the Sheriff's Department. Entry onto the property for purposes of abating the nuisance shall be either on receipt of the consent of the owner of the subject real property or by seizure warrant or other court order if necessary.

(8) The reasonable costs of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Ordinance No. 725.

(9) Upon the restoration of the property and payment of all abatement costs assessed against the property the five (5) year hold on the issuance of building permits and land use approvals will be lifted.

(10) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the grading without a permit and the construction without permits on the real property are declared to be in violation of Riverside County Ordinance No. 457 and public nuisances, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An inspection was made of the subject property by the Code Enforcement Officer on December 19, 2007. The inspection revealed several motorcycle jumps had been graded on the property and that the jumps deviated from the natural topography in violation of Riverside County Ordinance No. 457 (RCC Title 15). The Officer estimates that approximately two hundred sixty (260) cubic yards of dirt has been graded. The inspection also revealed that a foam pit structure had been constructed on the Property. A search of Riverside County records indicates that no permit for the grading or the construction of the foam pit structure has been obtained. This creates public and attractive nuisances.

2. Follow-up inspections on February 6, 2008, April 24, 2008, December 16, 2008, December 19, 2008, April 27, 2009, and July 18, 2009 revealed that the property continues to be in violation of Riverside County Ordinance No. 457.

3. Staff and the Code Enforcement Department have complied with the notice requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for grading without a permit and construction without a permit.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

3.4B

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Abatement of Public Nuisance [Substandard Structures & Accumulation of Rubbish]
Case Nos.: CV 07-4034 and CV 07-4576 (PREWITT)
Subject Property: 21925 Wine Lane, Nuevo; APN: 307-180-019
District Five

RECOMMENDED MOTION: Move that:

(1) The substandard structures on the real property located at 21925 Wine Lane, Nuevo, Riverside County, California, APN 307-180-019 be declared a public nuisance and a violation of Riverside County Ordinance No. 457, which does not permit substandard structures on the property

(2) Robert W. Prewitt Sr. and Marcie L. Prewitt, owners of the subject real property, be directed to abate the substandard structures on the property by rehabilitating, removing and/or demolishing the same from the real property, including the removal and disposal of all structural debris and materials within ninety (90) days.

(Continued)

Departmental Concurrence

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Tina Grande

County Executive Office Signature

Dep't Recomm.: X Policy ☐ Consent
Per Exec. Ofc.: ☐ Policy ☐ Consent

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.6

Form 11 (Rev 06/2003)

(3) The owners be ordered to ascertain the existence or non-existence of asbestos containing materials in said structures by survey and materials sample testing through the Industrial Hygiene Specialist of the County Health Department, Division of Special Services; and, prior to the abatement ordered in paragraph number two (2) above, to secure the removal and disposal of all asbestos containing materials discovered through such survey and testing by contract with a duly certified and licensed contractor for the handling of such materials to avoid citations and/or fines imposed by the South Coast Air Quality Management District (SCAQMD) pursuant to SCAQMD Rule No. 1403.

(4) The accumulation of rubbish on the real property located at 21925 Wine Lane, Nuevo, be declared a public nuisance and a violation of Riverside County Ordinance No. 541, which does not permit the accumulation of rubbish on the property.

(5) Robert W. Prewitt Sr. and Marice L. Prewitt, the owners of the subject property, be directed to abate the accumulation of rubbish on the property by removing and disposing of the same from the real property within ninety (90) days.

(6) If the owners of the real property do not take the above described action within ninety (90) days of the date of the Board's Order to Abate, that representatives of the Code Enforcement Department, Sheriff's Department, and/or a contractor, upon consent of the owners, receipt of a Court Order authorizing entry onto the real property, or other authorization as provided by law, shall abate the substandard structures and the accumulation of rubbish by removing and disposing of the same from the real property

(7) The reasonable cost of the abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Ordinance Nos. 541 and 725.

(8) County Counsel be directed to prepare the necessary Findings of Fact and Conclusions of Law that the substandard structures on the real property and the accumulation of rubbish are declared to be in violation of Riverside County Ordinance Nos. 457 and 541 and constitute a public nuisance. Further, County Counsel shall prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. The initial inspections were made on the subject real property by the Code Enforcement Officers on June 11, 2007 (accumulated rubbish) and November 13, 2007 (substandard structure/storage shed) and October 17, 2008 (substandard structure/main dwelling).

2. The inspections revealed substandard structures (storage shed and main dwelling) on the subject real property in violation of Riverside County Ordinance No. 457. The substandard conditions of the storage shed included, but were not limited to: hazardous wiring, wires are exposed; members of walls, partitions or other vertical supports that split, lean, list or buckle due to defective material or deterioration, frames are exposed; faulty weather protection including broken and missing windows and doors; general dilapidation or improper maintenance; and public and attractive nuisance, the structure is abandoned. The substandard conditions of the main dwelling included but were not limited to: lack of required electrical lighting; hazardous wiring; members of walls, partitions or other vertical supports that split, lean, list or buckle due to defective material or deterioration; faulty weather protection including broken and missing windows and doors; general dilapidation or improper maintenance; and public and attractive nuisance, the structure is occupied by squatters and is easily

accessible. The inspections also revealed the accumulation of rubbish on the subject property in violation of Riverside County Ordinance No. 541. The accumulation of rubbish consisted of, but was not limited to the following materials: sofas, a spa, green waste, tires, spent wood, household trash, and furniture. The amount of accumulated rubbish totaled approximately six thousand, two hundred and ten (6,210) square feet.

3. Subsequent inspections of the above-described real property on August 2, 2007, January 5, 2009, May 26, 2009 and September 24, 2009, revealed that the property continues to be in violation of Riverside County Ordinance Nos. 457 and 541.

4. Staff and the Code Enforcement Department have complied with the requirements set forth in the appropriate laws of this jurisdiction pertaining to the Administrative Abatement Proceedings for substandard structures and accumulation of rubbish.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Abatement of Public Nuisance [Accumulation of Rubbish];
Case No.: CV 07-2841 (GREEN)
Subject Property: 22615 De Prad St., Perris; APN: 325-210-030
District Five

RECOMMENDED MOTION: Move that:

(1) The accumulation of rubbish on the real property located at 22615 De Prad St., Perris, Riverside County, California, APN: 325-210-030, be declared a public nuisance and a violation of Riverside County Ordinance No. 541 which does not permit the accumulation of rubbish on the property.

(2) Owners George W. Green, Virniecia Green Jordan, Walter Green, or whoever has possession and control of the subject real property, be directed to abate the accumulation of rubbish on the property by removing and disposing of the same from the real property within ninety (90) days.

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

(Continued)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

County Executive Office Signature

Departmental Concurrence

Policy X | Policy ☐
Consent ☐ | Consent ☐
Dep't Recomm.: | Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.7

Form 11 (Rev 06/2003)

(3) If the owners or whoever has possession or control of the real property do not take the above described action within ninety (90) days of the date of the Board's Order to Abate, that representatives of the Code Enforcement Department, Sheriff's Department, and/or a contractor, upon consent of the owner or receipt of a Court Order authorizing entry onto the real property, when necessary under applicable law, shall abate the accumulation of rubbish by removing and disposing of the same from the real property.

(4) The reasonable cost of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Riverside County Ordinance No. 541.

(5) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the accumulation of rubbish on the real property is declared to be in violation of Riverside County Ordinance No. 541, and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An initial inspection was made of the subject real property by the Code Enforcement Officers on April 6, 2007. The inspection revealed the accumulation of rubbish on the subject property in violation of Riverside County Ordinance No. 541. The rubbish consisted of, but was not limited to: scrap metal, machine parts, containers, household items, auto parts, broken furniture, and a refrigerator.

2. Subsequent inspections of the above-described real property on April 16, 2007, May 30, 2007, July 17, 2007, November 20, 2007, March 6, 2008, September 18, 2008, February 3, 2009, April 16, 2009, and August 28, 2009 revealed the property continues to be in violation of Riverside County Ordinance No. 541.

3. Staff and the Code Enforcement Department have complied with the requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for the removal of accumulated rubbish.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA 706B

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 22, 2009

SUBJECT: Abatement of Public Nuisance [Accumulation of Rubbish];
Case No.: CV 09-00416 (Menendez)
Subject Property: 1 Parcel East of 17477 Louise Street, Palm Springs; APN: 666 230-002
District Five

RECOMMENDED MOTION: Move that:

(1) The accumulation of rubbish on the real property located at 1 Parcel East of 17477 Louise St., Palm Springs, Riverside County, California, APN: 666-230-002, be declared a public nuisance and a violation of Riverside County Ordinance No. 541, which does not permit the accumulation of rubbish on the property.

(2) Owners Miguel A. Menendez and Ana Menendez, or whoever has possession and control of the subject real property, be directed to abate the accumulation of rubbish on the property by removing and disposing of the same from the real property within ten (10) days.

(Continued)

JULIE A. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Tina Grande

County Executive Office Signature

Departmental Concurrence

☐ Consent ☐ Policy

☐ Consent ☒ Policy

Dep't Recomm.:

Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.8

Form 11 (Rev 06/2003)

(3) If the owner or whoever has possession or control of the real property does not take the above described action within ten (10) days of the date of the Board's Order to Abate, that representatives of the Code Enforcement Department, Sheriff's Department, and/or a contractor, upon consent of the owner or receipt of a Court Order authorizing entry onto the real property, when necessary under applicable law, shall abate the accumulation of rubbish by removing and disposing of the same from the real property.

(4) The reasonable cost of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Riverside County Ordinance No. 541.

(5) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the accumulation of rubbish on the real property is declared to be in violation of Riverside County Ordinance No. 541, and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An initial inspection was made of the subject real property by the Code Enforcement Officers on March 27, 2009. The inspection revealed the accumulation of rubbish on the subject property in violation of Riverside County Ordinance No. 541. The rubbish consisted of, but was not limited to: household rubbish, spent building materials, tires, and green waste.

2. Subsequent inspections of the above-described real property on May 21, 2009, and October 21, 2009 revealed the property continues to be in violation of Riverside County Ordinance No. 541.

3. Staff and the Code Enforcement Department have complied with the requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for the removal of accumulated rubbish.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

524 B

FROM: County Counsel/TLMA
Code Enforcement Department

SUBMITTAL DATE:
October 7, 2009

SUBJECT: Abatement of Public Nuisance [Accumulation of Rubbish];
Case No.: CV 08-06768
Subject Property: 1 Parcel on the Southeast corner of Crest St. and Knoll Dr., Deser Hot Springs; APN: 667-211-040
District Five

RECOMMENDED MOTION: Move that:

(1) The accumulation of rubbish on the real property located at 1 Parcel on the Southeast corner of Crest St. and Knoll Dr., Desert Hot Springs, Riverside County, California, APN: 667-211-040, be declared a public nuisance and a violation of Riverside County Ordinance No. 541 which does not permit the accumulation of rubbish on the property.

(2) Owners Guillermo C. Palos and Antonia Palos, or whoever has possession and control of the subject real property, be directed to abate the accumulation of rubbish on the property by removing and disposing of the same from the real property within ninety (90) days.

JULIE A.K. JARVI, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

(Continued)

Departmental Concurrence

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY Tina Grande

County Executive Office Signature

☐ Consent ☐ Policy
X ☒ Policy ☐ Consent

Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.9

Form 11 (Rev 06/2003)

(3) If the owner or whoever has possession or control of the real property does not take the above described action within ninety (90) days of the date of the Board's Order to Abate, that representatives of the Code Enforcement Department, Sheriff's Department, and/or a contractor, upon consent of the owner or receipt of a Court Order authorizing entry onto the real property, when necessary under applicable law, shall abate the accumulation of rubbish by removing and disposing of the same from the real property.

(4) The reasonable cost of abatement, after notice and an opportunity for hearing, shall be imposed as a lien on the real property, which may be collected as a special assessment against the real property pursuant to Government Code Section 25845 and Riverside County Ordinance No. 541.

(5) County Counsel be directed to prepare the necessary Findings of Facts and Conclusions that the accumulation of rubbish on the real property is declared to be in violation of Riverside County Ordinance No. 541, and a public nuisance, and further, to prepare an Order to Abate for approval by the Board.

JUSTIFICATION:

1. An initial inspection was made of the subject real property by the Code Enforcement Officers on January 15, 2009. The inspection revealed the accumulation of rubbish on the subject property in violation of Riverside County Ordinance No. 541. The rubbish consisted of, but was not limited to: household rubbish, spent building materials, and green waste.

2. Subsequent inspections of the above-described real property on February 27, 2009, and July 30, 2009 revealed the property continues to be in violation of Riverside County Ordinance No. 541.

3. Staff and the Code Enforcement Department have complied with the requirements set forth in the appropriate laws of this jurisdiction pertaining to the administrative abatement proceedings for the removal of accumulated rubbish.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

422 B

FROM: County Counsel
Code Enforcement Department

SUBMITTAL DATE: June 15, 2009

SUBJECT: Statement of Expense [Case Nos. CV 04-3373, CV 05-3372 & CV 08-00706]
Subject Property: 620 Prospect Avenue, Riverside; BARTZ
APN: 247-160-054
District Five

RECOMMENDED MOTION: Move that the Board of Supervisors:

(1) assess the reasonable costs of abatement of a public nuisance (substandard structures and accumulated rubbish) in the above-referenced matter to be four thousand, nine hundred, ninety-nine dollars and twenty-three cents (US $4,999.23);
(2) assess the costs of abatement against the above-described subject property;
(3) authorize the recordation of a notice of abatement lien; and
(4) authorize the abatement costs to be added to the tax roll as a special assessment.

BACKGROUND: Government Code § 25845, Riverside County Ordinance Nos. 457 (RCC Title 15), 541 (RCC Chapter 8.120) and 725 (RCC Chapter 1.16) authorize the recovery of abatement costs in public nuisance cases, the recordation of a notice of abatement lien and inclusion of abatement costs on the tax roll as a special assessment upon approval of the Board of Supervisors.

JONATHAN D. HOLUB, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

(Continued)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Tina Grande

County Executive Office Signature

Dep't Recomm.: ☒ Consent ☐ Policy
Per Exec. Ofc.: ☐ Consent ☒ Policy

Departmental Concurrence

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.10

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Form 11 (Rev 06/2003)

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

9.7

9:30 a.m. being the time set for public hearing on the recommendation from County Counsel/Code Enforcement regarding the Statement of Expense on Public Nuisance Case Nos. CV 04-3373, CV 05-3372 and CV 08-00706 located at 620 Prospect Avenue, Riverside, 5th District.

Jonathan Holub, Deputy County Counsel asked for a sixty day continuance on the above matter.

On motion of Supervisor Ashley, seconded by Supervisor Buster and duly carried by unanimous vote, IT WAS ORDERED that the above matter is continued to Tuesday, September 15, 2009 at 9:30 a.m.

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on July 14, 2009 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: July 14, 2009
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
(seal) and for the County of Riverside, State of California.

By: _____ Deputy

AGENDA NO.
9.7

xc: Co. Co., CED, Prop. Owner, COB

Statement of Expense [Case Nos. CV 04-3373, CV 05-3372 & CV 08-00706]
Subject Property: 620 Prospect Avenue, Riverside; BARTZ
APN: 247-160-054
District Five

The property owners brought the property into compliance prior to a Board of Supervisors Abatement hearing.

All notices regarding the Statement of Expense hearing have been given to the Estate of Florence Mae Bartz, property owner, as required by law (see attached exhibits).

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

4238

FROM: County Counsel
Code Enforcement Department

SUBMITTAL DATE:
June 15, 2009

SUBJECT: Statement of Expense [Case Nos. CV 05-3370 & CV 08-00705]
Subject Property: 1 Parcel South of 620 Prospect Ave., Riverside; BARTZ
APN: 247-160-055
District Five

RECOMMENDED MOTION: Move that the Board of Supervisors:

(1) assess the reasonable costs of abatement of a public nuisance [substandard structures (two sheds and a tree house) and accumulated rubbish] in the above-referenced matter to be four thousand, five hundred, twelve dollars and twelve cents (US $4,512.12);
(2) assess the costs of abatement against the above-described subject property;
(3) authorize the recordation of a notice of abatement lien; and
(4) authorize the abatement costs to be added to the tax roll as a special assessment

BACKGROUND: Government Code § 25845, Riverside County Ordinance Nos. 457 (RCC Title 15), 541(RCC Chapter 8.120) and 725 (RCC Chapter 1.16) authorize the recovery of abatement costs in public nuisance cases, the recordation of a notice of abatement lien and inclusion of abatement costs on the tax roll as a special assessment upon approval of the Board of Supervisors.

(Continued)

JONATHAN D. HOLUB, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Tina Grande

County Executive Office Signature

Departmental Concurrence

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☒ Policy

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.11

ATTACHMENTS FILED WITH
THE CLERK OF THE BOARD

Form 11 (Rev 06/2003)

Statement of Expense [Case Nos. CV 05-3370 & CV 08-00705]
Subject Property: 1 Parcel S. of 620 Prospect Ave., Riverside; (BARTZ)
APN: 247-160-055
District Five

The property owners brought the property into compliance prior to a Board of Supervisors Abatement hearing.

All notices regarding the Statement of Expense hearing have been given to the Estate of Florence Mae Bartz, the property owner, as required by law (see attached exhibits).

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

4213

FROM: County Counsel
Code Enforcement Department

SUBMITTAL DATE:
June 15, 2009

SUBJECT: Statement of Expense Case Nos. CV 05-3371 and CV 08-00730
Subject Property: 2 Parcels South of 620 Prospect Ave., Riverside; (BARTZ)
APN: 247-160-056
District Five

RECOMMENDED MOTION: Move that the Board of Supervisors:

(1) assess the reasonable costs of abatement of a public nuisance (substandard structure and accumulated rubbish) in the above-referenced matter to be three thousand, three hundred, eighty-nine dollars and eighty-nine cents (US $3,389.89);
(2) assess the costs of abatement against the above-described subject property;
(3) authorize the recordation of a notice of abatement lien; and
(4) authorize the abatement costs to be added to the tax roll as a special assessment.

BACKGROUND: Government Code § 25845, Riverside County Ordinance Nos. 457 (RCC Title 15), 541 (RCC Chapter 8.120) and 725 (RCC Chapter 1.16) authorize the recovery of abatement costs in public nuisance cases, the recordation of a notice of abatement lien and inclusion of abatement costs on the tax roll as a special assessment upon approval of the Board of Supervisors.

JONATHAN D. HOLUB, Deputy County Counsel
for PAMELA J. WALLS, County Counsel

(continued)

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS:

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: Tina Grande

Departmental Concurrence

☒ Consent Policy
☐ Consent Policy

Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** 5 | **Agenda Number:** 9.12

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Form 11 (Rev 06/2003)

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

106

FROM: Waste Management Department

SUBMITTAL DATE: September 23, 2009

SUBJECT: Contract Award for Construction of Multi-level Landfill Gas Detection Probes at the Badlands and Lamb Canyon Sanitary Landfills

RECOMMENDED MOTION: That the Board:

1. Accept the bid submitted by Cascade Drilling, Inc. in the amount of $259,718.00 for the Construction of Multi-level Landfill Gas Detection Probes at the Badlands and Lamb Canyon Sanitary Landfills; and

2. Authorize the Chairman to execute the Agreement on behalf of the Department.

BACKGROUND: The Board authorized the Waste Management Department (Department) to advertise for bids on July 21, 2009. On September 3, 2009, the Department opened bids for the Construction of Multi-Level Landfill Gas Detection Probes at the Badlands and Lamb Canyon Sanitary Landfills. The Department received two bids. The engineer's estimate for this project is $287,602.00. Cascade Drilling, Inc. submitted the lowest bid of $259,718.00. The other bidder was non-responsive. The Department has determined that Cascade Drilling, Inc. has the necessary minimum experience and capability to perform this work in accordance with the contract documents. County Counsel has determined that the bid documents are in order.

Hans Kernkamp, General Manager-Chief Engineer

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ 259,718.00	**In Current Year Budget:**	Yes
	Current F.Y. Net County Cost:	$ NA	**Budget Adjustment:**	No
	Annual Net County Cost:	$ NA	**For Fiscal Year:**	FY2009/010

SOURCE OF FUNDS: Waste Management Department Enterprise Funds

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Alex Gann

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE

Departmental Concurrence

☐ Consent ☒ Policy — Dep't Recomm.:
☐ Consent ☒ Policy — Per Exec. Ofc.:

Prev. Agn. Ref.: 12.1 (7/21/09) | **District:** 5 | **Agenda Number:** 12.1

Form 11 (Rev 06/2003) PD#81844v1

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

AGREEMENT

THIS AGREEMENT is made as of _____ and is between the COUNTY OF RIVERSIDE (County) and Cascade Drilling, ~~Inc~~. (Contractor). L.P.

IT IS AGREED BY THE PARTIES AS FOLLOWS:

1. The Work. Contractor shall furnish all tools, equipment, apparatus, facilities, labor and material necessary to perform the work for the project, Construction of Multi-level Landfill Gas Detection Probes at the Badlands and Lamb Canyon Landfills, in exact conformity with the Contract Documents, subject to such inspection as County deems appropriate.

2. Contract Documents. The Contract Documents for the project are: (a) Notice to Contractors; (b) Instructions To Bidders; (c) Contractor's Proposal; (d) Agreement; (e) Bid Bond; (f) Performance Bond; (g) Payment Bond; (h) General Provisions; (i) Special Provisions; (j) Appendix A – Project Drawings; (k) Stormwater Pollution Prevention Plan; (l) Standard Specifications for Public Works Construction, 2003 Edition, with Amendments; (m) any other documents included in or incorporated into the Contract Documents; (n) Addenda Nos. 1 ; (o) orders, instructions, drawings and plans issued by County during the course of the work in accordance with the provisions of the Contract Documents; and (p) Letter of Exception for Section 8.2. Hold Harmless/Indemnification of the General Provisions from Cascade Drilling Inc. dated August 26, 2009.

3. Each of the above-mentioned documents presently in existence are by this reference incorporated into this Agreement and each of these documents not now in existence are incorporated herein as of the time of their issuance.

4. Contract Price - Payment. Exhibit A is attached to and incorporated into this Agreement and states the basis for full payment to Contractor. Contractor represents that it fully understands the payment method for the work.

RIVERSIDE COUNTY WASTE
MANAGEMENT DEPARTMENT
14310 Frederick Street
Moreno Valley, CA 92553

By: _____
Hans W. Kernkamp
General Manager - Chief Engineer

Cascade Drilling, LP
Contractor

By: _____

Name: Keith Fosnuss

Title: CFO

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors

ATTEST:

Kecia Harper-Ihem, Clerk of the Board

By: _____
Deputy

(Seal)

FORM APPROVED COUNTY COUNSEL
BY: _____ DATE
NEAL R. KIPNIS

EXHIBIT A

(To Agreement for the Riverside County Waste Management Department Project, Construction of Multi-level Landfill Gas Detection Probes at the Badlands and Lamb Canyon Landfills, located east of Moreno Valley and south of Beaumont, respectively, Riverside County, California.)

It is understood that the quantities listed (except for those shown as "Final" or "Lump Sum") are but estimates only and final payment will be based on actual quantities whatever they may be, subject to such adjustments and alterations as elsewhere provided for in the Contract Documents.

ITEM NO.	ITEM OF WORK	UNIT	QUANTITY	UNIT COST	TOTAL COST
1	Mobilization	L.S.	2	$3,500	$7,000
2	Demobilization	L.S.	2	$3,500	$7,000
3	Drill Probe Boreholes Using Air Rotary Drill Rig Badlands Landfill	L.F.	1,763	$67	$118,121
4	Drill Probe Boreholes Using Air Rotary Drill Rig Lamb Canyon Landfill	L.F.	951	$67	$63,717
5	Multi-level Probe Construction	L.F.	2,714	$20	$54,280
6	Install Steel Probe Protector with Lockable Lid	E.A.	16	$600	$9,600
	TOTAL COST				**$259,718**

CASCADE DRILLING INC.
P.O. Box 1184 Woodinville WA 98072

Theresa M. Sowinski, J.D.
Contracts Manager
tsowinski@cascadedrilling.com
425.485.8908 x225

DATE: AUGUST 26, 2009

MR. HANS KERNKAMP
GENERAL MANAGER - CHIEF ENGINEER
RIVERSIDE COUNTY
14310 FREDRICK STREET
MORENO VALLEY CA 92535

FROM: CASCADE DRILLING, INC
CONTRACTOR LIC: C57-932633

RE: LETTER OF EXECEPTION FOR RFP: CONSTRUCTION OF MULTI-LEVEL LANDFILL GAS DETECTION PROBES AT THE BADLANDS AND LAMB CANYON SANITARY LANDFILLS

PLEASE NOTE THAT CASCADE DRILLING, INC. SUMBITS ITS BID WITH THE FOLLOWING EXCEPTIONS AND PROPOSED ADDITIONS *IN RED*:

1. EXCEPTION TO 8.2. HOLD HARMLESS/INDEMNIFICATION

Contractor shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents' and representatives from any liability claim, action, or damages whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives c*onnected with Contractor's willful misconduct, negligent performance or breach of this* ~~agreement arising out of or in any way relating to this~~ Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever *connected to Contractor's ongoing work involving,* ~~arising from the~~ willful misconduct or *negligent* performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives relating to this Agreement. Contractor shall defend, at its sole expense and pay all costs and fees including, but not limited to attorney fees cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action to which this indemnification and hold harmless obligation applies.
PROPOSED ADDITIONS *IN RED*:

Notification of Claim. The County agrees to promptly provide Contractor with notice of any claim that may result in an indemnification obligation hereunder. No settlement or compromise of any such claim shall occur without the consent of Contractor, which consent shall not be unreasonably withheld, conditioned or delayed.

Very truly yours,

CASCADE DRILLING, INC.

Theresa M. Sowinski, J.D.
Contracts Manager

715

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FROM: Waste Management Department

SUBMITTAL DATE: October 20, 2009

SUBJECT: Lakeview Disposal Site Clean Closure Agreement

RECOMMENDED MOTION: That the Board of Supervisors approve the "Lakeview Site Clean Closure Agreement" between Nuevo Development Company, LLC and the County of Riverside, and authorize the Chairman to execute it on behalf of the Board.

BACKGROUND: The Lakeview Disposal Site is a closed burn site that was operated by the County and accepted waste from 1951 to 1971. The site is currently owned and maintained by the Riverside County Waste Management Department (Department) and has been declared surplus property under Board Resolution No. 2008-355. As part of this agreement, Nuevo Development Company, LLC (NUEVO) will fund and implement a site Clean Closure project to remove, transport and properly dispose of the estimated 40,000 cubic yards of waste that are in place at the approximately seven (7) acre site. In exchange for completing the Clean Closure project, NUEVO will receive an option to purchase the site from the County at a cost based on the positive difference between funds expended by NUEVO to complete the project and the appraised value of the site in a clean closed condition. Results from a property appraisal performed in July 2009 indicate that the site has an "as is" negative market value of $2.7 million. (Continued)

Hans W. Kernkamp, General Manager-Chief Engineer

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 10-21-09
SYNTHIA M. GUNZEL DATE
Departmental Concurrence

FINANCIAL DATA	**Current F.Y. Total Cost:**	$ N/A	**In Current Year Budget:**	N/A
	Current F.Y. Net County Cost:	$ N/A	**Budget Adjustment:**	N/A
	Annual Net County Cost:	$ N/A	**For Fiscal Year:**	

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE
BY: Alex Gann
Alex Gann

County Executive Office Signature

☐ Consent ☒ Policy — Dep't Recomm.:
☐ Consent ☒ Policy — Per Exec. Ofc.:

Prev. Agn. Ref.: 7/29/08 (12.3 and 12.6) | **District:** 5 | **Agenda Number:** 12.2

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Form 11 (Rev 06/2003)

If NUEVO decides to exercise the option to purchase the site, conveyance of the surplus property will be executed by the Director of Facilities Management in accordance with Ordinance No. 598.

On July 29, 2008, the Board approved the Clean Closure project and adopted the Mitigated Negative Declaration for Environmental Assessment (EA) No . 41223. In addition, the Department has determined that this agreement is exempt under California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15061, subdivision (b)(3), and 15262. The Department shall file a Notice of Exemption within 72 hours of County approval of this agreement.

The Department recommends that the Board of Supervisors approve the "Lakeview Disposal Site Clean Closure" agreement as a no-cost option to the County to clean close the site and assist the unincorporated community of Lakeview.

PD#81367/v2

LAKEVIEW SITE

CLEAN CLOSURE AGREEMENT

This **Clean Closure Agreement** (hereinafter called "**AGREEMENT**") for the former Lakeview Disposal Site ("**SITE**") in the unincorporated area of Lakeview, Riverside County, California is made and entered into on this ___ day of _____, 2009 by and between the **County of Riverside**, a political subdivision of the State of California (hereinafter called "**COUNTY**") and Nuevo Development Company, LLC, a Delaware limited liability company (hereinafter called "**NUEVO**"). **COUNTY** and **NUEVO** are sometimes hereinafter referred to individually as "**PARTY**" or collectively as the "**PARTIES.**"

RECITALS

A. WHEREAS, **COUNTY** has the authority to enter into **AGREEMENT** with **NUEVO** pursuant to the powers granted to it under the California Constitution and Government Code; and

B. WHEREAS, the real property, an approximately 7.1 acre triangular-shaped parcel, located on the southwest corner of Marvin Road and Davis Road in the unincorporated area of Lakeview, Riverside County, California is owned by **COUNTY** and was formerly operated by **COUNTY** as a disposal site (the "**SITE**") as depicted on **Exhibit A** attached hereto, and by reference, made a part hereof; and

C. WHEREAS, the **SITE** includes an approximate 6 acre area (the "**LAKEVIEW BURN AREA")** which is also depicted on **Exhibit A**; and

C. WHEREAS, **NUEVO** owns certain real property adjacent to the **SITE** (the "**NUEVO PROPERTY**"), which **NUEVO** proposes to develop with single-family homes; and

D. WHEREAS, **NUEVO** is willing, subject to the terms and conditions of **AGREEMENT**, to fund Clean Closure of the **SITE**; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the **PARTIES** do hereby agree as follows:

AGREEMENT

1. **Recitals**. The **PARTIES** agree that the recitals above are true and correct, which recitals are incorporated into this **AGREEMENT** as if fully set forth herein.

2. **Environmental Conditions.** For purposes of **AGREEMENT**, and based on the data available as of the date of **AGREEMENT**, including but not limited to the public records and soil sample testing performed at the **SITE** as set forth in **Exhibit B**, which is attached hereto and by reference made a part hereof, the **PARTIES** agree that surface and subsurface soils on the **SITE** have been impacted by historic waste burning operations. This material measures approximately forty thousand (40,000) cubic yards and covers approximately six (6) acres of the **SITE**, with the thickness of the cross section ranging from approximately one (1) foot at its edge to about ten (10) feet in the middle (the "**REMOVAL LAYER**"). Sampling was conducted at the **SITE**, within the **REMOVAL LAYER,** and in native soil immediately underlying the **REMOVAL LAYER**. The compounds of concern detected in the **REMOVAL LAYER** primarily consisted of metals, including lead. The native soil samples immediately below and at the edges of the **REMOVAL LAYER** had concentrations of metals and other constituents that were consistent with background levels.

3. **Remedial Work Plan.** The **PARTIES** agree that the **LAKEVIEW BURN AREA** should be clean closed in accordance with California Code of Regulations (CCR) Title 27, Sections 21090 (f) and 21810 in order to remediate soil conditions at the **SITE** pursuant to the **AGREEMENT** and that **NUEVO** shall submit a **Remedial Work Plan** ("**WORK PLAN**"), signed by a registered engineer(s) or certified engineering geologist(s), that will, at a minimum, address excavation, removal, loading, and transportation of the **REMOVAL LAYER** to an authorized disposal facility; confirmatory environmental sampling and testing, including but not limited to air and water testing as required by appropriate regulatory agencies; quality assurance and control; final grading; a monitoring and reporting plan; storm water pollution prevention plan; haul route and traffic plan; and a health and safety plan for **WORK PLAN** activities. The health and safety plan for **WORK PLAN** activities shall, at a minimum, address construction methods and procedures, job specific hazard analysis, worker protection measures and provide

an environmental monitoring and testing plan prepared by an appropriately credentialed environmental professional or industrial hygienists. The **PARTIES** agree that any and all off-site disposal of contaminated soils shall mean that the contaminated soils will be transported by a licensed hazardous waste hauler to a facility authorized and permitted to receive materials deemed as hazardous waste under State of California law, with **COUNTY** listed as the waste generator on the waste manifest. During the project, **NUEVO**, its officers, employees, contractors, subcontractors, consultants, agents or representatives (**NUEVO PARTIES**) shall submit copies of waste manifests on a weekly basis and no later than ten (10) days after manifests have been received by permitted hazardous waste facility. The **WORK PLAN** may include value-engineering components that allow for non-hazardous waste to be diverted or disposed at facilities authorized to receive these materials and/or allow for otherwise hazardous materials to be rendered non-hazardous (such as through use of a pug mill or similar device), upon approval of supporting sampling data and clearance by the **Santa Ana Regional Water Quality Control Board** ("**SARWQCB**"), or other regulatory agencies with jurisdiction to do so.

4. **Required Actions to Implement WORK PLAN.** The **PARTIES** agree that the following actions are required prior to implementation of the **WORK PLAN**:

a. Approval of the **WORK PLAN**, and any modifications thereto, by **County Waste Management Department** ("**WMD**"), **County Department of Environmental Health, Solid Waste Enforcement Agency** ("**LEA**"), and **SARWQCB**; and

i. **South Coast Air Quality Management District** ("**SCAQMD**") Rule 1150 Excavation Permit and Management Plan and Rule 403 Fugitive Dust Plan; and

ii. **SARWQCB** Report of Waste Discharge to assure appropriate storm water management at construction sites pursuant to State Water Resources Control Board General Order 97-10-DWQ; and

iii. National Pollutant Discharge Elimination System Permit required for protection of surface water quality from storm water discharge at the **SITE** during clean closure activities; and

b. **WMD** approval of final grading and drainage plans to ensure that the **SITE** is restored to a final condition that does not present an environmental hazard, a public nuisance, or a threat to public health; and

c. Approval by **WMD** and **LEA** of a detailed schedule of operation, including hours and days of operation, to be coordinated between all **PARTIES** involved in clean-up activities; and

d. Written notification and transmittal of approved **WORK PLAN** to **California Integrated Waste Management Board** ("**CIWMB**") and **LEA** at least ten (10) days prior to implementation of approved **WORK PLAN**; and,

e. Approval by **WMD** of a detailed clean closure cost estimate, including but not limited to construction, transportation, hazardous waste disposal, final grading, final drainage installation, construction management, quality assurance/quality control oversight, environmental testing, and final reporting for regulatory approval.

f. Development of a plan for the complete implementation of the Mitigation Monitoring Program as set forth in **Exhibit C**, which is attached hereto and by this reference made a part hereof.

WMD shall review application packages to **SCAQMD** and **SARWQCB** for designated permits and approvals (the "**REQUIRED PERMITS**") and shall assist **NUEVO** and its contractor(s) in applying for and obtaining the **REQUIRED PERMITS** as needed. **COUNTY** is and shall be identified as the owner of the **SITE**, the operator of the former **LAKEVIEW BURN AREA**, and the generator of the **REMOVAL LAYER** on any and all documentation for the **REQUIRED PERMITS** and **WORK PLAN**.

5. **Implementation of WORK PLAN.** Following receipt of the **REQUIRED PERMITS** and satisfaction of conditions 4.a. through 4.f. above, the **WORK PLAN** shall be implemented

by authorized, licensed and insured contractor(s) working for **NUEVO** in accordance with an approved Health and Safety Plan to ensure the safety of all employees and the public, an approved schedule of operation, and **REQUIRED PERMITS. WMD** and **LEA** shall review and approve the scope of work of such contractor(s), including without limitation the location of the disposal facility or facilities. **NUEVO** shall cause the approved contractor(s) to implement the **WORK PLAN**, and in the event of any dispute between **NUEVO** and the contractor(s), **NUEVO** shall arrange for an alternate contractor, approved by the **WMD**, to implement the **WORK PLAN**. Once a contractor has commenced excavation of the **REMOVAL LAYER**, **NUEVO** is and shall remain obligated under this **AGREEMENT** to cause approved contractor(s) to complete implementation of the **WORK PLAN**.

6. **Status Reports.** During the course of implementing the **WORK PLAN**, including but not limited to obtaining **REQUIRED PERMITS** and other permits, approvals, and certifications from any applicable regulatory agency prior to and after completion of the **WORK PLAN**, **NUEVO** shall provide periodic notifications to the following agencies ("**NOTIFYING AGENCIES**"), as specified in the **WORK PLAN**: (1) **WMD**; (2) **SARWQCB**; (3) **LEA**; and, (4) **SCAQMD**. At a minimum, Status Reports shall be provided on a quarterly basis. In addition, **NUEVO** and/or its contractor(s) shall submit a Final Remediation and Certification Report, signed by a registered engineer(s) or certified engineering geologist(s), to **WMD, LEA, CIWMB,** and **SARWQCB** for review and approval that clean-up has been completed in accordance with approved **WORK PLAN**.

7. **SITE Access.** The **PARTIES** agree that **NUEVO** and its authorized contractor(s) and subcontractors shall have the right to access **SITE** as necessary to complete all actions contemplated under the **WORK PLAN,** provided appropriate insurance is maintained, as required by the **AGREEMENT**.

a. **COUNTY** hereby grants to **NUEVO**, its agents, employees, and contractor(s) the temporary right to enter onto the **SITE** for the purpose of implementing the **WORK PLAN**. This right of entry shall commence upon approval of the

WORK PLAN and terminate five (5) years after the **EFFECTIVE DATE** of this **AGREEMENT**.

b. **NUEVO** shall not permit to be placed against the **SITE**, or any part thereof, any liens, including but not limited to, design professionals, mechanics, materialmens, contractors or subcontractors, with regard to the activities undertaken pursuant to this **AGREEMENT**. **NUEVO** agrees to hold **COUNTY** harmless for any loss or expense, including reasonable attorneys' fees, arising from any such liens which might be filed against the **SITE**.

8. **Default.** Without limitation, the occurrence of any of the following shall constitute a default by **NUEVO** under this agreement:

a. Failure by **NUEVO** to properly and fully implement the approved **WORK PLAN** as required under Section 5 within five (5) years of the **EFFECTIVE DATE** of this **AGREEMENT**.

b. Failure by **NUEVO** to provide Status Reports, or submit the Final Remediation and Certification Report as required under Section 6.

c. Failure by **NUEVO** to maintain the **SITE** as required by this **AGREEMENT** or perform any other covenant or provision of this **AGREEMENT**, if the failure to perform is not cured within thirty (30) days after written notice. If the failure to perform cannot reasonably be cured within thirty (30) days, **NUEVO** shall not be in default of this **AGREEMENT** if **NUEVO** cures the failure to perform within the thirty (30) day period and thereafter diligently and in good faith prosecutes the cure to completion, and such default is cured within a total of ninety (90) days from the date of the notice.

d. The subjection of any right or interest in and to the **SITE** to attachment, execution, or other levy, or to seizure under legal process, if not released within forty-five (45) days after notice from **COUNTY** to **NUEVO**.

e. An assignment by **NUEVO** for the benefit of creditors or the filing of a voluntary or involuntary petition by or against **NUEVO** under any law for the purpose of

adjudicating **NUEVO** bankrupt, or for extending time for payment, adjustment, or satisfaction of **NUEVO's** liabilities hereunder, or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within forty-five (45) days after the assignment, filing, or other initial event.

f. The appointment of a receiver, unless such receivership is terminated within forty-five (45) days after the appointment of the receiver, to take possession of **NUEVO's** interest in the **SITE** or of **NUEVO's** operations on the **SITE** for any reason, including but not limited to, assignment for benefit of creditors or voluntary or involuntary bankruptcy proceedings.

9. **Remedies to Default.** If **NUEVO** shall be in default as stated in Section 8 herein above, then **COUNTY** shall have the following remedy in addition to any and all other rights and remedies provided by law or equity: **COUNTY** may terminate this **AGREEMENT**. In such event, **NUEVO** shall fully cooperate with **COUNTY**, including but not limited to immediately remove from the **SITE** all equipment and other personal property related to **NUEVO's** work under the **AGREEMENT**, and shall fully cooperate in supporting the transfer of any and all permits related to the **AGREEMENT** to **COUNTY** or a third party as requested by **COUNTY**. **NUEVO** shall also assign any and all of its rights and claims against the **NUEVO** to **COUNTY**, and shall fully cooperate with the **COUNTY** in any **COUNTY** claim against **NUEVO** for any **NUEVO** default under Section 8 of this **AGREEMENT**.

10. **Dispute Resolution.** In the event **COUNTY** believes there has arisen any problem with **NUEVO's** performance or obligations under this **AGREEMENT**, **COUNTY** may request an immediate meeting with **NUEVO's** project management to discuss the problem. **NUEVO's** management shall meet with **COUNTY** no later than ten (10) working days following receipt of **COUNTY's** written request for such a meeting. No later than five (5) working days after the meeting, **NUEVO** will provide **COUNTY** with a written response which addresses the issues

raised at the meeting and **NUEVO's** plan to resolve the problem. If the problem persists, **NUEVO's** management shall further meet with **COUNTY** no later than ten (10) working days following receipt of **COUNTY's** written request for additional meetings. If **COUNTY** believes that **NUEVO** management or executives above the project management are required to attend the meeting to sufficiently address the problem, then **NUEVO** will have such management or executives attend the meeting upon fifteen (15) working days written notice from **COUNTY**. Nothing in this **AGREEMENT** shall preclude the parties from agreeing, on a voluntary and informal basis, to meet-and-confer to address any issue that may arise.

11. **Insurance.** Without limiting or diminishing the **NUEVO**'S obligation to indemnify or hold the **COUNTY** harmless as provided in Section 12. of this **AGREEMENT**, **NUEVO** shall procure and maintain or cause to be procured and maintained by its contractors ("**NUEVO-CONTRACTOR**"), at no cost and expense to the **COUNTY**, the following insurance coverage:

a. Workers' Compensation: If the **NUEVO-CONTRACTOR** has employees as defined by the State of California, who will enter upon the **SITE** for the purposes of undertaking actions required to implement this **AGREEMENT**, then **NUEVO-CONTRACTOR** shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement. Such insurance shall be obtained prior to such employees entering upon the **SITE** for the purpose of undertaking action required to the implementation of this **AGREEMENT** and shall be maintained so long as such employees need to enter upon the **SITE** for the purposes of undertaking actions required to implement the **AGREEMENT**.

b. Commercial General Liability: Before commencement of actions relating to the implementation of this **AGREEMENT**, Commercial General Liability insurance

coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, and personal and advertising injury, covering claims which may arise from or out of **NUEVO-CONTRACTOR'S** performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds. Policy's limit of liability shall not be less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

c. Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then **NUEVO-CONTRACTOR** shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

d. Professional Liability. **NUEVO-CONTRACTOR** shall require any environmental consultant that provides professional services involving the exercise of professional judgment (i.e., confirmation sampling, Site closure report preparation) to maintain Professional Liability Insurance providing coverage for performance of work included within this Agreement, with a limit of liability of not less than $1,000,000 per occurrence and $2,000,000 annual aggregate. If **NUEVO- CONTRACTOR'S** Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue

through the term of this Agreement. Upon termination of this Agreement or the expiration or cancellation of the claims made insurance policy **NUEVO-CONTRACTOR** shall purchase at its sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or, 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or, 3) demonstrate through Certificates of Insurance that Consultant has maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

e. Pollution Liability Insurance. **NUEVO-CONTRACTOR** shall maintain site-specific and transit Pollution Liability Insurance, covering both sudden and gradual pollution, with limits of not less than $1,000,000 each pollution condition and $1,000,000 aggregate covering third party claims for bodily injury, property damage and first and third party cleanup expense, for pollution conditions occurring or discovered on-site or as a result of transit whether in the soil, water or air, which arise out of or are related to **NUEVO-CONTRACTOR'S** performance under this agreement. The policy shall name COUNTY as additional insured, and shall not contain an "insured v. insured" exclusion. The policy shall not contain a deductible or self-insured retention higher than $25,000. Coverage provided under this section shall continue for at least five (5) years or to the extent it is commercially reasonably available, whichever is longer.

f. General Insurance Provisions - All lines:

i. Any insurance carrier providing insurance coverage hereunder shall be admitted to or approved to do business in the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

ii. The **NUEVO-CONTRACTOR'S** insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this **AGREEMENT**. Upon notification of self insured retention unacceptable to the **COUNTY**, and at the election of the Country's Risk Manager, **NUEVO-CONTRACTOR'S** carriers shall either; 1) reduce or eliminate such self insured retention as respects this **AGREEMENT** with the **COUNTY**, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

iii. **NUEVO** shall cause **NUEVO-CONTRACTOR'S** insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. **NUEVO-CONTRACTOR** *shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance*

carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

iv. It is understood and agreed to by the parties hereto that the **NUEVO-CONTRACTOR'S** insurance shall be construed as primary insurance, and the **COUNTY'S** insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

v. If, during the term of this **AGREEMENT** or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this **AGREEMENT**, including any extensions thereof, exceeds five (5) years the **COUNTY** reserves the right to adjust the types of insurance required under this **AGREEMENT** and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the **NUEVO-CONTRACTOR** has become inadequate.

vi. If for any reason **NUEVO** fails to perform any obligations or requirements specified in this section, **COUNTY** shall have the right, but not the obligation, to cure such breach of obligation or failure of requirement and to charge to the account of or recover from **NUEVO** any and all expenses to affect such cure.

vii. **NUEVO** shall pass down the insurance obligations contained herein to all tiers of contractors or subcontractors working under this **AGREEMENT**.

viii. The insurance requirements contained in this **AGREEMENT** may be met with a program(s) of self-insurance acceptable to the **COUNTY**.

ix. **NUEVO** agrees to notify **COUNTY** of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this **AGREEMENT**.

x. Certificates of insurance satisfactory to **WMD** evidencing the maintenance of such insurance coverage shall be required prior to the start of services under this **AGREEMENT**. **WMD** shall be given notice, in writing, at least thirty (30) days in advance of cancellation, modification or reduction in coverage. All insurance shall be with companies admitted to issue such coverage in the State of California.

12. **Indemnity.** While **COUNTY** is owner of the **SITE**, the **COUNTY** is and shall at all times remain fully liable for the environmental conditions existing at the **SITE**, and is and shall at all times remain fully liable as the Generator of the waste materials on and removed from the **SITE** except in the event that the actions or conduct of **NUEVO**, its officers, employees, contractors, subcontractors, consultants, agents or representatives (individually and collectively hereinafter referred to as "**NUEVO PARTIES**") adversely affect the current condition of the **SITE**. **NUEVO** shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "**INDEMNIFIED PARTIES**") from any liability whatsoever, based or asserted upon any services or actions of **NUEVO PARTIES,** except liability based on the **COUNTY'S** past conduct, arising out of or in any way relating to this **AGREEMENT**, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of **NUEVO PARTIES** under this **AGREEMENT**. **NUEVO** shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the **INDEMNIFIED PARTIES** in any claim or action based upon such alleged acts or omissions.

a. With respect to any action or claim subject to indemnification herein by **NUEVO**, **NUEVO** shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of **COUNTY**; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes **NUEVO**'s indemnification to **INDEMNIFIED PARTIES** as set forth herein.

b. **NUEVO'S** obligation hereunder shall be satisfied when **NUEVO** has provided to **COUNTY** the appropriate form of dismissal relieving **COUNTY** from any liability for the action or claim involved.

c. The specified insurance limits required in this **AGREEMENT** shall in no way limit or circumscribe **NUEVO'S** obligations to indemnify and hold harmless the **INDEMNIFIED PARTIES** herein from third party claims.

d. **NUEVO** shall at all times indemnify and save harmless **COUNTY** against and pay in full all losses, damages, claims, actions, or expenses that **COUNTY** may sustain, incur or become liable for, relating to **NUEVO'S** negligent or intentional failure to implement the **WORK PLAN** in compliance with this **AGREEMENT** or any of the required permits. **NUEVO'S** indemnification and other obligations under this section shall cease upon 1) approval of the Final Remediation and Certification Report by **WMD, LEA, SARWQCB,** and **CIWMB** and 2) obtaining a Release from Post-Closure Maintenance from the **LEA, SARWQCB,** and **CIWMB** in accordance with CCR Title 27, Section 21900.

13. **Prevailing Wage.** **NUEVO** shall require their contractor(s) implementing the **WORK PLAN** pursuant to this Agreement to pay prevailing wages to the extent required and in accordance with California Labor Code and other applicable laws and regulations.

14. **Bonding.** In order to assure completion of the matters contemplated under the **WORK PLAN**, **NUEVO** shall provide or cause to be provided a performance and payment bond (the "**BONDS**") equal to one hundred percent (100%) of the cost estimated by such contractor to

complete the **WORK PLAN** and equal to one hundred percent (100%) of the cost estimated by such contractor to compensate subcontractors and supplies associated with the **WORK PLAN**. Such **BONDS** will name **COUNTY** as the beneficiary and may be reduced as work under the **WORK PLAN** is completed. **BONDS** will be released by **COUNTY** upon 1) approval of the Final Remediation and Certification Report by **WMD, LEA, SARWQCB,** and **CIWMB** and 2) obtaining a Release from Post-Closure Maintenance from the **LEA, SARWQCB**, and **CIWMB** in accordance with CCR Title 27, Section 21900. The **BONDS** shall be issued by a surety licensed and admitted in the State of California.

15. **Cost Allocation.** In consideration for the option on the **SITE** granted to **NUEVO** under Section 16 herein, **NUEVO** agrees that it shall bear all direct costs of preparation and implementation of the **WORK PLAN**, specifically including contractor expenses, **BONDS** fees, transportation expenses, disposal permit fees, and similar matters.

16. **Option.** In exchange for agreeing to implement the **WORK PLAN**, **NUEVO** shall receive an option to purchase the **SITE** at a cost set according to the following formula: the positive difference between (1) the total funds expended by **NUEVO** to complete and fully implement the **WORK PLAN** and (2) the appraised value of the **SITE**, if improved with a **PERMITTED USE**, as defined under Section 17 herein. If the total funds expended by **NUEVO** to complete and fully implement the **WORK PLAN** are greater than the appraised value of the **SITE**, if improved with a **PERMITTED USE,** then **NUEVO** shall not be required to provide additional compensation for the option. The option may be exercised (a) after completion and full implementation of the **WORK PLAN** and filing and approval of the Final Remediation and Certification Report and (b) for a period of up to one (1) year after **NUEVO** receives all necessary discretionary approvals for development of the **NUEVO PROPERTY** **("OPTION PERIOD")**.

17. **Exercise of the Option.** The **PARTIES** acknowledge that following clean closure of the **LAKEVIEW BURN AREA**, the **SITE** shall be retained as open space in perpetuity, as that term is used in the Riverside County General Plan (the "**PERMITTED USE**"), including but not limited to development and use of natural and artificial bodies of water as drainage corridors. If

NUEVO exercises its option, then the real property transfer documents shall include the **PERMITTED USE** requirement and shall apply to all future owners, including **NUEVO**, of the **SITE**. The **PARTIES** agree that the **SITE** will not be developed with a **PERMITTED USE** until **NUEVO** or its assigns receive appropriate zoning and other regulatory authorizations from **COUNTY** and/or other agencies with jurisdiction over the **PERMITTED USE**, in conformance with applicable laws, including, but not limited to, the California Environmental Quality Act (California Public Resources Code §21000 *et seq.*). If **COUNTY** retains ownership of the **SITE**, the **PARTIES** acknowledge that **COUNTY** will control its use. In the event that **NUEVO** chooses not to exercise its option to purchase and the **OPTION PERIOD** has expired, this **AGREEMENT** shall be fully executed and the **PARTIES** shall not have any further obligations under this **AGREEMENT** except as provided herein.

18. **Assignment.** This **AGREEMENT** may not be assigned by **NUEVO** or **COUNTY** without the written consent of the other **PARTY**. This **AGREEMENT** shall be binding upon and inure to the benefit of the **PARTIES** and their respective successors and assigns.

19. **Related Agreements.** Each **PARTY** agrees to cooperate in order to obtain any and all related and necessary agreements in connection with the remedial measures contemplated in this **AGREEMENT**.

20. **Notices to the PARTIES.** Any notice or other communication required or permitted to be given under this **AGREEMENT** to the **PARTIES** shall be in writing, and may be served by personal delivery, by sending the notice by overnight courier service, addressed to the **PARTY** to be notified, or by depositing the notice in the United States mail, addressed to the **PARTY** to be notified, postage prepaid, and registered or certified with a return receipt requested. Any notice or other communication served in the manner hereinabove described shall be deemed to have been given and received upon the date of delivery to the addressee or refusal by the addressee to accept delivery. Alternatively, any notice or other communication required or permitted to be given to the **PARTIES** under this **AGREEMENT** may be served by facsimile and, in such event, shall be deemed to have been given and received upon the date of delivery to the addressee by facsimile provided that a copy of any such notice or communication is also sent

by overnight courier service, addressed to the **PARTY** to be so notified. For purposes of notice to the **PARTIES**, the contact persons, addresses, and phone and facsimile numbers of the **PARTIES** shall be as follows:

NUEVO:
Nuevo Development Company, LLC
1156 North Mountain Avenue
Upland, CA 91786
Attention: Andy Petitjean
Telephone: (909) 946-7540
Fax: (909) 331-5525

WMD:
Riverside County Waste Management Department
14310 Frederick Street
Moreno Valley, CA 92553
Attention: Hans Kernkamp
Telephone: (951) 486-3232
Fax: (951) 486-3250

21. **Notices to the Notifying Agencies.** Notices to the **NOTIFYING AGENCIES** pursuant to Section 6 shall be in a form and method reasonable to **NUEVO** and may include notices in writing, by telephone, and/or by facsimile. For purposes of providing notices to the **NOTIFYING AGENCIES**, the addresses, phone numbers, and facsimile numbers of the remaining **NOTIFYING AGENCIES** shall be as follows:

LEA:
Riverside County Department of Environmental Health
4065 County Circle Drive
Riverside, CA 92503
Attention: [John Watkins]
Telephone: (951) 358-5055
Fax: (951) 358-5017

SARWQCB:
Santa Ana Regional Water Quality Control Board
3737 Main St., Suite 500
Riverside, CA 92501
Attention: [Dixie Lass]
Telephone: (951) 782-4130
Fax: (951) 781-6288

SCAQMD:
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
Telephone: (909) 396-2000

CIWMB:
California Integrated Waste Management Board
1001 I Street
Sacramento, CA 95814
Attention: Michael Wochnick
Telephone: (916) 341-6318

22. **Entire Agreement.** This **AGREEMENT** supersedes any and all other prior agreements and understandings, either oral or in writing, between the **PARTIES** with respect to the subject matter of this **AGREEMENT**, and no other prior agreement, statement, or promise relating to the subject matter of this **AGREEMENT** which is not contained herein shall be valid and binding. Each **PARTY** acknowledges and agrees that upon execution of this **AGREEMENT** by the **PARTIES** (i) this **AGREEMENT** shall constitute the entire agreement between the **PARTIES** concerning the subject matter of this **AGREEMENT**, (ii) no promises or representations not reflected in this **AGREEMENT** have been made by any **PARTY** in order to induce any other **PARTY** to enter into this **AGREEMENT**, (iii) the **PARTIES** have not relied upon any such promises or representations, and (iv) there are no other prior conditions, promises, representations, understandings or agreements between the **PARTIES** that relate to the subject matter of this **AGREEMENT**.

23. **Governing Law.** This **AGREEMENT** shall be governed by, interpreted, construed, and enforced in accordance with the laws of the State of California without regard to the principles of conflicts of law thereof. **NUEVO** shall comply with all applicable laws and regulations.

24. **Effective Date.** The **AGREEMENT** shall become effective as of the last date that each of the PARTIES has duly executed and delivered this **AGREEMENT** to the other **PARTIES** (the "**EFFECTIVE DATE**"); provided, however, that no failure to do so shall in any way invalidate this **AGREEMENT**. In such event, "**EFFECTIVE DATE**" shall mean the date as of which all **PARTIES** shall have executed this **AGREEMENT** and delivered it to the other **PARTIES**.

25. **Survival.** The rights and obligations created by Sections 11 and 12 will survive the termination or expiration of this **AGREEMENT**.

26. **Interpretation.** The **PARTIES** acknowledge and agree that this **AGREEMENT** is the result of negotiations that they have each been represented by legal counsel in such negotiations, and each **PARTY** and its legal counsel have participated fully in the review and revision of this **AGREEMENT**. The **PARTIES** further acknowledge and agree that the provisions of this **AGREEMENT** shall be construed and enforced in accordance with their fair meaning, and any

rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this **AGREEMENT**. The captions and headings contained herein are for convenience only, and shall not affect the meaning or interpretation of this **AGREEMENT**. Nothing in this **AGREEMENT** which requires or allows the **COUNTY** or any other entity to review or approve **NUEVO's** work shall in any way relieve **NUEVO** of its obligations under this **AGREEMENT**.

27. **Severability.** The **PARTIES** acknowledge and agree that if any agreement, covenant, provision, term or condition in this **AGREEMENT** is invalid, illegal or incapable of being enforced under any applicable rule or law of the State of California by a court of competent jurisdiction, such agreement, covenant, provision, term or condition shall be ineffective only to the extent of such invalidity, illegality or unenforceability and all other agreements, covenants, provisions, terms and conditions in this **AGREEMENT** shall nevertheless remain in full force and effect; provided that the elimination or invalidity of such agreement, covenant, provision, term or condition does not materially alter the intent of the **AGREEMENT** or the consideration received by any **PARTY**.

28. **Venue.** Any action at law or in equity brought by either of the **PARTIES** related in any way to the performance or interpretation of this **AGREEMENT** shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county. Prior to the filing of any legal action, the **PARTIES** shall be obligated to attend a mediation session with a neutral third party mediator in an attempt to resolve the dispute.

29. **Cooperation Clause.** The **PARTIES** agree to take such actions as may be necessary and otherwise cooperate in order to effectuate the purposes and intent of this **AGREEMENT**.

30. **No Third Party Beneficiaries.** Nothing in this **AGREEMENT**, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this **AGREEMENT** on any person other than the **PARTIES** and their respective successors and assigns, if any, nor shall any agreements, covenants, provisions, terms or conditions in this **AGREEMENT** give any third **PARTIES** any right of subrogation or action against the **PARTIES**.

31. **Authority.** Each person signing this **AGREEMENT** represents that he or she has the authority to do so on behalf of the **PARTY** for whom he or she is signing.

IN WITNESS WHEREOF, the **PARTIES** have caused this **LAKEVIEW SITE CLEAN CLOSURE AGREEMENT** to be executed on the date set forth next to their respective signatures below.

NUEVO DEVELOPMENT COMPANY, LLC, a Delaware limited liability company
By: LEWIS OPERATING CORPORATION, a California Corporation - Its Manager

By: John M Goodman

Name: John M. Goodman

Its: Sr. VP/CEO/CFO

Date: 10-19-09

RECOMMENDED FOR APPROVAL:
RIVERSIDE COUNTY WASTE MANAGEMENT DEPARTMENT

By: _____

Hans W. Kernkamp
General Manager-Chief Engineer

Date: 10/21/09

COUNTY OF RIVERSIDE, A political subdivision of the State of California

By: _____

Jeff Stone, Chairman
Board of Supervisors

Date: _____

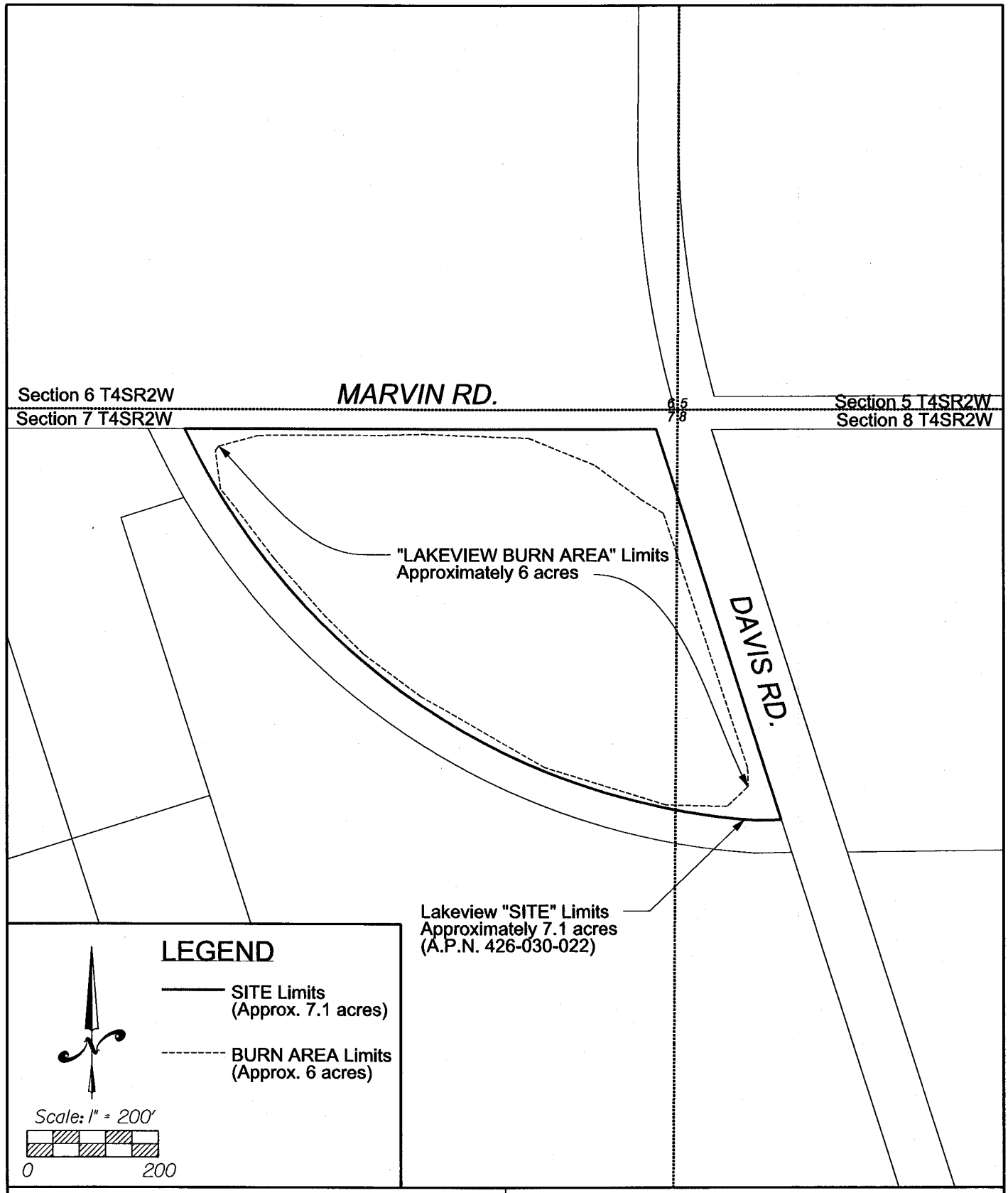
ATTEST:
KECIA HARPER-IHEM
CLERK OF THE BOARD

By: _____
Deputy

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 10-21-09
SYNTHIA M. GUNZEL DATE

PD#80149/v7

Exhibit A



Riverside County
Waste Management Department

Lakeview Site
Clean Closure Agreement
Exhibit A

File: /sites/lakeview/clean closure/Exhibit_A_Site.dgn

Date: August 20, 2009

Exhibit B

The trash samples collected were tested by a State Certified Hazardous Waste Analytical Laboratory according to the following schedule.

TRASH SAMPLES	
ANALYTE	FREQUENCY
CAM Metals*	All Samples
pH	All Samples
Pesticides/PCB's (8081)	One Per Trench (11 Total)
Semi-VOC's (8270L)	One Per Trench (11 Total)
Dioxins/Furans (8280)	One Every Other Trench (5 Total)
TRPH (418.1)	One Per Trench (11 Total)
*All samples with results greater than 10 times the STLC value were analyzed for their STLC, (CA-Wet), TCLP, and DI-Wet Values.	

No samples were taken of the native sandy silt soil underlying the trash layer based on the lack of reported or background concentrations of constituents found in the Initial Draft Waste Characterization.

A copy of the Trench Location Map, which shows the previous trenches and the current trench locations is provided within Appendix A. Cross sections of the site, as obtained from all the trenches placed at the site, are also provided within Appendix A.

LABORATORY ANALYTICAL RESULTS

The laboratory analytical results for all samples collected from the trash layer and native soil during the initial draft and current additional waste characterizations are provided in the following tables.

pH

The pH was conducted only on the most recent samples of the trash taken in trenches 8 through 18. The pH of the samples ranges from a low of 6.6 to a high of 8.5 with an average of 7.7. The pH of the samples is well within the normal range for soil with the majority of the samples slightly alkaline.

LG Holding Company, LLC
August 9, 2004

Project No. 11729.26

TABLE 2 - TITLE 22 METALS
MG/KG (PPM)

SAMPLE ID	DATE	DEPTH (FT)	As	Ba	Be	Cd	Cr	Co	Cu	Pb	Mo	Ni	Vn	Zn
T-1-1	8/21/03	1.0	ND	210	ND	0.61	7.9	9.4	36	**190***	ND	6.3	37	390
T-1-4	8/21/03	4.0	ND	320	ND	ND	12	16	25	3.8	ND	7.4	82	62
T-2-4	8/21/03	4.0	2.5	200	ND	2.5	42	18	240	**810***	ND	64	72	440
T-2-6	8/21/03	6.0	1.1	250	0.60	ND	12	11	13	2.9	ND	6.4	68	81
T-3-2.5	8/21/03	2.5	2.9	130	ND	3.1	26	9.5	130	**150***	ND	40	66	770
T-3-7	8/21/03	7.0	2.5	250	0.60	ND	12	12	18	3.2	ND	7.8	87	75
T-5-4	8/21/03	4.0	4.0	420	ND	6.4	33	10	**300***	**540***	ND	18	31	1,600
T-5-11	8/21/03	11.0	ND	230	ND	ND	11	12	22	3.5	ND	6.3	50	66
T-6-3	8/21/03	3.0	ND	130	ND	0.82	11	7.6	47	**92***	ND	7.3	26	200
T-6-7	8/21/03	7.0	2.2	300	0.53	ND	12	14	27	3.4	ND	8.4	88	68
T-8-3.5	4/1/04	3.5	3.2	430	ND	**12***	20	8.6	72	**190***	ND	12	33	1,600
T-9-3	4/1/04	3.0	5.5	200	ND	1.5	14	9.3	53	**170***	ND	69	32	490
T-9-6	4/1/04	6.0	1.5	130	ND	0.82	10	6.7	110	**58***	ND	5	26	180
T-9-8	4/1/04	8.0	1.8	320	ND	1.8	12	8.1	60	**620***	ND	12	29	760
T-10-3	4/1/04	3.0	3.3	280	ND	1.7	18	8.9	120	**840***	5.2	27	34	860
T-11-4	4/1/04	4.0	20	360	ND	8.7	**58***	24	80	**430***	ND	180	30	1,700
T-11-6	4/1/04	6.0	5.5	91	ND	1.8	4.7	6.2	45	**61***	ND	5	6	**2,700***
T-11-8	4/1/04	8.0	2.6	250	ND	**12***	26	12	**550***	**440***	ND	66	25	**12,000***
T-12-2.5	4/1/04	2.5	3.1	51	ND	ND	10	4.9	9.8	3.5	ND	7	20	30
T-12-4	4/1/04	4.0	2.2	160	ND	1.4	15	6.6	33	**110***	ND	9	30	270
T-13-1.5	4/1/04	1.5	4.1	380	ND	2.8	20	88	77	**1,900***	ND	14	33	2,100

TABLE 3 - TABLE OF ADDITIONAL METALS TESTING - STLC, TCLP, AND DI-WET MG/L (PPM)

SAMPLE ID	DATE	DEPTH (FT)	Pb			Cd			Cr			Cu			Zn		
			STLC	TCLP	DI-WET	STLC	TCLP	DI-WET	STLC	TCLP	DI-WET	STLC	TCLP	DI-WET	STLC	TCLP	DI-WET
T-1-1	8/21/03	1.0	**11**	-	-	-	-	-	-	-	-		-	-	-	-	-
T-1-4	8/21/03	4.0	**23**	-	-	-	-	-	-	-	-		-	-	-	-	-
T-3-2.5	8/21/03	2.5	**8.2**	-	-	-	-	-	-	-	-		-	-	-	-	-
T-5-4	8/21/03	4.0	**17**	-	-	-	-	-	-	-	-	24	-	-	-	-	-
T-6-3	8/21/03	3.0	3.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T-8-3.5	4/1/04	3.5	**6.8**	ND	ND	**2.7**	0.11	ND	-	-	-	-	-	-	-	-	-
T-9-3	4/1/04	3.0	**13**	ND	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-9-6	4/1/04	6.0	2.9	ND	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-9-8	4/1/04	8.0	**38**	0.36	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-10-3	4/1/04	3.0	**150**	0.18	ND	-	-	-		-	-	-	-	-	-	-	-
T-11-4	4/1/04	4.0	**29**	2.3	ND	-	-	-	ND	ND	ND	-	-	-	-	-	-
T-11-6	4/1/04	6.0	4.6	0.19	ND	-	-	-	-	-	-	-	-	-	120	28	ND
T-11-8	4/1/04	8.0	**200**	ND	ND	ND	0.20	ND	-	-	-	4.4	ND	ND	110	9.1	ND
T-12-4	4/1/04	4.0	**11**	ND	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-13-1.5	4/1/04	1.5	**170**	2.1	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-14-3.5	4/1/04	3.5	**34**	ND	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-15-3	4/1/04	3.0	**25**	0.24	ND	-	-	-	-	-	-	-	-	-	-	-	-
T-16-4.5	4/1/04	4.5	**29**	ND	ND	ND	0.057	ND	-	-	-	**31**	0.68	ND	**300**	26	ND
T-18-3.5	4/1/04	3.5	ND	0.11	ND	-	-	-	-	-	-	-	-	-	-	-	-
REGULATORY LEVELS			5	5	-	1	1	-	5	5	-	25	N/A	-	250	N/A	-

BOLD - Samples exceed regulatory values for STLC or TCLP

trenches at concentrations below the CCR level for characterization as hazardous waste. Again, we appear to have a localized hot spot of DDT/DDE.

TABLE 5 - ORGANOCHLORINE PESTICIDES AND PCB'S
MG/KG (PPM)

SAMPLE ID	DATE	DEPTH (FT)	CHLORDANE	DDD	DDE	DDT	DIELDRIN	TOXAPHENE	PCB'S
T-1-1	8/21/03	1.0	ND	ND	ND	0.020	ND	ND	ND
T-3-2.5	8/21/03	2.5	ND	ND	0.17	0.077	ND	0.57	ND
T-5-4	8/21/03	4.0	0.073	ND	0.045	0.070	0.017	0.15	0.15
T-6-3	8/21/03	3.0	ND	ND	0.008	ND	ND	ND	ND
T-8-3.5	4/1/04	3.5	ND	ND	0.024	ND	ND	ND	ND
T-9-3	4/1/04	3.0	ND	ND	0.098	0.080	ND	ND	ND
T-10-3	4/1/04	3.0	ND	ND	0.036	0.046	ND	ND	ND
T-11-6	4/1/04	6.0	ND	ND	ND	ND	ND	ND	3.3
T-13-1.5	4/1/04	1.5	ND	ND	0.033	ND	ND	ND	ND
T-14-3.5	4/1/04	3.5	ND	ND	0.041	0.10	ND	ND	ND
T-15-3	4/1/04	3.0	ND	ND	0.042	0.053	ND	ND	ND
T-16-4.5	4/1/04	4.5	ND	ND	**4.4***	**4.1***	ND	ND	ND
T-18-3.5	4/1/04	3.5	ND	ND	0.014	ND	ND	ND	ND
TTLC Value			2.5	1.0	1.0	1.0	8.0	5.0	50

EPA Preliminary Remedial Goal for industrial soils is 7.0 mg/kg for DDT and DDE and 0.74 for PCB's

Semi-Volatile Organic Compounds

Out of nineteen samples, semi-volatile organics were found in only two samples which were at concentrations that are typically below the EPA PRG's for industrial soil.

TABLE 8 - DIOXINS/FURANS

SAMPLE ID	DATE	DEPTH (FT)	2,3,7,8 TCDD	TOTAL EQUIVALENT QUOTIENT (TEQ) DATA NG/G (PPB)
T-9-6	8/21/03	1.0	0.000464	TEQ (Min-Max): 0.015 - 0.0164
T-11-6	8/21/03	4.0	ND	TEQ (Min-Max): 0.155 - 0.157
T-13-1.5	8/21/03	4.0	0.00305	TEQ (Min-Max): 0.069 - 0.072
T-16-4.5	8/21/03	6.0	ND	TEQ (Min-Max): 0.477 - 0.529
T-17-3.5	8/21/03	2.5	0.000349	TEQ (Min-Max): 0.0015 - 0.00251
TTLC Value for Dioxin (2,3,7,8 TCDD)			0.01	N/A
EPA PRG for Industrial Soil is 1.6×10^{-5} mg/kg				

Copies of the trench logs and laboratory analytical data produced during the current waste characterization are provided within Appendix D.

DISCUSSION OF RESULTS

Compounds of Concern

The only Compounds of Concern (COC) that were identified during the previous and current investigation at the Lakeview Dump are those that are to be expected in these environments. The most widespread COC is lead, which was detected in all samples. Of those samples that had a TTLC value of 10 times the STLC value or greater than 50 mg/kg, additional testing (STLC, TCLP, and Di-Wet) was conducted. These tests showed most of the samples above the STLC limit of 5.0 mg/kg, however, the TCLP values were below the 5.0 mg/kg limit. Additional testing of cadmium, copper, chromium, and zinc samples, which were above 10 times their STLC values, was also conducted. The STLC test results were below or just above the STLC limit with the TCLP and Di-Wet minimal or non-detect.

Localized compounds of concern were TRPH at 2,700 mg/kg, DDT and DDE at 4.1 and 4.4 mg/kg, respectively. The TRPH of 2,700 mg/kg is in the diesel to waste oil range and clean up goals for these petroleum hydrocarbons is on a site specific basis and is usually between 100 and 10,000 mg/kg. DDT and DDE are above the CCR level of 1.0 mg/kg that characterize the material as a hazardous waste, however, they are below the EPA PRG's for industrial soil of 7.0 mg/kg. Each of

Compounds of Concern (COC) typically associated with burn dumps are present. The most common COC is lead and was detected in all the samples. Additional testing using the TCLP was conducted and all the samples were below the 5.0 mg/kg limit for lead. Also detected in some of the samples was cadmium, copper, chromium, and zinc. Additional testing for these metals using the STLC, TCLP, and Di-Wet methods was performed and the results were all below the regulatory limits except for one sample of cadmium and one for copper which were just above the STLC limits.

The burn ash compounds of concern are typically not readily soluble in water and represent a low probability of leaching to groundwater.

PH testing results indicate the material is normal to slightly alkaline, further confirming a low probability of potential leaching to groundwater. This is consistent with the minimal or non-detect test results from TCLP testing, simulating the leaching characteristics of the material in a landfill.

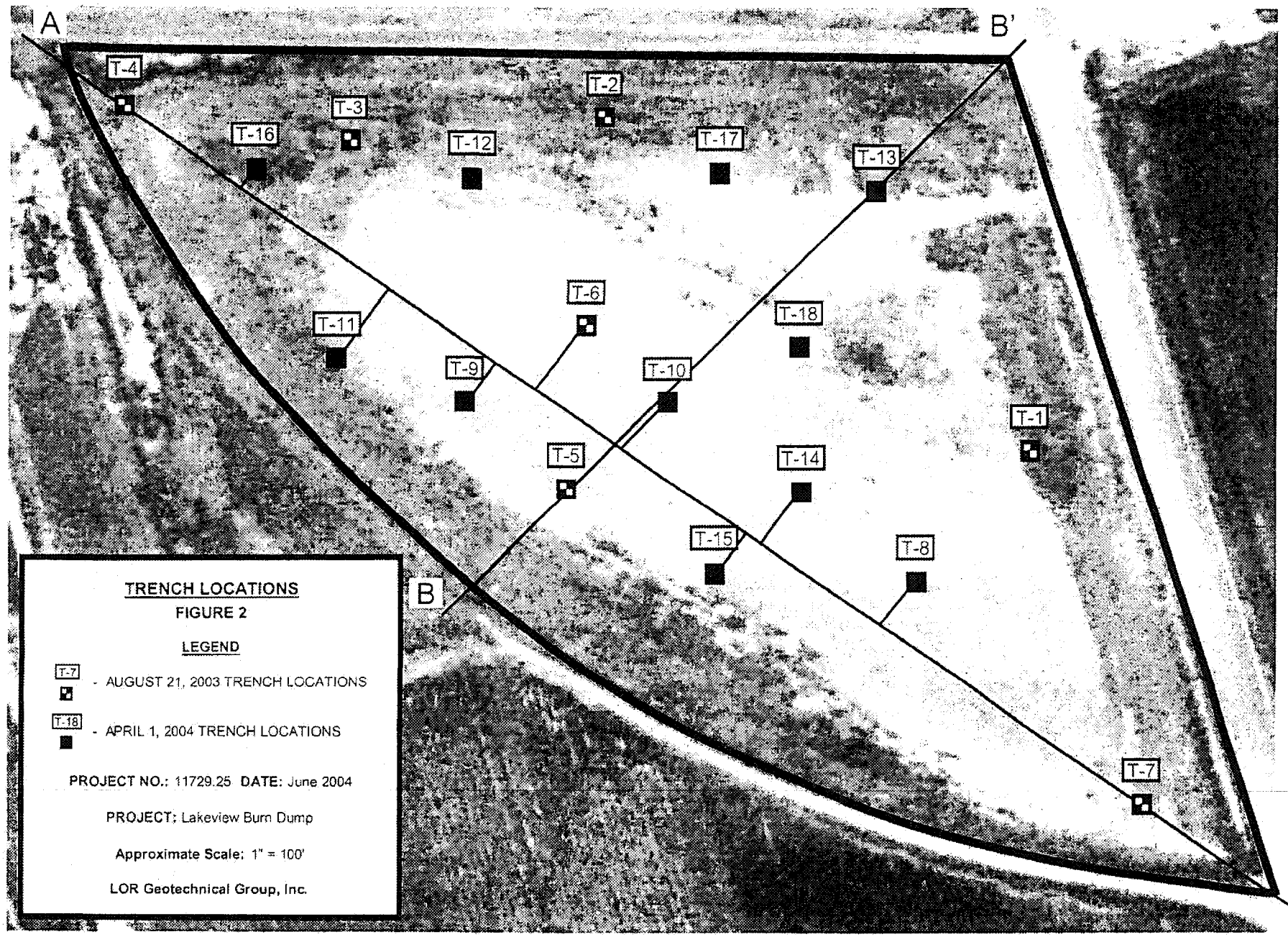
Groundwater in the area is at least 100 feet below the surface. A more likely way for COC's to migrate from the site would be from flooding. The site is located in the 100-year flood plain and is within 1,500 feet of the San Jacinto River. The property around the site is slated for development in the next few years and, as development begins to occur in the area, the potential for human contact with the COC's from the site will increase.

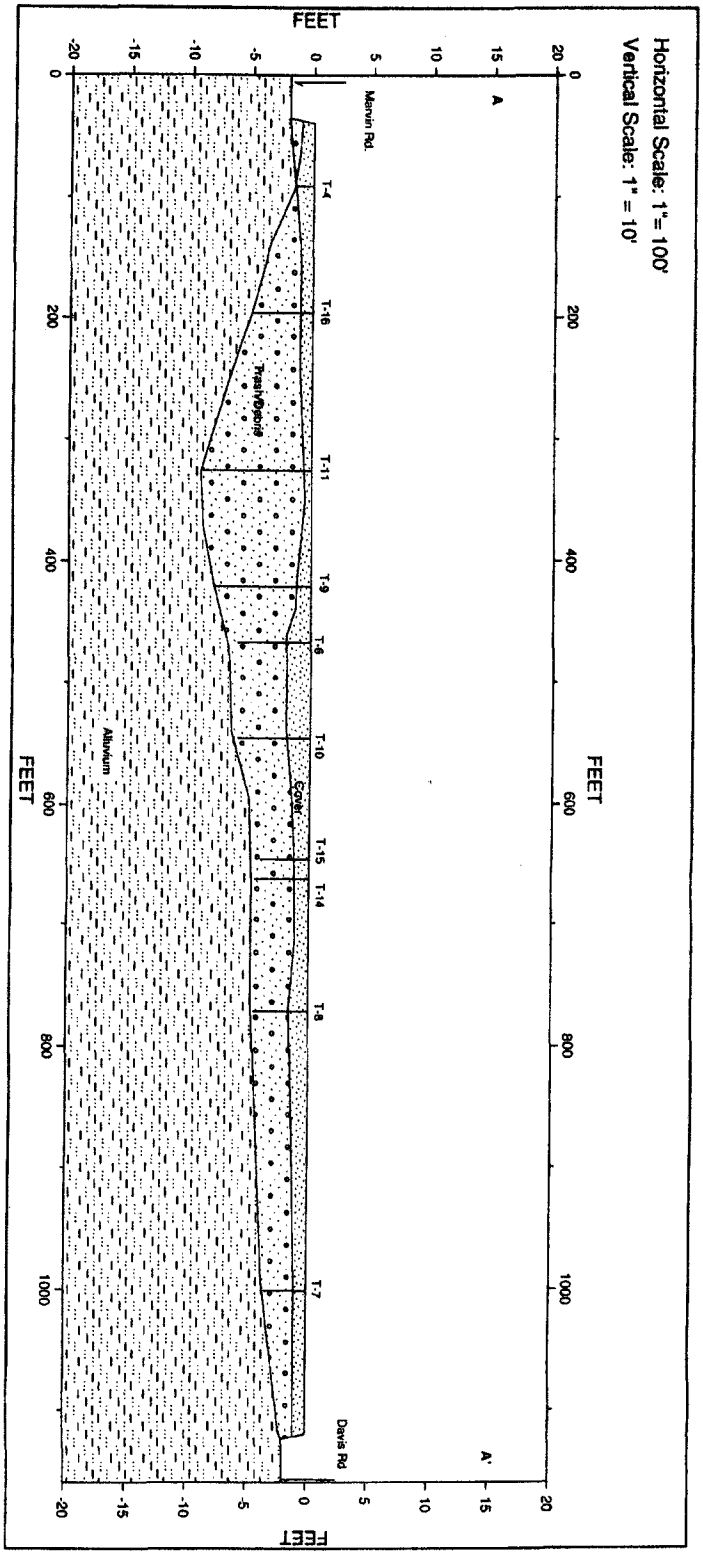
No water monitoring or gas monitoring is performed at the site. Clean closure of the Lakeview site with the removal of the material to the nearest Class III landfill, such as Badlands or Lamb Canyon, would be a benefit to the environment considering that the Lakeview site is a small, isolated site located within a flood plain. Clean closure in this manner is not inconsistent with the goals of overall net benefit to the public and the environment and would be consistent with the recent Regional Board's recent acceptance of fire damaged material into Class III landfills.

LIMITATIONS

This report was prepared solely for the use and benefit of LOR's client, LG Holding Company, LLC ("Lewis") and their designates, they may release this information to

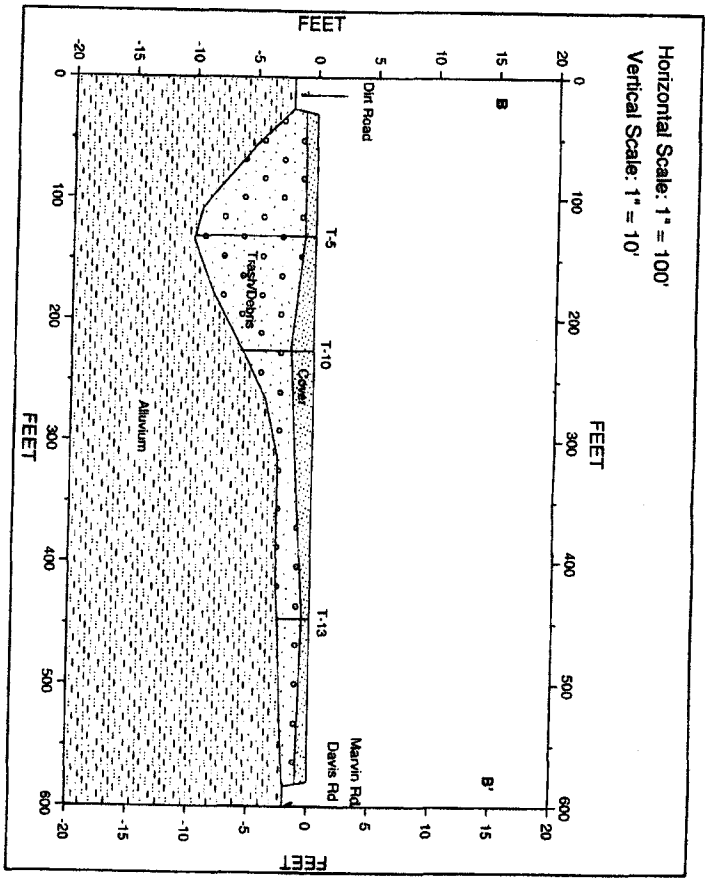
natural processes or the work of man on this or adjacent properties. In addition, changes in the Standards-of-Practice and/or Governmental Codes may occur. Due to such changes, the findings of this report may be invalidated wholly or in part by changes beyond our control. Therefore, this report should not be relied upon after a significant amount of time without a review by LOR Geotechnical Group, Inc., verifying the suitability of the conclusions and recommendations.


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T-8
B
T-7
A'
TRENCH LOCATIONS
FIGURE 2
LEGEND
T-7 - AUGUST 21, 2003 TRENCH LOCATIONS
T-18 - APRIL 1, 2004 TRENCH LOCATIONS
PROJECT NO.: 11729.25 DATE: June 2004
PROJECT: Lakeview Burn Dump
Approximate Scale: 1" = 100'
LOR Geotechnical Group, Inc.



CROSS SECTION A-A'

PROJECT:	LAKEVIEW BURN DUMP, LAKEVIEW, RIVERSIDE COUNTY, CALIFORNIA	PROJECT NO.:	11729.26
CLIENT:	LEWIS INVESTMENT COMPANY, LLC	ENCLOSURE:	A-3
LOR Geotechnical Group, Inc.		DATE:	AUGUST 2004
		SCALE:	AS SHOWN



CROSS SECTION B-B'

PROJECT:	LAKEVIEW BURN DUMP, LAKEVIEW, RIVERSIDE COUNTY, CALIFORNIA	PROJECT NO.:	11729.26
CLIENT:	LEWIS INVESTMENT COMPANY, LLC	ENCLOSURE:	A-4
LOR Geotechnical Group, Inc.		DATE:	AUGUST 2004
		SCALE:	AS SHOWN

Exhibit C

Lakeview Disposal Site Clean Closure Project

Mitigation Monitoring Program

Prepared By:
Riverside County Waste Management Department
14310 Frederick Street
Moreno Valley, CA 92553

July 2008

PD 68730

Monitoring: Designates the agency responsible for overseeing and/or monitoring the implementation of the mitigation measure (s) included in the MMP. In the case of this project, RCWMD shares monitoring responsibility with various local, state, and federal agencies. The following abbreviations are used to designate the responsible agencies:

CAL/OSHA:	California Occupational Safety and Health Administration
SARWQCB:	Santa Ana Regional Water Quality Control Board
DEH:	Riverside County Department of Environmental Health
RCWMD:	Riverside County Waste Management Department
SCAQMD:	South Coast Air Quality Management District

AIR QUALITY

Mitigation Measures:

AQ-1 Unpaved areas, including the site of earth-moving activities, un-paved access, and the road shoulder used for queuing, shall be watered up to once an hour.

AQ-2 All drivers, including operators of on-site equipment, shall be required to drive no faster than 15 mph on the project site.

AQ-3 When wind-driven dust is seen, storage piles of cover material shall be watered at least once over 70% of their surface.

AQ-4 Inactive disturbed areas shall be watered, as necessary, when wind-driven dust is seen.

AQ-5 Field personnel will use a flame ionization detector (FID) to monitor and detect fugitive LFG, which can be calibrated to respond to organic compounds. Each day each FID will be recalibrated using the calibration gas and air in compliance with the SCAQMD requirements.

AQ-6 The exposed excavated areas shall be covered daily to minimize contact with water and to control for any odors.

AQ-7 Fence-line air monitoring will be performed to identify any issues with odors.

Agency/Individual Responsible for Implementation: RCWMD

Timing: Ongoing process during operations, as required by state and federal regulations.

Monitoring: RCWMD, SCAQMD, and DEH

PUBLIC HEALTH AND SAFETY

Mitigation Measures:

PH-1 Site personnel shall comply with the Health and Safety Plan developed for the project, which includes: a) basic health and safety training, addressing site hazards, proper work techniques, and emergency and evacuation procedures; b) the use and provision for personal protective equipment (i.e., earplugs, hard hats, dust masks, etc.); c) heavy equipment hazards and site traffic hazards; d) prevention preparedness, and response measures for fire, spills, and other accidents; and e) first aid and cardiopulmonary resuscitation.

PH-2 A South Coast Air Quality Management District (SCAQMD) Rule 1150 Excavation Permit and Management Plan shall be obtained prior to excavation. Site personnel shall comply with all conditions of the permit

PH-3 At the end of each work day, the exposed "Removal Layer" shall be adequately covered with an impermeable tarp that will prevent vectors from accessing trash and prevent wind blown litter.

Agency/Individual Responsible for Implementation: RCWMD

Timing: Ongoing process during operations, as required by state and federal regulations.

Monitoring: RCWMD, DEH, SCAQMD, CAL/OSHA

AESTHETICS

Mitigation Measures:

AES-1 Excavation work will only be performed from 7:00 a.m. to 5:00 p.m.

Agency/Individual Responsible for Implementation: RCWMD

Timing: Ongoing process during excavation.

Monitoring: RCWMD, DEH

SUBMITTAL TO THE BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

708

FROM: Regional Park and Open-Space District

SUBMITTAL DATE: 10/19/09

SUBJECT: Proposition 1A Sale Resolution and Purchase and Sale Agreement

RECOMMENDED MOTION: That the Board approves Resolution 2009-5 approving the form of and authorizing the execution and delivery of a Purchase and Sale Agreement and Related documents with respect to the sale of the seller's Propositions 1A Receivable from the state; and authorizes certain other actions in connection therewith.

BACKGROUND: Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concurs.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.
(continued)

745 - Proposition 1A Sale Resolution 2009-5

Scott Bangle, General Manager

FINANCIAL DATA n/a				
	Current F.Y. Total Cost:	N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	N/A	For Fiscal Year:	N/A

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

SOURCE OF FUNDS: n/a

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY: Alex Gann

Alex Gann

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARNER DATE 10/22/09

Departmental Concurrence

Dep't Recomm.: ☐ Consent ☒ Policy

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
Consent ☒ Policy

2009 OCT 23 AM 10:51

CLERK OF THE BOARD

Prev. Agn. Ref.: | **District:** All | **Agenda Number:** 13.1

SUBJECT: Proposition 1A Sale Resolution and Purchase and Sale Agreement

BACKGROUND continued:
The legislature approved SB67 on October 14, 2009, and now awaits the governor's signature. SB67 will provide for a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism.

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the District sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the District's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The District's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the District if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority ("California Communities") is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California.

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits to the District of participation in the Proposition 1A Securitization Program include:

1. Immediate cash relief – the sale of the District's Proposition 1A Receivable will provide the District with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.
2. Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15 and the proposed clean-up legislation SB 67, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.

SUBJECT: Proposition 1A Sale Resolution and Purchase and Sale Agreement

3. All costs of financing borne by the State of California. The District will not have to pay any interest cost or costs of issuance in connection with its' participation.
4. No obligation on Bonds. The District has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Proceeds of the Sale of the District's Proposition 1A Receivable:

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the District its fixed purchase price, which will equal 100% of the local agency's Proposition 1A Receivable. These funds may be used for any lawful purpose of the District and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution:

(1) Authorizes the sale of the District's Proposition 1A Receivable to California Communities for 100% of its receivable;
(2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
(3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;
(4) Appoints certain District officers and officials as Authorized Officers for purposes of signing documents; and
(5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

(1) Provides for the sale of the Proposition 1A Receivable to California Communities;
(2) Contains representations and warranties of the District to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions is pending or threatened to disrupt the transaction and that this is an arm's length "true sale" of the Proposition 1A Receivable.
(3) Provides mechanics for payment of the Purchase Price
(4) Contains other miscellaneous provisions.

(continued from page 3)

SUBJECT: Proposition 1A Sale Resolution and Purchase and Sale Agreement

Proposed Purchase and Sale Agreement Exhibits

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

(B1) Opinion of Counsel: This is an opinion of the counsel to the District covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).

(B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).

(C1) Certificate of the Clerk of the Local Agency: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.

(C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.

(C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.

(D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.

(E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

BOARD OF DIRECTORS

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

RESOLUTION NO. 2009-5
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the Riverside County Regional Park and Open-Space District, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this Board of Directors (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California

FORM APPROVED COUNTY COUNSEL
BY [signature] DATE 12/21/09
KALEA A. GARDNER

Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Riverside County Regional Park and Open-Space Disrict to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Directors of the Riverside County Regional Park and Open-Space District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Directors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written

Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Riverside County Regional Park and Open-Space Disrict to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Directors of the Riverside County Regional Park and Open-Space District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Directors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written

Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this Board of Directors, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The Board of Directors acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the County of Riverside, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

_____
Chairman

Attest:

_____
Clerk of the Board

Approved as to form:

SELLER'S COUNSEL

FORM APPROVED COUNTY COUNSEL
BY: _____ 10/16/09
DALE A. GARDNER DATE

By_____

Dated: _____

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the County of Riverside, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

_____
Chairman

Attest:

_____
Clerk of the Board

Approved as to form:

SELLER'S COUNSEL

FORM APPROVED COUNTY COUNSEL
BY: _____ 11/10/09
DALE A. GARDNER DATE

By_____

Dated: _____

APPENDIX A

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Authorized Officers: Scott Bangle, General Manager

Tracy Novak, Assistant Parks Director

Cesar Quinones, Administrative Services Manager II

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT, CALIFORNIA,
As Seller

and

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY,
As Purchaser

PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the "Proposition 1A receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an "Installment Payment" and, collectively, the "Installment Payments"), on January 15, 2010, and May 3, 2010 (each a "Payment Date" and, collectively, the "Payment Dates"). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.deleray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Deleray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller's Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

(i) Transaction Counsel receiving on or before the date the Bonds are sold (the "Pricing Date"), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's Board of Directors approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

(ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);

(iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and

(iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery if this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefore.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its Board of Directors members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at 4600 Crestmore, Riverside, CA 92509.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE 12/26/05

By: _____
General Manager

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, as Purchaser

By: _____
Authorized Signatory

EXHIBIT A
DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

"Act" means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

"Bill of Sale" has the meaning given to that term in Section 2(b) (ii) hereof.

"Closing Date" means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to cquinones@co.riverside.ca.us not later than one day prior to the Closing Date.

"Controller" means th e Controller of the State.

"County Auditor" means the auditor or auditor-controller of the county within which the Seller is located.

"Credit Enhancer" means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

"Credit Support Instrument" means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

"Initial Amount" means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

"Installment Payments" have the meaning set forth in Section 2(a).

"Payment Dates" have the meaning set forth in Section 2(a).

"Pricing Date" means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to cquinones@co.riverside.ca.us not later than one day prior to the Pricing Date.

"Principal Place of Business" means, with respect to the Seller, the location of the Seller's principal place of business and chief executive office located at 4600 Crestmore Road, Riverside, CA 92509.

"Proposition 1A Receivable" has the meaning set forth in Section 2(a).

"Purchase Price" means an amount equal to the Initial Amount.

"Rating Agency" means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

"Rating Agency Confirmation" means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

"Resolution" means the resolution adopted by the Board of Directors approving the sale of the Proposition 1A Receivable.

"State" means the State of California.

"Transaction Counsel" means Orrick, Herrington & Sutcliffe LLP.

"Transaction Documents" mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of Riverside County Regional Park and Open-Space District, dated as of the Closing Date.

Exhibit B1

OPINION OF COUNSEL
to
RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

November 3, 2009

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

This Office has acted as counsel for the Riverside County Regional Park and Open-Space District (the "Seller") in connection with the adoption of that certain resolution (the "Resolution") of the Board of Directors of the Seller (the "Governing Body") pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the "Purchaser") of the Seller's "Proposition 1A Receivable", as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller's Proposition 1A Receivable to the Controller of the State of California (the "Disbursement Instructions") and a Bill of Sale and Bringdown Certificate of the Seller (the "Bill of Sale" and, collectively with the Sale Agreement and the Disbursement Instructions, the "Seller Documents").

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. We have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as we deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, we have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, we are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of our knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of our knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, we express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without our prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. We do not undertake to advise you of matters that may come to our attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

Office of County Counsel, County of Riverside, California

By: Dale A. Gardner, Deputy
Dale A. Gardner
County Counsel

Exhibit B2

OPINION OF COUNSEL
to
RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

November 3, 2009

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Riverside County Regional Park and Open-Space District (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

Office of County Counsel, County of Riverside, California

By: Dale A. Gardner, Deputy
Dale A. Gardner
County Counsel

Exhibit C1

CERTIFICATE OF THE CLERK OF THE BOARD OF RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT, CALIFORNIA

November 3, 2009

The undersigned Clerk of the Board of the Riverside County Regional Park and Open-Space District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ duly adopted at a regular meeting of the Board of Directors of said Seller duly and legally held at the regular meeting place thereof on the _____ day of _____, 2009, of which meeting all of the members of said Board of Directors had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of Riverside, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By:_____
Clerk of the Board of the County of Riverside, California

Exhibit C2

SELLER CERTIFICATE

November 3, 2009

We, the undersigned officers of the Riverside County Regional Park and Open-Space District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the "Seller Transaction Documents") were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the "Sale Agreement"), between the Seller and the California Statewide Communities Development Authority (the "Purchaser").

2. Irrevocable Instructions For Disbursement of Seller's Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.

3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.

2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.

3. The Board of Directors duly adopted its resolution (the "Resolution") approving the sale of the Seller's Proposition 1A Receivable at a meeting of the Board of Directors which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title	Signature
Scott Bangle, General Manager	_____
Tracy Novak, Assistant Parks Director	_____
Cesar Quinones, Administrative Services Manger II	_____

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: November 3, 2009

By: _____
Clerk of the Board of the County of Riverside, California

EXHIBIT C3

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the Clerk of the Board dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: November 3, 2009

RIVERSIDE COUNTY REGIONAL PARK
AND OPEN-SPACE DISTRICT

By: _____
Administrative Services Manager II

Exhibit D

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

November 3, 2009

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the Riverside County Regional Park and Open-Space District and Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, Riverside County Regional Park and Open-Space District (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's Board of Directors authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name:	Wells Fargo Bank, N.A.
Bank ABA Routing #:	121000248
Bank Account #:	0001038377
Bank Account Name:	Corporate Trust Clearing
Further Credit To:	CSCDA Proposition 1A Bonds
Bank Address:	707 Wilshire Blvd., 17th Floor MAC E2818-176 Los Angeles, CA 90017
Bank Telephone #:	(213) 614-3353
Bank Contact Person:	Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

RIVERSIDE COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

By: _____
Administrative Services Manager II

EXHIBIT E

ESCROW INSTRUCTION LETTER

November 3, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The Riverside County Regional Park and Open-Space District (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's Board of Directors has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel ("Transaction Counsel"), as instructed below:

1. certified copy of the Resolution, together with a certificate of the Clerk of the Board, dated the Pricing Date;

2. the Seller Certificate, dated the Pricing Date;

3. the Opinion of Seller's Counsel, dated the Pricing Date;

4. the Opinion of Seller's Counsel (bringdown opinion), dated the Closing Date;

5. the Purchase and Sale Agreement, dated as of November 1, 2009;

6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and

7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

By: _____
Administrative Services Manager II

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP