



**A G E N D A**  
**BOARD OF EDUCATION MEETING**  
**RIVERSIDE UNIFIED SCHOOL DISTRICT**  
**Board Room**  
**6735 Magnolia Avenue, Riverside, California**

**BOARD OF EDUCATION:**  
**MR. TOM HUNT**  
**PRESIDENT**  
**CHARLES L. BEATY, Ph.D.**  
**VICE PRESIDENT**  
**MRS. GAYLE CLOUD**  
**CLERK**  
**MRS. KATHY ALLAVIE**  
**MEMBER**  
**MR. LEWIS VANDERZYL**  
**MEMBER**

**Closed Session – 4:30 p.m.**

**November 1, 2011**

**Open Session – 5:30 p.m.**

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As required by Government Code 54957.5, agenda materials can be reviewed by the public at the District's administrative offices, Reception Area, First Floor, 3380 Fourteenth Street, Riverside, California.

**CALL MEETING TO ORDER – 4:30 p.m.**

**ESTABLISHMENT OF A QUORUM OF THE BOARD OF EDUCATION**

**PUBLIC PARTICIPATION ON CLOSED SESSION MATTERS**

**CLOSED SESSION**

The Board of Education will recess to Closed Session at 4:30 p.m. to discuss:

1. Consideration of Pupil Services Matters Pursuant to Education Code Sections 35146 and 48918
2. Conference With Labor Negotiator Pursuant to Government Code Section 54957.6

District Representative: Rick L. Miller, Ph.D., District Superintendent

Employee Organizations: Riverside City Teachers Association  
California School Employees Association

3. Conference With Legal Counsel – Anticipated Litigation – Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9: (1 Potential Case)

**RECONVENE OPEN SESSION**

The Board of Education will convene in Open Session at 5:30 p.m.

November 1, 2011

## PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to our flag will be led by Ashley Schipske, 6<sup>th</sup> grade Victoria Elementary School student.

## GROUP PERFORMANCE

Elementary Strings from Victoria, Washington, Alcott, and Castle View Elementary Schools will perform for the Board of Education.

Oral Report      For  
Assigned To      Board      Page

## SECTION A – PRESENTATIONS

### **A.1 Reports by High School Representatives**

District  
Superintendent

*Evan Cowder – Martin Luther King High School  
Joanna Arzeta – Abraham Lincoln High School  
Mackenzie Hays – Arlington High School*

### **A.2 CSEA Presentation by Nyna Moore, President, Riverside Unified School District, Chapter #506**

District  
Superintendent

*Ms. Nyna Moore will report on the activities and accomplishments of the California School Employees Association (CSEA).*

### **A.3 RCTA Presentation by Tim Martin, President, Riverside City Teachers Association**

District  
Superintendent

*Mr. Tim Martin will report on the activities and accomplishments of the Riverside City Teachers Association (RCTA).*

### **A.4 RASM Presentation by Lynn McCown, President, Riverside Association of School Managers**

District  
Superintendent

*Ms. Lynn McCown will report on the activities and accomplishments of the Riverside Association of School Managers (RASM).*

### **A.5 Riverside Council PTA Presentation by Marilyn Orens, President**

District  
Superintendent

*Ms. Marilyn Orens will report on the activities and accomplishments of the Riverside Council Parent Teacher Association (PTA).*



**A.6 Scheduled Communications (approximately 6:30 p.m.)**

*Pursuant to the Brown Act, Board of Education members cannot discuss or take action on any item which does not appear on the Consent and Action Calendars of the agenda. The Board of Education may provide a reference to staff or other resources of information, request staff to report back at a subsequent meeting, or direct staff to place an item on a future agenda.*

*Scheduled Communications provides an opportunity for members of the public to schedule time to address the Board on a specific topic. The president invites anyone who has requested an opportunity to address the Board under Scheduled Communications to do so at this time.*

**SECTION B- CONSENT**

Moved \_\_\_\_\_ Seconded \_\_\_\_\_ Vote \_\_\_\_\_

*All items listed under the Consent Calendar are considered by the Board to be routine and will be enacted by the Board in one motion. There will be no discussion of these items prior to the time the Board votes on the motion unless members of the Board request specific items to be removed from the Consent Calendar.*

**B.1 Minutes of Board Meetings**

District Superintendent      Consent      1-5

*October 17, 2011- Regular Board Meeting*

**B.2 Warrant List No. 7**

Deputy Supt. Business      Consent      6-11

*The payment for the purchase of goods, materials, and services is done in school districts with checks called warrants. Warrant lists are presented to the Board of Education for ratification.*

**B.3 Resolution No. 2011/12-30 – Resolution to Appropriate Revenues, Expenditures, and Fund Balance**

Deputy Supt. Business      Consent      12-14

*Funds have been received or are anticipated to be received by the school District. Revenue lists are presented to the Board of Education for adoption.*

**B.4 Award of Bid for Bid No. 2011/12-21 – Arlington High School Opportunity Classrooms Project – Category #1 – General Construction**

Deputy Supt. Business      Consent      15-20

*This project consists of repair of the opportunity classrooms at Arlington High School.*

<b>B.5</b>	<b>Change Orders</b>	Deputy Supt. Business	Consent	21-34
	<b>Approval of Change Order No. 2 – Purchase Order C6001834 – Bid No. 2010/11-27P – Polytechnic High School ADA Restroom Renovation</b>			
	<i>A change is recommended in the scope of work for the Polytechnic High School ADA Restroom Renovation.</i>			
	<b>Approval of Change Order No. 2 – Purchase Order C6001835 – Bid No. 2010/11-27V – Victoria Elementary School ADA Restroom Renovation</b>			
	<i>A change is recommended in the scope of work for the Victoria Elementary School ADA Restroom Renovation.</i>			
	<b>Approval of Change Order No. 5 – Purchase Order C6001839 – Bid No. 2010/11-28M – Magnolia Elementary School ADA Restroom Renovation</b>			
	<i>A change is recommended in the scope of work for the Magnolia Elementary School ADA Restroom Renovation.</i>			
	<b>Approval of Change Order No. 4 – Purchase Order C6001840 – Bid No. 2010/11-28L – Liberty Elementary School ADA Restroom Renovation</b>			
	<i>A change is recommended in the scope of work for the Liberty Elementary School ADA Restroom Renovation.</i>			
<b>B.6</b>	<b>Notice of Completion – Purchase Order C6001774– Bid No. 2010/11-17 – UCCAP Bid Polytechnic High School – Chiller Replacement</b>	Deputy Supt. Business	Consent	35-37
	<i>A Notice of Completion is recommended for Carrier Corporation for the Polytechnic High School Chiller Replacement.</i>			
<b>B.7</b>	<b>Valenzuela/CAHSEE Lawsuit Settlement Quarterly Report on Williams Uniform Complaints to Riverside County Office of Education</b>	Assist. Supt. Operations	Consent	38-39
	<i>The quarterly report information confirms that there were no complaints filed with any school in the District for the period of July 1, 2011 – September 30, 2011.</i>			
<b>B.8</b>	<b>Recommended Actions From the Administrative Hearing Panel and/or the Executive Director, Pupil Services/SELPA</b>	Exec. Director Pupil Serv./SELPA	Consent	Confidential Insert

**and Adoption of the Findings of Fact for All Approved Cases**

**Cases for Expulsion With a Recommendation for Suspended Expulsion**

*Education Code Section 48917 provides that a student who has been recommended for expulsion may have the expulsion suspended by the Board of Education. The suspended expulsion is valid for the term of the original expulsion order. The student is placed upon school probation, assigned to a school program, and must remain there until the conditions identified in the Rehabilitation Plan are met.*

*Student Cases: #2011-012, #2011-013, #2011-014, #2011-016*

**Case for Denial of Admission of a Student Expelled by Another School District**

*Education Code Section 48915 permits school districts to enroll a student expelled by another school district for certain specific violations following a hearing in which the receiving school district determines the student does not represent a threat to the safety of students or staff or of disrupting the instructional program.*

*Student Case: #2011-00K*

- |             |   |                           |         |       |
|-------------|---|---------------------------|---------|-------|
| <b>B.9</b>  | <b>Certificated Personnel Assignment Order CE 2011/12-07</b>  | Asst. Supt.<br>Human Res. | Consent | 40-42 |
|             | <i>The latest District's management, certificated personnel actions are presented to the Board of Education for approval.</i> |                           |         |       |
| <b>B.10</b> | <b>Classified/Non-Classified Personnel Assignment Order CL 2011/12-07</b>   | Asst. Supt.<br>Human Res. | Consent | 43-48 |
|             | <i>The latest District's classified personnel actions are presented to the Board of Education for approval.</i>               |                           |         |       |

**SECTION C – REPORT/DISCUSSION**

- |            |   |                          |        |       |
|------------|---|--------------------------|--------|-------|
| <b>C.1</b> | <b>Disclosure of Tentative Agreement Between Riverside Unified School District and Its Employees Represented by the California School Employees' Association, Chapter 506</b>   | Deputy Supt.<br>Business | Report | 49-66 |
|            | <i>This item represents the public disclosure of the terms and conditions, including financial impact, of a Tentative Agreement for employees represented by the California School Employees' Association, Chapter 506.</i> |                          |        |       |

- |            |  |                               |        |       |
|------------|--|-------------------------------|--------|-------|
| <b>C.2</b> | <b>Riverside Adult School – Career Technical Education Update</b>  | Asst. Supt.<br>Inst. Services | Report | 67-76 |
|            | <i>Riverside Adult School staff will share a brief update on the school offerings and programs.</i>  |                               |        |       |
| <b>C.3</b> | <b>Fall 2011 Enrollment Report</b>   | Assist. Supt.<br>Operations   | Report | 77-90 |
|            | <i>The actual K-12 Fall 2011 enrollment will be presented and contrasted with projected enrollment and prior year's enrollment. The District experienced a decrease of 106 students over last year for a grand total of 42,425 students.</i> |                               |        |       |

**SECTION D – ACTION**

- |            |  |                               |        |         |
|------------|--|-------------------------------|--------|---------|
| <b>D.1</b> | <b>High School Graduation Requirements</b>   | Asst. Supt.<br>Inst. Services | Action | 91      |
|            | <i>The High School and Middle School Task Force members recommend that one year of math be added to Riverside Unified School District's graduation requirements.</i>   |                               |        |         |
|            | Moved_____ Seconded_____ Vote_____   |                               |        |         |
| <b>D.2</b> | <b>2011-2012 Approval of Riverside Adult School Notary Public Study Course</b>   | Asst. Supt.<br>Inst. Services | Action | 92-268  |
|            | <i>California Education Code requires that the Board of Education approve all courses that will be offered through the Riverside Adult School.</i>   |                               |        |         |
|            | Moved_____ Seconded_____ Vote_____   |                               |        |         |
| <b>D.3</b> | <b>Out-of-State Field Trip, Martin Luther King High School</b>   | Asst. Supt.<br>Inst. Services | Action | 269-273 |
|            | <i>Martin Luther King High School's Marching Band will travel by bus to Phoenix, Arizona, to participate in the Fiesta Bowl National Band Championships from December 29, 2011 – January 1, 2012. The trip will be funded by fundraising activities.</i> |                               |        |         |
|            | Moved_____ Seconded_____ Vote_____   |                               |        |         |
| <b>D.4</b> | <b>Community Facilities District No. 23 of Riverside Unified School District – Assumption of Joint Community Facilities Agreements (Spring Mountain Ranch)</b>   | Asst. Supt.<br>Operations     | Action | 274-524 |
|            | <i>The purpose of these agreements is to substitute the new</i>  |                               |        |         |

owner/developer, SFI SMR LLC, as a party to the joint community facilities agreements.

Moved \_\_\_\_\_ Seconded \_\_\_\_\_ Vote \_\_\_\_\_

**D.5 Ordinance No. 2011/12-01 – Dissolving Community Facilities District No. 30 of Riverside Unified School District, County of Riverside, State of California – First Reading**

Asst. Supt.  
Operations

Action  
(First  
Reading  
Only)

525-530

*The Board of Education will initiate proceedings for dissolving Community Facilities District No. 30.*

Moved \_\_\_\_\_ Seconded \_\_\_\_\_ Vote \_\_\_\_\_

**D.6 Resolution No. 2011/12-29 – Resolution of the Board of Education of Riverside Unified School District Approving and Authorizing Execution of Joint Exercise of Powers Agreement Between Riverside Unified School District and Western Municipal Water District of Riverside County Creating the Riverside Unified School District Financing Authority**

Asst. Supt.  
Operations

Action

531-548

*The District will consider forming a Marks-Roos Joint Powers Authority with the Western Municipal Water District in order to do a pooled refunding of outstanding CFD bonds.*

Moved \_\_\_\_\_ Seconded \_\_\_\_\_ Vote \_\_\_\_\_

**SECTION E – UNSCHEDULED COMMUNICATIONS**

*Unscheduled Communications provides an opportunity for citizens to make suggestions, identify concerns, or request information about matters affecting the school District. Complaints against employees will normally be heard in Closed Session, and the District’s complaint procedure should be followed before discussion with the Board. Individuals or groups who wish to address the Board are requested to fill out a “Request to Address the Board of Education” card located on the table at the back of the Board Room. Comments or presentations should be limited to five minutes or less.*

*Pursuant to the Brown Act, Board of Education members cannot discuss or take action on any item which does not appear on the Consent and Action Calendars of the agenda. The Board of Education may provide a reference to staff or other resources of information, request staff to report back at a subsequent meeting, or direct staff to place an item on a future agenda.*

## **SECTION F – CONCLUSION**

- F.1 Board Members' Comments**
- F.2 Superintendent's Announcements**
- F.3 Agenda Items for Future Meetings**  
**Monday, November 14, 2011 – Regular Board Meeting**

## **ADJOURNMENT**

The next regular meeting of the Board of Education is scheduled for Monday, November 14, 2011. The meeting will be called to order at 4:30 p.m. in the Board Room at 6735 Magnolia Avenue, Riverside, California. The Board will adjourn to Closed Session from 4:30 to 5:30 p.m., at which time the Board of Education will reconvene in Open Session.

**UNOFFICIAL**

This is an uncorrected copy of Board Minutes. The Minutes do not become official until they are approved by the Board at the next meeting.

**RIVERSIDE UNIFIED SCHOOL DISTRICT  
MINUTES OF THE REGULAR MEETING OF THE BOARD OF EDUCATION  
MONDAY, OCTOBER 17, 2011  
BOARD ROOM  
6735 MAGNOLIA AVENUE, RIVERSIDE, CALIFORNIA**

**CALL THE MEETING TO ORDER**

Mr. Hunt, Board President, called the meeting to order at 4:30 p.m.

**MEMBERS PRESENT**

Mr. Tom Hunt, President; Dr. Charles L. Beaty, Vice President; Mrs. Gayle Cloud, Clerk; Mrs. Kathy Allavie, Member; and Mr. Lewis Vanderzyl, Member.

Also present were Deputy Superintendent, Mr. Mike Fine, members of the staff, and other interested citizens.

**PUBLIC PARTICIPATION ON CLOSED SESSION MATTERS**

The Board adjourned to Closed Session at 4:30 p.m.

**CLOSED SESSION**

1. Consideration of Pupil Services Matters Pursuant to Education Code Sections 35146 and 48918
2. Conference With Labor Negotiator Pursuant to Government Code Section 54957.6  
 District Representative: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations  
 Employee Organizations: Riverside City Teachers Association  
 California School Employees Association

**RECONVENE OPEN SESSION**

The Board reconvened in Open Session at 5:32 p.m.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to our flag was led by Litzy Zaragoza, 6<sup>th</sup> grade Monroe Elementary School student.

**PERFORMANCE**

The Chemawa Middle School Band performed for the Board of Education.

**SECTION A– PRESENTATIONS**

- A.1 Reports by John W. North, Polytechnic, and Ramona High Schools, and Riverside Virtual School Representatives**
- A.2 Recognition of Martin Luther King High School Teacher Michele Hampton, Riverside County Teacher of the Year**
- A.3 Scheduled Communications**

There were no requests to speak to the Board of Education.

**SECTION B – SUBCOMMITTEE REPORTS**

- B.1 Board Operations Subcommittee Report**

The Board of Education received a report from Dr. Beaty on behalf of the Board Operations Subcommittee.

## **B.2 Board Instruction Subcommittee Report**

The Board of Education received a report from Mrs. Cloud on behalf of the Board Instruction Subcommittee.

### **SECTION C – CONSENT**

Approval of the Consent Calendar was moved by Dr. Beaty and seconded by Mrs. Cloud and unanimously approved by members present, with the exception of Item C.2 which was pulled for recognition of the Kiwanis Club of Uptown Riverside for the donation of dictionaries for all 3<sup>rd</sup> grade students. Items in the Consent Calendar have been published with the agenda and copies are on file in the District administrative offices.

### **ITEM PULLED FROM THE CONSENT CALENDAR**

#### **C.2 Acceptance of Donation From Kiwanis Club of Uptown Riverside**

The item was moved by Mr. Vanderzyl and seconded by Dr. Beaty and unanimously approved by members present.

#### **C.2 Acceptance of Gifts and Donations to the District**

The item was moved by Mrs. Allavie and seconded by Dr. Beaty and unanimously approved by members present.

### **SECTION D – REPORT/DISCUSSION**

#### **D.1 Digital Learning Revolution**

Dr. Bill Ermert, Assistant Superintendent, Instructional Services, introduced Mr. Jay McPhail, Director, Instructional Technology, who provided a PowerPoint presentation on how instructional technology is currently used in RUSD K-12 classrooms and extended learning opportunities for students and opportunities to extend learning for students (24/7 learning).

### **SECTION E – PUBLIC HEARINGS**

#### **E.1 Public Hearing – REACH Leadership Academy School of Math, Science, and Technology Charter School Petition Review**

Mr. Fine stated that the Board of Education is required to hold a public hearing, pursuant to California Education Code Section 47605(b), to consider the level of support for a petition filed for the REACH Leadership Academy School of Math, Science, and Technology.

Mr. Hunt opened the public hearing at 7:27 p.m.

Ms. Gloria Cowder, Director, Program Development and Extended Learning Opportunities, introduced, Dr. Virgie Rentie, Lead Petitioner, with REACH Leadership Academy School, who reviewed a PowerPoint presentation providing information about REACH Leadership Academy School.

The following individuals spoke in support of the REACH Leadership Academy School: Angie Dumire, Beverly Smith-Saffold, Tina Ricketts, Jennifer Boren, Martha Nolasco, Maria Camacho, Diana Aguilar, Steven Holguin, and Kelly Throfanis, EdTech.

Mr. Hunt closed the public hearing at 8:28 p.m.



The Board took a break from 8:28 to 8:40 p.m.

**E.2 Public Hearing – Prior to Adoption of Resolution No. 2011/12-28 – A Resolution of the Board of Education of Riverside Unified School District Granting an Easement and Right-of-Way to the City of Riverside for Temporary Construction Easement at 6200 Riverside Avenue**

Mr. Fine indicated that the Board of Education is required to hold a public hearing prior to adoption of Resolution No. 2011/12–28 Granting an Easement and Right-of-Way to the City of Riverside for Temporary Construction Easement at 6200 Riverside Avenue.

Mr. Hunt opened the public hearing at 8:40 p.m. Hearing no public comments, Mr. Hunt closed the public hearing at 8:43 p.m.

**E.3 Public Hearing – Pupil Textbooks and Instructional Materials Compliance Resolution for Fiscal Year 2011-12**

Dr. Ermert noted that Education Code (E.C.) Section 60119 requires that districts hold a public hearing and determine through a resolution as to whether every student has sufficient and appropriate textbooks or instructional materials in mathematics, science, history-social science, and RLA/ELD. Notice must be posted at least ten days in advance and in at least three public places within the District.

Mr. Hunt opened the public hearing at 8:44 p.m. Hearing no public comments, Mr. Hunt closed the public hearing at 8:45 p.m.

**SECTION F – ACTION**

**F.1 Resolution No. 2011/12-28 – Resolution of the Board of Education of Riverside Unified School District Granting an Easement and Right-of-Way to the City of Riverside for Temporary Construction Easement at 6200 Riverside Avenue**

Mr. Fine said that staff was recommending that the Board of Education adopt Resolution No. 2011/12–28 Granting an Easement and Right-of-Way to the City of Riverside for Temporary Construction Easement at 6200 Riverside Avenue.

The item was moved by Dr. Beaty and seconded by Mrs. Allavie and unanimously approved by members present.

**F.2 Resolution No. 2011/12-19 – Resolution of the Board of Education of the Riverside Unified School District for Pupil Textbooks and Instructional Material Compliance for Fiscal Year 2011-12**

Dr. Ermert stated that Education Code (E.C.) Section 60119 as amended by Senate Bill X3 4 Section 18, regardless of the statewide revenue limit, in order to be eligible to receive the instructional materials funds, Riverside Unified School District must hold a public hearing and determine through a resolution as to whether every student has sufficient and appropriate textbooks or instructional materials in mathematics, science, history-social science, and RLA/ELD.

The item was moved by Mrs. Cloud and seconded by Mr. Vanderzyl and unanimously approved by members present.

**F.3 Carl D. Perkins Grant – Career Technical Education**

Dr. Ermert introduced Mr. Jay McPhail who reviewed a PowerPoint presentation and stated that the California Department of Education requires that the Board of Education approve the District's secondary Carl D. Perkins application each year.

The item was moved by Mr. Vanderzyl and seconded by Mrs. Cloud and unanimously approved by members present.

**F.4 Selection of Architect for Liberty Elementary School Classroom Wing Addition**

Dr. Kirk Lewis, Assistant Superintendent, Operations, discussed the process and selection of the architect and construction manager for the Liberty Elementary School Classroom Wing Addition.

The item was moved by Dr. Beaty and seconded by Mr. Hunt and unanimously approved by members present to approve the selection of HMC Architects as the architect and Tilden-Coil Constructors as the construction manager.

**F.5 Resolution No. 2011/12-27 – Resolution Implementing Prequalification of Contractors for Rubberized Track and Artificial Turf Field Installation Bid Packages for Arlington Athletic Facilities Master Plan, Polytechnic Athletic Facilities Master Plan, and John W. North Athletic Facilities Master Plan, and Pool Construction Bid Packages for Ramona Athletic Facilities Master Plan Completion, Polytechnic Athletics Facilities Master Plan, and John W. North Athletic Facilities Master Plan Projects**

Dr. Lewis reported that the District will soon be seeking bids for the installation of rubberized track and artificial turf field at Arlington, Polytechnic, and John W. North High Schools and for the construction of swimming pools at Ramona, Polytechnic, and John W. North High Schools. The District would like to prequalify bidders to ensure that bidders are able to perform the work for which they are bidding.

The item was moved by Dr. Beaty and seconded by Mrs. Cloud and unanimously approved by members present.

**SECTION F – UNSCHEDULED COMMUNICATIONS**

There were no requests to speak to the Board members.

**SECTION G – CONCLUSION****G.1 Board Members' Comments**

Mrs. Cloud discussed Career Technical Education and Dr. Ermert provided additional information for Board members.

Mrs. Allavie reported that she attended a total of 33 Principals' Summits, and she said that we have some very impressive principals. She stated that all of our comprehensive high schools will have performances at this year's Ghost Walk Riverside, and that she has enjoyed working with our theater teachers to coordinate this effort. Mrs. Allavie indicated that she is on the City Council agenda tomorrow night to briefly speak about expanding the Riverside Fox Theater grants from the Carpenter Foundation and Target that provide the opportunity for high school drama classes to

have Cast Chats (100 free tickets with a chance to speak to the actors one-on-one). In closing, she mentioned reading Llama, Llama Red Pajama for "Read for the Record" to two kindergarten classes at Longfellow and Monroe Elementary Schools and said that it was a great experience.

Dr. Beaty congratulated REEF (Riverside Educational Enrichment Foundation) for the very successful Riverside Citrus Classic Bike Ride on October 9. He suggested that a letter should be sent to Mrs. Sandy Ramirez and the committee encouraging them to continue this fundraiser.

Mr. Hunt stated that last week he attended the 254<sup>th</sup> Birthday Celebration of the Navy at Martin Luther King High School. He said that his wife, Geri, attended George Washington Elementary School's "Read for the Record", while he was ill. He stated that she was very impressed with the Dual Immersion Program classes.

## **G.2 Superintendent's Announcements**

Mr. Fine, sitting in for Dr. Miller, had no comments

## **G.3 Next Board Meeting: November 1, 2011**

### **ADJOURNMENT**

Mr. Hunt adjourned the Public Session at 9:18 p.m. in memory of Walt Anderson, former swim and water polo assistant coach at John W. North High School; Jean Oxford (Brimmage), graduate of the original Polytechnic High School, and bookkeeper at Arlington High School; and Vera Wisby, former RUSD teacher.

Gayle Cloud  
Clerk  
Board of Education

**Board Meeting Agenda  
November 1, 2011**

Topic: Warrant List No.7

Presented by: Rita Paris, Account Clerk, Business Services

Responsible

Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: The payment for the purchase of goods, materials, and services is done in school districts with checks called warrants. Warrant lists are presented to the Board of Education for ratification.

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**DESCRIPTION OF AGENDA ITEM:**

B-Warrants in excess of \$2,000 issued since last period. Invoices for the claims have been checked and audited by the Business Office. Warrants for the claims have been prepared.

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**FISCAL IMPACT:** \$ 5,593,765.27

**RECOMMENDATION:** It is recommended that the Board approve the warrants.

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**ADDITIONAL MATERIAL:** Warrant List No. 7

Attached: Yes

# RIVERSIDE UNIFIED SCHOOL DISTRICT

## Commercial Warrant Listing 2010 - 2011

November 1, 2011

B-Warrants In Excess of \$2,000.00 Issued Since Last Period

Claim	Date	Fund	Warrant	Vendor Name	Claim Amount
<b><u>GENERAL FUND UNRESTRICTED 03</u></b>					
186671	09/27/2011	03	14083407	WESTERN MUNICIPAL WATER DISTRICT	\$10,511.62
186675	09/27/2011	03	14083411	CCS PRESENTATION SYS	\$2,036.48
186677	09/27/2011	03	14083413	CCS PRESENTATION SYS	\$6,044.78
186713	09/27/2011	03	14083449	CDW-G	\$34,051.16
186714	09/27/2011	03	14083450	BEAR COM	\$2,121.39
186729	09/27/2011	03	14083465	PEARSON EDUCATION, INC.	\$4,738.71
186730	09/27/2011	03	14083466	PALOS SPORTS	\$2,643.17
186731	09/27/2011	03	14083467	SCIENCE KIT & BOREAL LABORATORIES	\$2,470.43
186752	09/27/2011	03	14083488	BRAIN POP LLC	\$2,095.00
186753	09/27/2011	03	14083489	CCS PRESENTATION SYS	\$4,234.58
186767	09/27/2011	03	14083503	ACCREDITING COMMISSION FOR SCHOOLS	\$6,048.00
186792	09/29/2011	03	14087493	WAXIE SANITARY SUPPLY	\$8,466.79
186794	09/29/2011	03	14087495	FAGEN FRIEDMAN & FULFROST, LLP	\$5,175.13
186800	09/29/2011	03	14087501	NIC PARTNERS CONFIDENTIAL	\$235,456.24
186819	09/29/2011	03	14087520	AT&T	\$14,118.45
186820	09/29/2011	03	14087521	AGUA MANSA MRF, LLC	\$4,447.19
186826	09/29/2011	03	14087527	CANON BUSINESS SOLUTIONS, INC., WEST	\$3,948.94
186859	09/30/2011	03	14088236	KELLY PAPER COMPANY	\$7,245.44
186879	09/30/2011	03	14088256	CERAMICS AND CRAFTS WAREHOUSE	\$2,200.86
186883	09/30/2011	03	14088260	BB&T INSURANCE SERVICES OF CALIFORNIA, INC	\$4,166.66
186891	09/30/2011	03	14088268	RIVERSIDE ED. ENRICHMENT FOUNDATION	\$3,431.01
186909	09/30/2011	03	14088285	SAN MAR	\$3,816.57
186920	10/03/2011	03	14089047	WESTERN MUNICIPAL WATER DISTRICT	\$13,826.52
186921	10/03/2011	03	14089048	CCS PRESENTATION SYS	\$4,390.82
186923	10/03/2011	03	14089050	GOPHER SPORT	\$2,385.35
186946	10/03/2011	03	14089073	SOUTH COUNTIES EMPLOYER EMPLOYEE TRUST	\$40,714.07
186948	10/03/2011	03	14089075	STUDENT TRANSPORTATION OF AMERICA	\$36,426.80
186983	10/04/2011	03	14089656	NIC PARTNERS CONFIDENTIAL	\$152,956.63
186998	10/04/2011	03	14089671	PEDERSEN, PHD, JOHN E.	\$4,000.00
187004	10/04/2011	03	14089677	RIVERSIDE GATEWAY TO COLLEGE	\$14,499.75
187050	10/05/2011	03	14091903	GST-JAGUAR	\$2,456.73
187052	10/05/2011	03	14091905	HOUGHTON MIFFLIN CO.	\$2,749.45
187063	10/05/2011	03	14091916	US POSTAL SERVICE	\$50,000.00
187076	10/05/2011	03	14091929	TCI - HISTORY ALIVE!	\$2,346.68
187087	10/05/2011	03	14091940	BEAR COM	\$2,229.65
187088	10/05/2011	03	14091941	BEAR COM	\$2,229.65
187089	10/05/2011	03	14091942	BEAR COM	\$2,229.65
187094	10/05/2011	03	14091947	AREY JONES EDUCATIONAL SOLUTIONS	\$4,594.98
187113	10/05/2011	03	14091966	AREY JONES EDUCATIONAL SOLUTIONS	\$12,560.85
187115	10/05/2011	03	14091968	ACCUVANT, INC.	\$11,534.77
187120	10/05/2011	03	14091973	AREY JONES EDUCATIONAL SOLUTIONS	\$5,924.50
187130	10/06/2011	03	14092241	MCDUGAL LITTELL	\$4,149.25

187144	10/06/2011	03	14092255	APPLE COMPUTER INC-AUSTIN	\$5,221.23
187165	10/06/2011	03	14092276	PC MALL GOV, INC	\$2,834.86
187168	10/06/2011	03	14092279	SOUTHERN CALIFORNIA EDISON CO	\$30,869.38
187177	10/07/2011	03	14093419	AT&T MOBILITY	\$5,198.25
187214	10/07/2011	03	14093456	PC MALL GOV, INC	\$15,363.60

**TOTAL FOR FUND 03    \$801,162.02**

**GENERAL FUND RESTRICTED 06**

186638	09/26/2011	06	14082871	NATIONAL SEATING & MOBILITY	\$3,268.87
186647	09/26/2011	06	14082880	STUDENT TRANSPORTATION OF AMERICA	\$3,613.93
186650	09/26/2011	06	14082883	SOCO GROUP, INC.	\$14,455.68
186679	09/27/2011	06	14083415	APPLE COMPUTER INC-AUSTIN	\$75,044.12
186704	09/27/2011	06	14083440	AMTECH ELEVATORS	\$2,030.00
186705	09/27/2011	06	14083441	CORE KNOWLEDGE FOUNDATION	\$8,050.00
186712	09/27/2011	06	14083448	APPLE COMPUTER INC-AUSTIN	\$2,801.45
186726	09/27/2011	06	14083462	PEARSON EDUCATION, INC.	\$9,967.35
186831	09/29/2011	06	14087532	CENTEN CONSULTING, LLC	\$9,640.58
186833	09/29/2011	06	14087534	ADVOCATES FOR LABOR COMPLIANCE, LLC	\$2,850.00
186836	09/29/2011	06	14087537	CODY EDUCATIONAL ENTERPRISES, INC.	\$10,972.33
186837	09/29/2011	06	14087538	AREY JONES EDUCATIONAL SOLUTIONS	\$5,693.07
186838	09/29/2011	06	14087539	BRENNTAG PACIFIC, INC.	\$3,571.99
186842	09/29/2011	06	14087543	AREY JONES EDUCATIONAL SOLUTIONS	\$13,364.05
186867	09/30/2011	06	14088244	AREY JONES EDUCATIONAL SOLUTIONS	\$29,775.27
186878	09/30/2011	06	14088255	CDW-G	\$5,947.80
186880	09/30/2011	06	14088257	COLLEGE FLAGS AND BANNERS	\$2,009.95
186910	09/30/2011	06	14088286	AREY JONES EDUCATIONAL SOLUTIONS	\$14,848.96
186947	10/03/2011	06	14089074	SOCO GROUP, INC.	\$13,023.65
186981	10/04/2011	06	14089654	LOWE'S	\$3,103.20
187006	10/04/2011	06	14089679	THE WRITE STUFF	\$3,000.00
187007	10/04/2011	06	14089680	WALTERS WHOLESALE ELECTRIC	\$4,751.78
187027	10/04/2011	06	14089700	HMC ARCHITECTS	\$13,005.73
187030	10/04/2011	06	14089703	STANLEY SECURITY SOLUTIONS	\$7,959.32
187085	10/05/2011	06	14091938	CARDINAL ENVORONMENTAL	\$4,000.00
187104	10/05/2011	06	14091957	AMTECH ELEVATORS	\$3,490.95
187134	10/06/2011	06	14092245	GRAINGER	\$8,480.48
187138	10/06/2011	06	14092249	LACROIX, ALISON	\$3,000.00
187141	10/06/2011	06	14092252	APPLE COMPUTER INC-AUSTIN	\$2,478.20
187142	10/06/2011	06	14092253	CODY EDUCATIONAL ENTERPRISES, INC.	\$14,762.57
187151	10/06/2011	06	14092262	AVID CENTER	\$6,380.40
187153	10/06/2011	06	14092264	AMTECH ELEVATORS	\$2,030.00
187179	10/07/2011	06	14093421	STUDENT TRANSPORTATION OF AMERICA	\$3,888.45
187180	10/07/2011	06	14093422	STUDENT TRANSPORTATION OF AMERICA	\$53,586.63
187181	10/07/2011	06	14093423	STUDENT TRANSPORTATION OF AMERICA	\$29,043.78
187182	10/07/2011	06	14093424	STUDENT TRANSPORTATION OF AMERICA	\$20,624.32
187183	10/07/2011	06	14093425	STUDENT TRANSPORTATION OF AMERICA	\$14,596.09
187202	10/07/2011	06	14093444	AUTISM BEHAVIOR CONSULTANTS	\$13,924.72
187204	10/07/2011	06	14093446	BRENNTAG PACIFIC, INC.	\$6,295.06

**TOTAL FOR FUND 06    \$449,330.73**

**CAFETERIA SPECIAL REVENUE FUND**

186741	09/27/2011	13	14083477	CUSTOM WATER WORKS OF THE DESERT	\$3,307.50
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186743	09/27/2011	13	14083479	DJ CO-OPS	\$5,038.20
186749	09/27/2011	13	14083485	GOLD STAR FOODS, INC.	\$20,975.30
186751	09/27/2011	13	14083487	GOLD STAR FOODS, INC.	\$8,473.25
186754	09/27/2011	13	14083490	GOLD STAR FOODS, INC.	\$22,203.57
186756	09/27/2011	13	14083492	GOLD STAR FOODS, INC.	\$5,830.48
186759	09/27/2011	13	14083495	HEWLETT PACKARD-STL GOVT. SALES	\$2,712.85
186770	09/28/2011	13	14085747	AMERICAN TEX-CHEM CORP.	\$2,407.94
186771	09/28/2011	13	14085748	ASR FOOD DISTRIBUTORS, INC.	\$6,507.95
186778	09/28/2011	13	14085755	P & R PAPER SUPPLY	\$7,903.12
186780	09/28/2011	13	14085757	P & R PAPER SUPPLY	\$11,254.19
186783	09/28/2011	13	14085760	P & R PAPER SUPPLY	\$6,811.27
186785	09/28/2011	13	14085762	SYSCO LOS ANGELES, INC.	\$4,200.18
186786	09/28/2011	13	14085763	SYSCO LOS ANGELES, INC.	\$2,769.85
186789	09/28/2011	13	14085766	SYSCO LOS ANGELES, INC.	\$4,147.61
186790	09/28/2011	13	14085767	US FOODSERVICE, INC. - JOSEPH WEBB	\$3,064.90
186839	09/29/2011	13	14087540	DEMATTEO'S PIZZA	\$3,419.00
186841	09/29/2011	13	14087542	GOLD STAR FOODS, INC.	\$4,494.71
186846	09/29/2011	13	14087547	US FOODSERVICE, INC. - JOSEPH WEBB	\$6,963.40
186864	09/30/2011	13	14088241	GOLD STAR FOODS, INC.	\$19,541.12
186870	09/30/2011	13	14088247	GOLD STAR FOODS, INC.	\$4,765.14
186872	09/30/2011	13	14088249	GOLD STAR FOODS, INC.	\$17,231.56
186874	09/30/2011	13	14088251	A & R WHOLESALE DISTRIBUTORS INC	\$5,084.18
186881	09/30/2011	13	14088258	A & R WHOLESALE DISTRIBUTORS INC	\$12,294.36
186882	09/30/2011	13	14088259	AMERICAN PAPER AND PLASTICS, INC.	\$10,152.22
186886	09/30/2011	13	14088263	ASR FOOD DISTRIBUTORS, INC.	\$5,138.09
186892	09/30/2011	13	14088269	GOLD STAR FOODS, INC.	\$20,555.09
186896	09/30/2011	13	14088273	GOLD STAR FOODS, INC.	\$14,303.36
186900	09/30/2011	13	14088277	GOLD STAR FOODS, INC.	\$32,880.80
186994	10/04/2011	13	14089667	A & R WHOLESALE DISTRIBUTORS INC	\$10,740.99
186997	10/04/2011	13	14089670	AREY JONES EDUCATIONAL SOLUTIONS	\$20,954.59
187010	10/04/2011	13	14089683	DEMATTEO'S PIZZA	\$4,976.00
187020	10/04/2011	13	14089693	HILLCREST FIRE	\$2,620.57
187023	10/04/2011	13	14089696	HOLLANDIA DAIRY	\$45,907.16
187038	10/04/2011	13	14089711	SYSCO LOS ANGELES, INC.	\$5,399.29
187091	10/05/2011	13	14091944	GOLD STAR FOODS, INC.	\$5,623.19
187098	10/05/2011	13	14091951	GOLD STAR FOODS, INC.	\$3,547.24
187194	10/07/2011	13	14093436	AMERICAN PAPER AND PLASTICS, INC.	\$3,683.20
187206	10/07/2011	13	14093448	DEMATTEO'S PIZZA	\$4,126.00
187216	10/07/2011	13	14093458	GOLD STAR FOODS, INC.	\$4,023.41
187225	10/07/2011	13	14093467	P & R PAPER SUPPLY	\$10,450.42
187231	10/07/2011	13	14093473	HOLLANDIA DAIRY	\$48,274.49
<b>TOTAL FOR FUND 13</b>					<b>\$444,757.74</b>

**DEFERRED MAINTENANCE FUND 14**

186736	09/27/2011	14	14083472	CARRIER CORPORATION	\$47,346.26
<b>TOTAL FOR FUND 14</b>					<b>\$47,346.26</b>

**BUILDING FUND 21**

186984	10/04/2011	21	14089657	SIGLER WHOLESALE DISTRIBUTORS	\$12,385.54
186985	10/04/2011	21	14089658	HOLT CO.	\$2,200.00
186989	10/04/2011	21	14089662	CARDINAL ENVORONMENTAL	\$14,353.96

187022	10/04/2011	21	14089695	INLAND INSPECTIONS & CONSULTING	\$2,176.16
187031	10/04/2011	21	14089704	HMC ARCHITECTS	\$2,432.40
187032	10/04/2011	21	14089705	NEFF CONSTRUCTION, INC.	\$143,784.00
187033	10/04/2011	21	14089706	NEFF CONSTRUCTION, INC.	\$60,000.00
187039	10/04/2011	21	14089712	APPLE COMPUTER INC-AUSTIN	\$41,857.77
187040	10/04/2011	21	14089713	ROSSI CONCRETE, INC.	\$99,167.40
187043	10/04/2011	21	14089716	LOGICAL CHOICE TECHNOLOGIES	\$9,690.43
187072	10/05/2011	21	14091925	NEFF CONSTRUCTION, INC.	\$26,046.21
187077	10/05/2011	21	14091930	NEFF CONSTRUCTION, INC.	\$14,125.68
187079	10/05/2011	21	14091932	HARRIS STEEL FENCE CO. INC.	\$6,181.51
187082	10/05/2011	21	14091935	GUNTHER'S ATHLETIC SERVICE	\$5,080.13
187215	10/07/2011	21	14093457	KATOM RESTAURANT SUPPLY	\$2,185.76
<b>TOTAL FOR FUND 21</b>					<b>\$441,666.95</b>
<b><u>SPECIAL RESERVE FUND FOR CAPIT.</u></b>					
187025	10/04/2011	40	14089698	HMC ARCHITECTS	\$4,103.83
<b>TOTAL FOR FUND 40</b>					<b>\$4,103.83</b>
<b><u>SELF-INSURANCE FUND 67</u></b>					
186646	09/26/2011	67	14082879	UNION BANK OF CALIFORNIA	\$164,265.98
186890	09/30/2011	67	14088267	UNION BANK OF CALIFORNIA	\$345,332.49
187143	10/06/2011	67	14092254	COMMUNITY ACTION EMPLOYEE ASSISTANC	\$6,530.00
187217	10/07/2011	67	14093459	ALTURA CREDIT UNION	\$3,663.00
<b>TOTAL FOR FUND 67</b>					<b>\$519,791.47</b>
<b><u>MULTIPLE FUND CODES</u></b>					
186801	09/29/2011		14087502	OFFICE MAX	\$20,405.59
186802	09/29/2011		14087503	OFFICE MAX	\$9,895.68
186803	09/29/2011		14087504	OFFICE MAX	\$5,326.11
186804	09/29/2011		14087505	OFFICE MAX	\$3,220.86
186822	09/29/2011		14087523	VERIZON WIRELESS	\$24,651.59
186912	10/03/2011		14089039	STANDARD LIFE INSURANCE	\$3,784.00
186913	10/03/2011		14089040	STANDARD LIFE INSURANCE	\$2,566.00
186950	10/04/2011		14089623	SOUTH COUNTIES EMPLOYER EMPLOYEE TRUST	\$846,844.03
186951	10/04/2011		14089624	SOUTH COUNTIES EMPLOYER EMPLOYEE TRUST	\$559,939.26
186952	10/04/2011		14089625	SOUTH COUNTIES EMPLOYER EMPLOYEE TRUST	\$90,446.77
186953	10/04/2011		14089626	SOUTH COUNTIES EMPLOYER EMPLOYEE TRUST	\$49,778.12
186954	10/04/2011		14089627	AMERICAN DENTAL PROF SERVICE	\$8,007.56
186955	10/04/2011		14089628	AMERICAN DENTAL PROF SERVICE	\$6,929.00
186958	10/04/2011		14089631	ALLIANCE OF SCHOOLS FOR COOPERATIVE INS	\$114,085.03
186959	10/04/2011		14089632	ALLIANCE OF SCHOOLS FOR COOPERATIVE INS	\$58,299.83
186960	10/04/2011		14089633	ALLIANCE OF SCHOOLS FOR COOPERATIVE INS	\$13,632.76
186961	10/04/2011		14089634	ALLIANCE OF SCHOOLS FOR COOPERATIVE INS	\$27,989.63
186962	10/04/2011		14089635	METROPOLITAN LIFE INSURANCE COMPANY	\$5,509.15
186963	10/04/2011		14089636	METROPOLITAN LIFE INSURANCE COMPANY	\$5,342.07
186967	10/04/2011		14089640	PACIFIC EDUCATORS, INC	\$2,601.26
186986	10/04/2011		14089659	STUDENT TRANSPORTATION OF AMERICA	\$163,520.42
186988	10/04/2011		14089661	STUDENT TRANSPORTATION OF AMERICA	\$80,149.56
186990	10/04/2011		14089663	STUDENT TRANSPORTATION OF AMERICA	\$162,775.70
186991	10/04/2011		14089664	STUDENT TRANSPORTATION OF AMERICA	\$79,884.87
186992	10/04/2011		14089665	STUDENT TRANSPORTATION OF AMERICA	\$130,548.61
186993	10/04/2011		14089666	STUDENT TRANSPORTATION OF AMERICA	\$64,261.68



186995	10/04/2011	14089668	STUDENT TRANSPORTATION OF AMERICA	\$65,091.07
186996	10/04/2011	14089669	STUDENT TRANSPORTATION OF AMERICA	\$31,973.63
187132	10/06/2011	14092243	WAXIE SANITARY SUPPLY	\$14,155.96
187155	10/06/2011	14092266	OFFICE MAX	\$10,053.43
187156	10/06/2011	14092267	OFFICE MAX	\$7,901.29
187157	10/06/2011	14092268	OFFICE MAX	\$3,953.97
187160	10/06/2011	14092271	THE GAS COMPANY	\$3,202.07
<b>TOTAL FOR VARIOUS FUND CODES</b>				<b>\$2,676,726.56</b>
<b>TOTAL OF WARRANTS OVER \$2,000.00</b>				<b>\$5,384,885.56</b>
<b>TOTAL OF WARRANTS UNDER \$2,000.00</b>				<b>\$208,879.71</b>
<b>GRAND TOTAL OF WARRANTS</b>				<b>\$5,593,765.27</b>

**Board Meeting Agenda  
November 1, 2011**

Topic: Resolution No. 2011/12-30 – Resolution to Appropriate Revenues, Expenditures, and Fund Balance

Presented by: Brenda Hofer, Accountant

Responsible

Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: Funds have been received or are anticipated to be received by the school district. Revenue lists are presented to the Board of Education for adoption.

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**DESCRIPTION OF AGENDA ITEM:**

Subsequent to the adoption of the District’s annual budget, the District may receive funds or receive notice of the appropriation of new or additional funds to the District from a variety of federal, state and local sources. California Education Code Section 42602 provides that the governing board of a school district may, by a majority vote of its members, budget and use any unbudgeted income provided during the fiscal year from any source.

Additional funds have been received or are anticipated to be received this fiscal year from a variety of federal, state and local sources. The attached resolution appropriates the revenue and associated expenditures related to these previously unbudgeted funds.

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**FISCAL IMPACT:** \$1,312,964.31

**RECOMMENDATION:** It is recommended that the Board of Education adopt Resolution No. 2011/12-30– Resolution to Appropriate Revenues, Expenditures, and Fund Balance.

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**ADDITIONAL MATERIAL:** A detailed listing of the new revenues and expenditures is attached to the resolution.

Attached: Yes

**RIVERSIDE UNIFIED SCHOOL DISTRICT**

**Resolution No. 2011/12-30**

**RESOLUTION OF THE BOARD OF EDUCATION OF THE RIVERSIDE  
UNIFIED SCHOOL DISTRICT TO APPROPRIATE REVENUES,  
EXPENDITURES, AND FUND BALANCE**

WHEREAS, the Board of Education of the Riverside Unified School District has determined that revenues in the amount of \$1,312,964.31 have been received or are anticipated to be received in the current fiscal year; and

WHEREAS, the Board of Education of the Riverside Unified School District has determined that expenditures in the amount of \$1,312,964.31 are necessary in the current fiscal year; and

WHEREAS, such revenues, expenditures and/or fund balance are in excess of amounts previously budgeted;

NOW, THEREFORE, BE IT RESOLVED, that pursuant to California Education Code Section 42602, such revenues, expenditures and/or fund balance shall be appropriated as detailed on the attached listing.

PASSED AND ADOPTED by the Board of Education of the Riverside Unified School District at its regular meeting held on November 1, 2011 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Gayle Cloud, Clerk  
Board of Education

Dated: \_\_\_\_\_

Fund	Object	Description	Amount
03	8590	Advanced Placement Exam Fees	\$5,534.00
03	8590	Paraprofessional Program	39.14
03	8590	Community Based English Tutoring	901.00
03	8590	School Safety & Violence Prevention	24,246.00
03	8590	Arts & Music Block Grant	8,314.00
03	8590	Middle and High School Supplemental Counseling Entitlement	8,093.00
03	8590	Peer Assistance Review Entitlement	543.00
03	8590	Math & Reading Professional Development	(52.00)
03	8590	English Learners Professional Development	(6,961.00)
03	8590	Pupil Retention Block Grant	(81.00)
03	8590	Teacher Credentialing Block Grant	(162.00)
03	8590	Professional Development Block Grant	(298.00)
03	8590	Targeted Instructional Improvement Block Grant	(760.00)
03	8590	School & Library Improvement Block Grant	(698.00)
03	8590	California High School Exit Exam	(176.00)
03	8590	Instructional Materials Realignment	(726.00)
03	8590	Cal-SAFE Entitlement	(83.00)
03	8590	Oral Health Assessment	215.00
06	8290	Title I	446,137.00
06	8699	Title I Part A	1,772.00
06	8290	Title II Part A	5,884.00
06	8311	Economic Impact Aid	758,407.00
06	8590	California Partnership Academies	30,402.00
06	8699	Puente Project	16,800.00
06	8699	Excellence in Economic Education	15,674.17
			<u>\$1,312,964.31</u>
03	4000	Books and Supplies	\$7,834.00
03	5000	Services & Other Operating Expenditures	5,534.00
03	8000	Interfund Transfers	24,520.14
06	4000	Books and Supplies	1,273,304.17
06	5000	Services & Other Operating Expenditures	1,772.00
			<u>\$1,312,964.31</u>

Budget Resolution #BR00000008

**Board Meeting Agenda  
November 1, 2011**

Topic: Award of Bid for Bid No. 2011/12-21 – Arlington High School Opportunity Classrooms Project – Category #1 – General Construction

Presented by: Jane Jumnongsilp, Purchasing Manager

Responsible

Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: This project consists of repair of the opportunity classrooms at Arlington High School.

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**DESCRIPTION OF AGENDA ITEM:**

Sixty-eight contractors picked up a bid package for Bid No. 2011/12-21 – Arlington High School Opportunity Classrooms Project. On October 6, 2011, nine bids were received. It is recommended that the contract be awarded to Hamel Contracting, Inc. the lowest responsive and responsible bidder with the amount of \$256,500.00.

The work to be performed consists of repair of opportunity classrooms at Arlington High School. Funding for this project is from Special Reserve Fund.

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**FISCAL IMPACT:** Bid value of \$256,500.00 is included in the construction budget for this project.

**RECOMMENDATION:** It is recommended that the Board of Education award Bid No. 2011/12-21 – Repair of the opportunity classrooms at Arlington High School to Hamel Contracting, Inc. for a total amount of \$256,500.00.

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**ADDITIONAL MATERIAL:** Bid Form 2011/12-21

Attached: Yes

ARLINGTON HIGH SCHOOL OPPORTUNITY CLASSROOM PROJECT  
BID NUMBER 2011/12-21  
CAT. #01 GENERAL CONTRACTOR

**BID FORM**

**TO:** Riverside Unified School District, acting by and through its Governing Board, herein called "DISTRICT."

1. Pursuant to and in compliance with the Notice Inviting Bids and other documents relating thereto, the undersigned bidder, having familiarized himself with the terms of the Contract, the local conditions affecting the performance of the Contract, and the cost of the Work at the place where the Work is to be done, hereby proposes and agrees to perform within the time stipulated, the Contract, including all of its component parts, and everything required to be performed, including its acceptance by the DISTRICT, and to provide and furnish any and all labor, materials, tools, expendable equipment, and utility and transportation services necessary to perform the Contract and complete all of the Work in a workmanlike manner required in connection with the construction of **ARLINGTON HIGH SCHOOL OPPORTUNITY CLASSROOM PROJECT, BID NUMBER 2011/12-21, CAT. #01 GENERAL CONTRACTOR** in the DISTRICT described above, all in strict conformance with the drawings and other Contract Documents on file at the Purchasing Office of said DISTRICT for amounts set forth herein.
  
2. ADDENDA: The undersigned has thoroughly examined any and all Addenda (if any) issued during the bid period and are thoroughly familiar with all contents thereof and acknowledges receipt of the following Addenda: (Bidder to list all addenda).

ADDENDUM No. <u>1</u>	DATE RECEIVED <u>09/13/2011</u>
ADDENDUM No. <u>2</u>	DATE RECEIVED <u>09/28/2011</u>
ADDENDUM No. <u>3</u>	DATE RECEIVED <u>09/28/2011</u>
ADDENDUM No. _____	DATE RECEIVED _____
ADDENDUM No. _____	DATE RECEIVED _____
ADDENDUM No. _____	DATE RECEIVED _____

ARLINGTON HIGH SCHOOL OPPORTUNITY CLASSROOM PROJECT  
 BID NUMBER 2011/12-21  
 CAT. #01 GENERAL CONTRACTOR

BIDDERS NAME: Hamel Contracting, Inc.

BASE BID	BID PRICE (IN WRITTEN FORM)	BID PRICE (IN NUMBERS)
TOTAL	Two hundred Fifty Six Thousand Five Hundred. <sup>no</sup> / <sub>100</sub>	256,500. <sup>00</sup> / <sub>100</sub>

**NOTE:**

LOWEST RESPONSIBLE BIDDER SHALL BE BASED ON THE TOTAL PRICE FOR ALL SITES REGARDLESS OF ANY ADDITION ERRORS THAT MAY OCCUR IN THE INDIVIDUAL SITE COST BREAKDOWN. IN THE EVENT OF AMBIGUITY DUE TO A CONFLICT BETWEEN WORDS AND NUMBERS WITH RESPECT TO THE AMOUNT OF THE BID, WORDS SHALL GOVERN OVER NUMBERS.

CRITERIA FOR AWARD:

The award will be based on the total cost of the project; however, due to possible budget constraints or the limited budget of any particular site, the District reserves the right to award or not to award any one or more particular sites.

Low bidder shall be determined based on the Base Bid. After the low bidder has been determined, the DISTRICT may select to award the contract based on the Base Bid and any alternate they select.

TIME FOR COMPLETION: CONTRACTOR shall perform and complete all Work under this Contract within **FORTY-TWO DAYS (42)** Calendar Days, beginning five (5) Calendar Days after the date the Notice of Award is sent by the DISTRICT to the CONTRACTOR. Moreover, CONTRACTOR shall perform its Work in strict accordance with any completion schedule, construction schedule, or project milestones developed pursuant to provisions of the Contract, including but not limited to the Project Schedule located in the Specifications

ARLINGTON HIGH SCHOOL OPPORTUNITY CLASSROOM PROJECT  
BID NUMBER 2011/12-21  
CAT. #01 GENERAL CONTRACTOR

The DISTRICT may give a Notice to Proceed within ninety (90) days of the Award of the Bid by the DISTRICT. Once the CONTRACTOR has received the Notice to Proceed, the CONTRACTOR shall complete the Work in the time specified in the Agreement.

In the event that the DISTRICT desires to postpone giving the notice to proceed beyond this ninety (90) day period, it is expressly understood that, with reasonable notice to the CONTRACTOR, the DISTRICT may postpone giving the notice to proceed. It is further expressly understood by the CONTRACTOR, that the CONTRACTOR shall not be entitled to any claim of additional compensation as a result of the postponement of giving the notice to proceed.

If the CONTRACTOR believes that a postponement will cause a hardship to it, the CONTRACTOR may terminate the Contract with written notice to the DISTRICT within ten (10) days after receipt by the CONTRACTOR of the DISTRICT's Notice of Postponement. It is further understood by the CONTRACTOR that, in the event that the CONTRACTOR terminates the Contract as a result of postponement by the DISTRICT, the DISTRICT shall only be obligated to pay the CONTRACTOR for Work performed by the CONTRACTOR at the time of notification of postponement. Should the CONTRACTOR terminate the Contract as a result of a notice of postponement, the DISTRICT shall have the authority to award the Contract to the next lowest responsible bidder.

1. It is understood that the DISTRICT reserves the right to reject any or all bids and/or waive any irregularities or informalities in this bid or in the bid process. The CONTRACTOR understands that it may not withdraw this bid for a period of ninety (90) days after the date set for the opening of bids.
2. Attached is bid security in the amount of not less than ten percent (10%) of the bid: \$ 10% Bid Bond. Bid bond, certified check, cashier's check, or cash. (circle one)
3. The required List of Designated Subcontractors is attached hereto.
4. The required notarized Non-collusion Affidavits for CONTRACTOR and subcontractors is attached hereto.
5. The Substitution Request Form, if applicable, is attached hereto.
6. It is understood and agreed that, if written notice of the acceptance of this bid is mailed, telegraphed, or delivered to the undersigned after the opening of the bid, and within the time this bid is required to remain open, or at any time thereafter before this bid is withdrawn, the undersigned will execute and deliver to the DISTRICT a Contract in the form attached hereto in accordance with the bid as accepted, and that he will also furnish and deliver to the DISTRICT the Performance Bond and Payment Bond, all within five (5) calendar days after receipt of notification of award, and that the Work under the Contract shall be commenced by the undersigned bidder, if awarded the Contract, by the start date provided in the DISTRICT's Notice to Proceed, and shall be completed by the



ARLINGTON HIGH SCHOOL OPPORTUNITY CLASSROOM PROJECT  
BID NUMBER 2011/12-21  
CAT. #01 GENERAL CONTRACTOR

CONTRACTOR in the time specified in the Contract Documents.

7. Notice of Award or other correspondence should be addressed to the undersigned at the address stated below.
8. The names of all persons interested in the foregoing proposal as principals are as follows:  
Hamel Contracting, Inc. , Grant J. Hamel - President,  
Micheal Budd - Vice President, Alison Hamel - Secretary/Treasurer

(IMPORTANT NOTICE: If bidder or other interested person is a corporation, state the legal name of such corporation, as well as the names of the president, secretary, treasurer, and manager thereof; if a co-partnership, state the true names of the firm, as well as the names of all individual co-partners comprising the firm; if bidder or other interested person is an individual, state the first and last names in full.)

9. The undersigned bidder shall be licensed and shall provide the following information:

Bidder's California Contractor's License Number:	<u>919635</u>
License Expiration Date:	<u>12/31/2012</u>
Name on License:	<u>Hamel Contracting, Inc.</u>
Type of License:	<u>B &amp; A</u>
Phone:	<u>951-600-2783</u>
Fax:	<u>951-600-3951</u>

If the bidder is a joint venture, each member of the joint venture must include the above information.

1. Time is of the essence regarding this Contract; therefore, in the event the bidder to whom the Notice of Award is given fails or refuses to post the required bonds and return executed copies of the Agreement Form within five (5) calendar days from the date of receiving the Notice of Award, the DISTRICT may declare the bidder's bid deposit or bond forfeited as damages.
2. Pursuant to Government Code Section 4552, in submitting a bid to the DISTRICT, the bidder offers and agrees that if the bid is accepted, it will assign to the DISTRICT 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. § 15) or under the Cartwright Act (Business and Professions Code Sections 16700, et. seq.), arising from the purchase of goods, materials, or services by the bidder for sale to the DISTRICT pursuant to the bid. Such assignment shall be made and become effective at the time the DISTRICT tenders final payment to the bidder.

ARLINGTON HIGH SCHOOL OPPORTUNITY CLASSROOM PROJECT  
BID NUMBER 2011/12-21  
CAT. #01 GENERAL CONTRACTOR

3. The bidder declares that he/she has carefully examined the location of the proposed Work, that he/she has examined the Plans, General Conditions of the Contract, Special Conditions of the Contract, and Specifications, and read the accompanying Instructions to Bidders, and hereby proposes and agrees, if this proposal is accepted, to furnish all materials and do all Work required to complete the said Work in accordance with the Plans, General Conditions of the Contract, Special Conditions of the Contract, and Specifications, in the time and manner therein prescribed for the unit cost and lump sum amounts set forth in this Bid Form.
4. In the event of ambiguity due to a conflict between words and numbers with respect to the amount of the bid, words shall govern over numbers.
5. The bidder is familiar with Government Code Sections 12650, et. seq., and Penal Code Section 72 and understands that false claims can lead to imprisonment.

I, the below-indicated bidder, declare under penalty of perjury that the information provided and representations made in this bid are true and correct.

Hamel Contracting, Inc  
Proper Name of Bidder

26341 Jefferson Ave., Ste. B, Murrieta, CA 92562  
Address

By: Grant J. Hamel - President Date: 10/06/2011  
PRINT NAME

Signature of Bidder: 

**NOTE:** If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officers or agents and the document shall bear the corporate seal; if bidder is a partnership, the true name of the firm shall be set forth above, together with the signature of the partner or partners authorized to sign Contracts on behalf of the partnership; and if bidder is an individual, his signature shall be placed above.

**All signatures must be made in permanent blue ink.**

Signature of Bidder:   
Alison Hamel- Secretary/Treasurer

**Board Meeting Agenda  
November 1, 2011**

Topic: Approval of Change Order No. 2 – Purchase Order C6001834 – Bid No. 2010/11-27P – Polytechnic High School ADA Restroom Renovation

Presented by: Jane Jumnongsilp, Purchasing Manager

Responsible

Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: A change is recommended in the scope of work for the Polytechnic High School ADA Restroom Renovation.

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**DESCRIPTION OF AGENDA ITEM:**

On June 6, 2011, the Board of Education approved Bid No. 2010/11-27P – Polytechnic High School ADA Restroom Renovation. The bid was awarded to Caltec Corp., and Purchase Order C6001834 was issued in the amount of \$190,000.00. One subsequent change order was approved for \$10,921.70, bringing the total amount of the purchase order to \$200,921.70.

District staff is requesting a change in the scope of work for Change Order No. 2 to (1) demolish existing 6” thick concrete floor; (2) replace all underground plumbing pipes due to rusting and deterioration of existing pipes; (3) demolish and remove entry walls in 4 restrooms including foundation and relocate all electrical conduits and outlets and provide and install plastic partitions; (4) furnish and install full height furring walls including 6” concrete curb and a 2x6 plumbing wall; (5) credit cost of installation of ceramic tile that was deleted from scope; (6) credit cost of installation of 2 waterless urinals that was deleted from scope; (7) Credit cost of removal and replacement of half of ceiling removal that was deleted from scope; and (8) furnish and install in-line exhaust.

Change Order No. 2 in the amount of \$7,850.53 brings the total amount of the purchase order to \$208,772.23. Funding for this project is one hundred percent (100%) from Measure B funds.

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**FISCAL IMPACT:** Change order value of \$7,850.53 is included in the budget for this project.

**RECOMMENDATION:** It is recommended that the Board of Education approve Change Order No. 2 in the amount of \$7,850.53 to Caltec Corp. – Purchase Order C6001834, bringing the new total amount of the purchase order to \$208,772.23.

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**ADDITIONAL MATERIAL:** Request for Change Order No. 2 – Polytechnic High School ADA Restroom Renovation

Attached:     Yes

# CHANGE ORDER

Distribution to:  
Owner   
Architect   
Contractor

**PROJECT:** ADA Restroom Renovations at Poly HS

**CHANGE ORDER NO:** 2

**DATE:** 9/19/11

**TO:** Caltec Corp  
8732 Westminster Boulevard, Ste. #2  
Westminster, CA, 92683

**BID NO:** 2010/11-27P

**You are directed to make the following changes in this Contract:**

Reference attached items. \$ 7,850.53

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Not valid until signed by both the District and Architect.  
Signature of the Contractor indicates his agreement herewith, including any adjustment in the Contract Sum or Contract Time

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The original Contract Sum was .....	\$190,000.00
Net change by previously authorized Change Orders .....	\$ 10,921.70
The Contract Sum prior to this Change Order was .....	\$200,921.70
The total amount of this Change Order is (increase/decrease) ....	\$ 7,850.53
The new Contract Sum including this Change Order will be .....	\$208,772.23

The amount of days the Contract Time will be changed by ..... [0]

**OWNER**  
Riverside Unified School District  
3070 Washington Street  
Riverside, CA 92504

By: \_\_\_\_\_

Date: \_\_\_\_\_

Change Order #2  
 ADA Restroom Renovations at Poly HS  
 CalTech Corp

<b>COR #</b>	<b>DESCRIPTION OF WORK</b>	<b>COST</b>
3	Demolish existing 6" thick concrete floor in first floor bathrooms	\$1,550.60
4	Replace all underground plumbing pipes due to rusting and deterioration of existing pipes	\$7,301.31
5	Demo and remove entry walls in 4 bathrooms including foundation and relocate all electrical conduits and outlets provide and install plastic partition in to maintain required 4' clearance at the entry way.	\$7,337.19
6	Furnish and install full height furring walls including 6" concrete curb and 2x6 plumbing wall	\$6,295.33
8	Credit to delete installation of ceramic tile from scope	(\$16,000.00)
9	Credit to delete installation of 2 waterless urinals	(\$818.52)
10	Credit to delete half of ceiling removal and replacement	(\$941.52)
11	Furnish and install in-line exhaust	\$3,126.14
	<b>TOTAL:</b>	<b>\$7,850.53</b>

**Board Meeting Agenda  
November 1, 2011**

Topic: Approval of Change Order No. 2 – Purchase Order C6001835 – Bid No. 2010/11-27V – Victoria Elementary School ADA Restroom Renovation

Presented by: Jane Jumnongsilp, Purchasing Manager

Responsible

Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: A change is recommended in the scope of work for the Victoria Elementary School ADA Restroom Renovation.

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**DESCRIPTION OF AGENDA ITEM:**

On June 6, 2011, the Board of Education approved Bid No. 2010/11-27V – Victoria Elementary School ADA Restroom Renovation. The bid was awarded to Caltec Corp., and Purchase Order C6001835 was issued in the amount of \$95,000.00. One subsequent change order was approved for \$676.28, bringing the total amount to \$95,676.28.

District staff is requesting a change in the scope of work for Change Order No. 2 to (1) rework existing plumbing to install a horizontal drain for classroom sink; (2) credit back the cost of tile work deleted from the scope of work; and (3) provide additional tackable wall panel for the entire new walls instead of just over the cabinet.

Change Order No. 2 in the amount of \$61.39 brings the total amount of the purchase order to \$95,737.67. Funding for this project is one hundred percent (100%) from Measure B funds.

---

**FISCAL IMPACT:** Change order value of \$61.39 is included in the budget for this project.

**RECOMMENDATION:** It is recommended that the Board of Education approve Change Order No. 2 in the amount of \$61.39 to Caltec Corp. – Purchase Order C6001835, bringing the new total amount of the Purchase Order to \$95,737.67.

**ADDITIONAL MATERIAL:** Request for Change Order No. 2 – Victoria Elementary School  
ADA Restroom Renovation

Attached: Yes



# CHANGE ORDER

Distribution to:  
Owner   
Architect   
Contractor

**PROJECT:** ADA Restroom Renovations at Victoria ES

**CHANGE ORDER NO:** 2

**DATE:** 9/19/11

**TO:** Caltec Corp  
8732 Westminster Boulevard, Ste. #2  
Westminster, CA, 92683

**BID NO:** 2010/11-27V

**You are directed to make the following changes in this Contract:**

Reference attached items. \$ 61.39

---

Not valid until signed by both the District and Architect.  
Signature of the Contractor indicates his agreement herewith, including any adjustment in the Contract Sum or Contract Time

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The original Contract Sum was .....	\$ 95,000.00
Net change by previously authorized Change Orders .....	\$ 676.28
The Contract Sum prior to this Change Order was .....	\$ 95,676.28
The total amount of this Change Order is (increase/decrease) ....	\$ 61.39
The new Contract Sum including this Change Order will be .....	\$ 95,737.67

The amount of days the Contract Time will be changed by ..... [0]

**OWNER**  
Riverside Unified School District  
3070 Washington Street  
Riverside, CA 92504

By: \_\_\_\_\_

Date: \_\_\_\_\_

Change Order #2  
ADA Restroom Renovations at Victoria ES  
CalTech Corp

<b>COR #</b>	<b>DESCRIPTION OF WORK</b>	<b>COST</b>
3	Rework existing plumbing to install horizontal drain for classroom sink	\$1,216.24
4	Credit to delete tile from scope	(\$2,150.00)
5	Provide additional trackable wall panel for entire new walls instead of just over cabinet	\$995.15
TOTAL:		\$61.39

**Board Meeting Agenda  
November 1, 2011**

Topic: Approval of Change Order No. 5 – Purchase Order C6001839 – Bid No. 2010/11-28M – Magnolia Elementary School ADA Restroom Renovation

Presented by: Jane Jumnongsilp, Purchasing Manager

Responsible Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: A change is recommended in the scope of work for the Magnolia Elementary School ADA Restroom Renovation.

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**DESCRIPTION OF AGENDA ITEM:**

On June 6, 2011, the Board of Education approved Bid No. 2010/11-28M – Magnolia Elementary School ADA Restroom Renovation. The bid was awarded to CA Construction, Inc., and Purchase Order C6001839 was issued in the amount of \$110,000.00. Four subsequent change orders were approved for 3,879.49, bringing the total of the purchase order to \$113,879.49.

District staff is requesting a change in the scope of work for Change Order No. 5 to rework the water lines to provide service to the lavatories and toilets.

Change Order No. 5, in the amount of \$10,832.03, brings the total amount of the purchase order to \$124,711.52. Funding for this project is one hundred percent (100%) from Measure B funds.

---

**FISCAL IMPACT:** Change order value of \$10,832.03 is included in the budget for this project.

**RECOMMENDATION:** It is recommended that the Board of Education approve Change Order No. 5 in the amount of \$10,832.03 to CA Construction, Inc. – Purchase Order C6001839, bringing the new total amount of the purchase order to \$124,711.52.

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**ADDITIONAL MATERIAL:** Request for Change Order No. 5 – Magnolia Elementary School ADA Restroom Renovation

Attached: Yes

# CHANGE ORDER

Distribution to:  
Owner   
Architect   
Contractor

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**PROJECT:** ADA Restroom Renovations at Magnolia ES

**CHANGE ORDER NO:** 4

**DATE:** 9/29/11

**TO:** CA Construction  
981 Iowa Avenue, Suite A  
Riverside, CA, 92507

**BID NO:** 2010/11-28LM

**You are directed to make the following changes in this Contract:**

Reference attached items. \$ 10,832.03

---

Not valid until signed by both the District and Architect.  
Signature of the Contractor indicates his agreement herewith, including any adjustment in the Contract Sum or Contract Time

---

The original Contract Sum was .....	\$110,000.00
Net change by previously authorized Change Orders .....	\$ 3,879.49
The Contract Sum prior to this Change Order was .....	\$113,879.49
The total amount of this Change Order is (increase/decrease) ....	\$ 10,832.03
The new Contract Sum including this Change Order will be .....	\$124,711.52

The amount of days the Contract Time will be changed by ..... [0]

**OWNER**  
Riverside Unified School District  
3070 Washington Street  
Riverside, CA 92504

By: \_\_\_\_\_

Date: \_\_\_\_\_

Change Order #4  
ADA Restroom Renovations at Magnolia ES  
CA Construction

<u>DESCRIPTION OF WORK</u>	<u>COST</u>
Rework water lines to provide service to new lavs & toilets	\$10,832.03
TOTAL:	<hr/> \$10,832.03

**Board Meeting Agenda  
November 1, 2011**

Topic: Approval of Change Order No. 4 – Purchase Order C6001840 – Bid No. 2010/11-28L – Liberty Elementary School ADA Restroom Renovation

Presented by: Jane Jumnongsilp, Purchasing Manager

Responsible Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: A change is recommended in the scope of work for the Liberty Elementary School ADA Restroom Renovation.

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**DESCRIPTION OF AGENDA ITEM:**

On June 6, 2011, the Board of Education approved Bid No. 2010/11-28L – Liberty Elementary School ADA Restroom Renovation. The bid was awarded to CA Construction, Inc., and Purchase Order C6001840 was issued in the amount of \$78,000.00. Three subsequent change orders were approved for \$1,558.05 bringing the total of the purchase order to \$79,558.05.

District staff is requesting a change in the scope of work for Change Order No. 4 to rework the water lines that provide service to the new lavatories and toilets.

Change Order No. 4, in the amount of \$2,882.43 brings the total amount of the purchase order to \$82,440.48. Funding for this project is one hundred percent (100%) from Measure B funds.

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**FISCAL IMPACT:** Change order value of \$2,882.43 is included in the budget for this project.

**RECOMMENDATION:** It is recommended that the Board of Education approve Change Order No. 4, in the amount of \$2,882.43 to CA Construction, Inc. – Purchase Order C6001840, bringing the new total amount of the purchase order to \$82,440.48.

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**ADDITIONAL MATERIAL:** Request for Change Order No. 4 – Liberty Elementary School ADA Restroom Renovation

Attached: Yes

# CHANGE ORDER

Distribution to:  
Owner   
Architect   
Contractor

**PROJECT:** ADA Restroom Renovations at Liberty ES

**CHANGE ORDER NO:** 4

**DATE:** 9/29/11

**TO:** CA Construction  
981 Iowa Avenue, Suite A  
Riverside, CA, 92507

**BID NO:** 2010/11-28L

**You are directed to make the following changes in this Contract:**

Reference attached items. \$ 2,882.43

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Not valid until signed by both the District and Architect.  
Signature of the Contractor indicates his agreement herewith, including any adjustment in the Contract Sum or Contract Time

---

The original Contract Sum was .....	\$78,000.00
Net change by previously authorized Change Orders .....	\$ 1,558.05
The Contract Sum prior to this Change Order was .....	\$79,558.05
The total amount of this Change Order is (increase/decrease) ....	\$ 2,882.43
The new Contract Sum including this Change Order will be .....	\$82,440.48

The amount of days the Contract Time will be changed by ..... [0]

**OWNER**  
Riverside Unified School District  
3070 Washington Street  
Riverside, CA 92504

By: \_\_\_\_\_

Date: \_\_\_\_\_

Change Order #4  
ADA Restroom Renovations at Liberty ES  
CA Construction

<b>COR #</b>	<b>DESCRIPTION OF WORK</b>	<b>COST</b>
3	Rework water lines to provide service to new lavs & toilets	\$2,882.43
TOTAL:		<hr/> \$2,882.43



**Board Meeting Agenda  
November 1, 2011**

Topic: Notice of Completion – Purchase Order C6001774– Bid No. 2010/11-17 – UCCAP Bid Polytechnic High School – Chiller Replacement.

Presented by: Jane Jumnongsilp, Purchasing Manager

Responsible

Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: A Notice of Completion is recommended for Carrier Corporation for the Polytechnic High School Chiller Replacement.

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**DESCRIPTION OF AGENDA ITEM:**

On March 25, 2011 the RUSD Purchasing Manager approved Bid No. 2010/11-17 – Chiller Replacement at Polytechnic High School. The bid was awarded to Carrier Corporation, and Purchase Order C6001774 was issued in the amount of \$62,447.00. One subsequent change order was approved for \$21,543.00, bringing the total amount of the purchase order to \$83,990.00.

The scope of work for this project was to renovate/replace the chiller system for Polytechnic High School.

District staff, and inspector of record have reviewed the project, deemed the project complete, and a Notice of Completion is now being requested.

Funding for this project is one hundred (100%) from the Deferred Maintenance Funds.

---

**FISCAL IMPACT:** None

**RECOMMENDATION:** It is recommended that the Board of Education direct that a Notice of Completion be filed for Carrier Corporation – Purchase Order C6001774, for a total amount of \$83,990.00.

**ADDITIONAL MATERIAL:** Notice of Completion Request – Chiller Replacement at Polytechnic High School.

Attached: Yes

## **Jumnongsilp, Chenchira (Jane)**

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**From:** Raimondi, Leo (Lee)  
**Sent:** Thursday, October 06, 2011 8:52 AM  
**To:** Vinson, Nancy J. (Chasey)  
**Cc:** Aguilera, Louisa  
**Subject:** Completed

Nancy,

Please do a notice of completion for C6001774, the rebuild of the carrier screw compressor and the un-loader (slide valve) is completed by the contractor (Carrier)

Thank you

-Lee

Lee Raimondi  
Assistant Director  
Maintenance & Operations  
Electrical / Mechanical / Plumbing  
Fire / Security / Audio Visual  
Office 788-7496 X 84006 X 84060  
Cell 951-368-7712

**Board Meeting Agenda  
November 1, 2011**

Topic: *Valenzuela/CAHSEE* Lawsuit Settlement Quarterly Report on *Williams* Uniform Complaints to Riverside County Office of Education

Presented by: Kirk R. Lewis, Ed.D., Assistant Superintendent Operations

Responsible

Cabinet Member: Kirk R. Lewis, Ed.D., Assistant Superintendent Operations

Type of Item: Consent

Short Description: The quarterly report information confirms that there were no complaints filed with any school in the District for the period of July 1, 2011 – September 30, 2011.

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**DESCRIPTION OF AGENDA ITEM:**

For the period of July 1, 2011 – September 30, 2011, there were no complaints filed with any school in Riverside Unified School District relating to the *Valenzuela/CAHSEE* (Williams) Lawsuit. The quarterly report has been submitted to the Riverside County Office of Education.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** It is recommended that the Board of Education accept the report.

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**ADDITIONAL MATERIAL:** *Valenzuela/CAHSEE* Lawsuit Settlement Quarterly Report on *Williams* uniform Complaints.

Attached: Yes



**Valenzuela/CAHSEE Lawsuit Settlement**  
**Quarterly Report on Williams Uniform Complaints**  
 [Education Code § 35186(d)]

District: Riverside Unified School District

Person completing this form: Kirk R. Lewis Title: Asst. Supt. Operations

Quarterly Report:  1<sup>st</sup> Quarter (July – September 2011) Due: October 14, 2011  
 (check one)  2<sup>nd</sup> Quarter (October – December 2011) January 13, 2012  
 3<sup>rd</sup> Quarter (January – March 2012) April 13, 2012  
 4<sup>th</sup> Quarter (April – June 2012) July 13, 2012

Date for information to be reported publicly at governing board meeting: November 1, 2011

Please check the box that applies:

- No complaints were filed with any school in the district during the quarter indicated above.
- Complaints were filed with schools in the district during the quarter indicated above. The following chart summarizes the nature and resolution of these complaints.

General Subject Area	Total # of Complaints	# Resolved	# Unresolved
Textbooks and Instructional Materials	0	0	0
Teacher Vacancy or Misassignments	0	0	0
Facilities Conditions	0	0	0
CAHSEE Intensive Instruction and Services	0	0	0
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>

Richard L. Miller, Ph.D.

Print Name of District Superintendent

*Richard L. Miller*

Signature of District Superintendent

*10/14/11*

Date

Return to: Riverside County Office of Education  
 Division of Educational Services  
 Attn: Diana M. Asseier, Assistant Superintendent  
 P.O. Box 868  
 Riverside, CA 92502-0868

**Board Meeting Agenda  
November 1, 2011-**

Topic:                   Certificated Personnel Assignment Order – CE 11/12-07 and  
                              Classified/Non-Classified Personnel Assignment Order CL 11/12-07

Presented by:        Lou Mason, Director of Certificated Personnel and  
                              Vanessa Connor, Director of Classified Personnel

Responsible  
Cabinet Member:   Kathleen M. Sanchez, Assistant Superintendent, Human Resources

Type of Item:        Consent

Short Description:   The latest District’s management, certificated and classified personnel  
                              actions are presented to the Board of Education for approval

**DESCRIPTION OF AGENDA ITEM:**

Board approval is requested of the District’s latest management, certificated and classified personnel actions, which include the following:

Change in Status from Substitute Employee to Regular Employee, Change of Status, Deceased, Leaves, New Hires, New Hires – Intern, New Hires – Management, New Hires – Probationary 1, New Hires – Temporary Employee (E.C. §44920), Promotions, Rehires, Rehires – Temporary Employees (E.C. §44920), Rehires – Tenured Employee, Resignations, Resignations – Management, Temporarily Assigned to a Higher Classification, and Voluntary Demotions/Reassignments/ Reductions/Transfers.

**FISCAL IMPACT:** To be determined

**RECOMMENDATION:** It is recommended that the Board of Education approve the District’s latest personnel actions for both certificated and classified.

**ADDITIONAL MATERIAL:** Certificated Personnel Assignment Order – CE 11/12-07 and  
Classified/Non-Classified Personnel Assignment Order CL 11/12-07

Attached:        Yes

**CERTIFICATED PERSONNEL ASSIGNMENT ORDER #CE 11/12-07**

November 1, 2011

**CERTIFICATED PERSONNEL**

**Change of Status**

Increase in work year	From 203 – 213 work days Coordinator, Program Improvement	07/01/11
Patterson, Daniel Lee		

**Deceased**

39 Month Reemployment List Ochoa, Lorena C.	Teacher	09/20/11
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**Leaves**

Elementary School (Paid Administrative Leave) 11/12-57678	Teacher	10/12/11 – undetermined
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Emerson Elementary School (California Family Rights Act Leave) Riddle, Jennifer R.	Teacher	10/31/11 – 12/16/11
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**New Hires – Intern**

Matthew Gage Middle School Esser, Sadi	Teacher	10/10/11
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**New Hires – Probationary 1**

Central Middle School Strahan, Sarah M.	Teacher	10/10/11
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Polytechnic High School Rahman, Kaleen	Teacher	09/23/11
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**New Hires – Temporary Employee (E.C. §44920)**

Polytechnic High School McCloud, Daniel J.	Teacher	09/29/11
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**Rehires – Temporary Employees (E.C. §44920)**

Hyatt Elementary School Drake, Alicia R.	Teacher	10/05/11
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Longfellow Elementary School Schuler, Amy R.	Teacher	10/05/11
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Mt. View Elementary School Sinclair, Joy L.	Teacher	10/05/11
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Taft Elementary School Cauffiel, Krystal C.	Teacher	10/05/11
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**Rehires – Tenured Employee**

Arlington High School Matthews, Nicole R.	Teacher	10/12/11
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**CLASSIFIED/NON-CLASSIFIED PERSONNEL ASSIGNMENT ORDER #CL 11/12-07**  
 November 1, 2011

**CLASSIFIED PERSONNEL**

**Change in Status from Substitute Employee to Regular Employee**

Earhart Middle School Rodriguez, Tara A.	Cafeteria Worker I	10 months, 3 hours	10/05/11
Emerson Elementary School Nunez, Elizabeth A.	Instructional Assistant – Special Education I	10 months, 6 hours	10/04/11
Fremont Elementary School Macedo, Michelle	Cafeteria Worker I	10 months, 3 hours	10/10/11
Highgrove Elementary School Salvador, Elizabeth	Community Assistant – Bilingual	10 months, 3 hours	10/13/11

**Leaves**

11/12-151145	Paid Administrative Leave	08/25/11 – 10/11/11 <i>Amendment to 09/19/11 Board</i>
11/12-189920	Unpaid Administrative Leave	10/04/11 – Undetermined

**New Hires**

Arlington High School Camacho, Marcella E.	Cafeteria Worker I	10 months, 3 hours	10/06/11
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**New Hires - Continued**

Arlington High School Garcia, Rosa M.	Cafeteria Worker I	10 months, 3 hours	10/06/11
Bryant Elementary School Salgado, Sylvia	Instructional Assistant – Special Education I	10 months, 3 hours	10/07/11
Central Middle School Early, Dawn L.	Cafeteria Worker I	10 months, 3 hours	10/05/11
Educational Options Center Coffey, Brenda D.	Alternative Education Learning Lab Assistant	10 months, 4 hours	09/30/11
Emerson Elementary School Quijano, Anita L.	Cafeteria Worker I	10 months, 3 hours	10/05/11
Hyatt Elementary School Martinez, Joanna M.	Cafeteria Worker I	10 months, 3 hours	10/06/11
John W. North High School Gomez, Maria D. S.	Cafeteria Worker I	10 months, 3 hours	10/06/11
Smith, Miyoshi T.	Cafeteria Worker I	10 months, 3 hours	10/05/11
Special Education Diaz, Jenny L.	Occupational Therapy Assistant	10 months, 3.75 hours	09/26/11

**New Hires - Management**

Business Services Ridley, Marcus A.	Contract Analyst	12 months, 8 hours	10/14/11
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**Promotions**

Salazar, Jaqueline	From: John W. North High School, Attendance Assistant I, 10 months, 8 hours	To: John W. North High School, Administrative Secretary I, 10 months, 8 hours	10/03/11
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**Re-Hires**

Highland Elementary School Simon, Stephanie R.	Health Assistant	10 months, 4.5 hours	09/26/11
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Ramona High School Valdez, Felecia N.	Alternative Education Learning Lab Assistant	10 months, 4 hours	09/30/11
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**Resignations**

Bryant Elementary School Jacobsmeier, Melissa A.	Instructional Assistant – Computer Resources	2 years of service	10/15/11
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Hawthorne Elementary School Cardenas, Amanda	Instructional Assistant – Preschool	2 years, 2 months of service	10/15/11
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Sierra Middle School Fox, Jessica	Cafeteria Worker I	2 years, 3 months of service	10/22/11
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**Resignations - Management**

Nutrition Services Murphy, Rebecca L.	Operations Manager	4 years, 9 months of service	10/29/11
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**Temporarily Assigned to a Higher Classification**

Business Services			
Hull, Lynn	From: Purchasing Assistant	To: Buyer I	10/03/11– 10/14/11
Kershaw, JoAnna	From: Office Assistant II	To: Purchasing Assistant	10/03/11– 10/14/11
Martin Luther King High School			
Hamel, Lisa	From: Cafeteria Worker I	To: Cafeteria Worker IV	10/08/11 – 11/30/11
Soraya, Maria I.	From: Cafeteria Worker IV	To: University Heights Middle School, Cafeteria Supervisor I	10/04/11 – 12/05/11
University Heights Middle School			
Delgado, Rosa M.	From: Cafeteria Worker III	To: Cafeteria Supervisor I	10/04/11 – 12/05/11

**Voluntary Demotions/Reassignments/Reductions/Transfers**

Borish, Cheryl	From: Earhart Middle School, Cafeteria Worker I, 10 months, 3 hours	To: Mt. View Elementary School, Cafeteria Worker I, 10 months, 3.5 hours	10/10/11
Cerda Martinez, Flora	From: Abraham Lincoln High School, Community Assistant – Bilingual, 10 months, 4 hours	To: John W. North High School, Attendance Assistant I, 10 months, 8 hours	10/10/11
Coria, Francisca R.	From: Mark Twain Elementary School, Instructional Assistant – Special Education II, 10 months, 6 hours	To: Jackson Elementary School, Instructional Assistant – Special Education II, 10 months, 6 hours	10/10/11

### Voluntary Demotions/Reassignments/Reductions/Transfers - Continued

Franks, Lisa A.	From: Mt. View Elementary School, School Office Assistant, 10 months 2.5 hours	To: Bryant Elementary School, School Office Assistant, 10 months 4 hours	10/12/11
Garcia, Erika	From: Abraham Lincoln High School, Instructional Assistant – Bilingual, 10 months, 4 hours	To: Abraham Lincoln High School, Instructional Assistant – Special Education I, 10 months, 5 hours	10/17/11
Luna, Leonard V.	From: Martin Luther King High School, Campus Supervisor, 10 months, 7 hours	To: Ramona High School, Campus Supervisor, 10 months, 7 hours	10/17/11
Sosa, Bernadette A.	From: Fremont Elementary School, Cafeteria Worker I, 10 months, 3 hours	To: Alcott Elementary School, Cafeteria Worker I, 10 months, 3 hours	10/03/11

**NON-CLASSIFIED PERSONNEL**

**New Hires**

Aceves, Erika	Bilingual Language Evaluator	10/06/11
Bond, LaNyce	Tutor	09/29/11
Boucher, Shelby A.	Instructional Assistant	10/03/11
Campos, David	Prime Time Tutor	10/06/11
Carreon, Cerina Deanna Buen	AVID Tutor	09/28/11
Dai, Christopher	AVID Tutor	09/29/11
Emerson, Heather	Tutor	09/30/11
Equihua Lemos, Tania Gabriela	Student Tutor	09/08/11
Garcia, Ricardo	AVID Tutor	09/28/11
Gaston, Michelle	AVID Tutor	10/06/11
Gross, Sharon	Secretary	10/01/11
Jennings, Monique	Prime Time Tutor	09/30/11
Lopez, Coreen	AVID Tutor	09/29/11
Mendoza, Jacob N.	Instructional Assistant	10/10/11
Nguyen, Rebecca	AVID Tutor	09/29/11
Nolasco, Robert	Grounds Maintenance Worker	10/03/11
Pereyra, Gabriel	AVID Tutor	09/28/11
Saavedra, Samantha	AVID Tutor	09/29/11
Schardijn, Amy	Instructional Assistant	10/01/11
Soria, Jessica	AVID Tutor	09/29/11

**New Hires – \*Athletic Coaches/Performing Arts Assistants/Walk-on Personnel**

Arlington High School		
Nichols, Sandra L.	Choir	09/22/11
King High School		
Conte, Carl R.	Basketball – Varsity Assistant	09/13/11
Frias, Elma	Band – Assistant	10/04/11
Garcia, Rachel	Band – Assistant	10/03/11
Virata, Danilo	Band – Assistant	10/03/11
North High School		
White, Garrett	Band – Assistant	10/03/11

\*The temporary athletic coaches listed above are knowledgeable of the assigned sports and meet the qualifications and competencies required by law.



## Riverside Unified School District

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3380 14<sup>th</sup> Street • Riverside, CA • 92501

### Board Meeting Agenda November 1, 2011

Topic: Disclosure of Tentative Agreement Between Riverside Unified School District and its Employees Represented by the California School Employees' Association, Chapter 506

Presented by: Michael H. Fine, Deputy Superintendent, Business Services and Governmental Relations

Responsible

Cabinet Member: Michael H. Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Report/Discussion

Short Description: This item represents the public disclosure of the terms and conditions, including financial impact, of a Tentative Agreement for employees represented by the California School Employees' Association, Chapter 506.

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#### DESCRIPTION OF AGENDA ITEM:

The District has reached agreement on a Tentative Agreement (TA) with one of its collective bargaining units, the California School Employees' Association, Chapter 506 representing classified employees. The TA is the result of the collective bargaining process that began in September 2011.

The TA incorporates the following provisions:

1. Article IX, Section 9.3 (Limitations) – A recurring and one-time adjustment to the District's annual contribution toward a medical insurance plan for full-time and part-time eligible employees. Specifically:
  - Effective January 1, 2012 (the 2012 plan year and following), the District's annual contribution toward the District-sponsored medical plans that the subscriber chooses will be \$9,500.
  - Effective January 1, 2012 through December 31, 2012, on a one-time basis, the District will contribute an additional \$250 toward any applicable District-sponsored

medical plan that the subscriber chooses. The contribution rate will be \$9,750 (\$9,500 recurring plus \$250 one-time).

- Effective the first day of the month following adoption of a 2012-13 State Budget, and on a one-time basis, the District will contribute an additional \$250 toward any applicable District-sponsored medical plan that the subscriber chooses. Such additional contribution will only be applicable if the adopted 2012-13 State Budget provides for “flat funding” or more of the District’s base revenue limit for fiscal year 2012-13. The contribution rate will be \$10,000 (\$9,500 recurring plus \$250 one-time plus a second \$250 one-time contingent on funding levels).

A “me too” clause is incorporated relative to other employees in order to maintain parity between CSEA unit members and other District employees. Part-time employees will receive a pro-rated share of the District contribution.

2. Article XI, Section 11.2 (Floating Holiday) – Language clarification was made to the existing provision for a floating holiday in honor of the unit member’s birthday. The language change specifically addresses the timeline for requesting the use of the holiday and steps to take when the request is not at a mutually convenient time for the employee and District.
3. The pilot Centralized Team Cleaning program outlined in the Memorandum of Understanding dated June 17, 2010 shall become the District’s standard operating procedure.

This agenda item is intended to meet the public disclosure requirements of Assembly Bill 1200 (1991/1213) and Assembly Bill 2756 (2004/52). More specifically, AB 2756 amended Government Code Section 3547.5 to provide in part that, “before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer.”

CSEA has scheduled its ratification vote to be held prior to November 14.

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**FISCAL IMPACT:** The Tentative Agreement results in 1) an increase in cost in 2011-12 of \$307,782, 2) an incremental increase in cost in 2012-13 of \$205,188, and 3) an incremental decrease in cost in 2013-14 of \$205,188. The on-going annual cost is \$410,375 associated to a recurring increase in the District’s annual contribution per eligible employee to their medical plan of \$9,500.

**RECOMMENDATION:** Information only. Public disclosure of the terms and conditions, including financial impact, of the Tentative Agreement for employees represented by the California School Employees’ Association, Chapter 506.



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**ADDITIONAL MATERIAL:** 1) Tentative Agreement, 2) Disclosure of Collective Bargaining Agreement (form)

Attached: Yes

**RIVERSIDE UNIFIED SCHOOL DISTRICT**  
**AND**  
**CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION**  
**CHAPTER 506**  
**TENTATIVE AGREEMENT**  
**October 11, 2011**

Subject to the approval of the Riverside Unified School District Board of Education (the "District") and subject to ratification by the California School Employees Association, Chapter 506 ("CSEA") the parties agree to:

**1. Article IX, 9.3 (Limitations) is amended in its entirety to read:**

Effective January 1, 2012 (the 2012 plan year and following), the District contribution toward the health insurance plan shall be \$9,500 per subscriber. Such contribution shall be applicable to any District sponsored medical plan that the subscriber chooses. Part-time employees will receive a pro-rated share of the District contribution.

Effective January 1, 2012 through December 31, 2012, on a one-time basis, the District will contribute an additional \$250 toward any applicable District sponsored medical plan that the subscriber chooses. Part-time employees will receive a pro-rated share of the District contribution. Effective January 1, 2013, the District contribution shall return to a cap of \$9,500.

Effective the first day of the month following adoption of a 2012-13 State Budget, and on a one-time basis, the District will contribute an additional tenthly contribution equivalent to a \$250 annual contribution toward any applicable District sponsored medical plan that the subscriber chooses. Part-time employees will receive a pro-rated share of the District contribution. Such additional contribution shall only be applicable if the adopted 2012-13 State Budget provides for "flat funding" or more of the District's base revenue limit for fiscal year 2012-13. Effective January 1, 2013, the District contribution shall return to a cap of \$9,500.

Effective January 1, 2012 through December 31, 2012, the District contribution toward the dental insurance plan shall not exceed the amount of the District contribution for the 2011 plan year.

This section shall not preclude CSEA or the District from negotiating health and dental payroll deductions on an annual plan-year basis.

If other employees receive a higher District contribution to their health insurance plan than what is provided herein, the difference shall be paid to unit members. The intent of this language is to maintain parity between CSEA unit members and other District employees.

2. Article XI, 11.2 (Floating Holiday) is amended in its entirety to read:

A unit member shall have an extra floating holiday in honor of the unit member's birthday. The Floating Holiday cannot be accrued or carried over into a new school year.

The Supervisor shall notify a unit member requesting a Floating Holiday of the status of the request prior to the start of the requested Floating Holiday, but in no instance later than ten (10) days after the unit member has submitted the request. If two (2) or more unit members in the same site/department request the same date for a Floating Holiday, the most senior employee shall be given preference.

The date of the Floating Holiday shall be mutually agreed upon by the unit member and the unit member's immediate supervisor. If a mutual date cannot be agreed upon by the unit member and the unit member's supervisor, then a Personnel Administrator shall determine the alternative Floating holiday date and the unit member shall be entitled to an alternate Floating Holiday of one and one-half (1 ½ ) days.

3. Article X (Hours of Employment and Overtime): There are no changes.
4. Fitness for Duty: A workgroup has been established to review the Fitness for Duty process and to report back their findings and recommendations to the Interest Based Bargaining Team no later than November 15, 2011.
5. The pilot Centralized Team Cleaning program outlined in the Memorandum of Understanding dated June 17, 2010 shall become the District's standard operating procedure effective with the approval and ratification of this Tentative Agreement.

AGREED:

**For the District:**

Vanessa Connor 10/11/11

Vanessa Connor Date  
Director, Classified Personnel  
Riverside Unified School District

Ker Mueller  
Ker Mueller

Rich Davis  
Rich Davis

Pablo Sanchez  
Pablo Sanchez

**For CSEA:**

Nyla Moore-Halliburton 10/11/11

Nyla Moore-Halliburton Date  
President, CSEA Chapter 506  
Riverside Unified School District

Lynn Thompson  
Lynn Thompson  
CSEA Labor Relations Representative

Colleen Hairston  
Colleen Hairston

Gloria Cormier  
Gloria Cormier

Joe Baglio 10/11/11  
Joe Baglio

Tim Wooten 10/12/11  
Tim Wooten

# DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT

In accordance with California Government Code Section 3547.5, Education Code Section 42142, and the criteria and standards adopted by the State Board of Education.

Riverside Unified School District (School District Name)

Certificated   
Classified

California School Employees Association, Ch 50 (Bargaining Unit Name)

New   
Reopened

The proposed agreement covers the period from: 07/01/11 to 06/30/12

The governing board is to act on this agreement at its meeting on: November 14, 2011 (Date)

**Note: This disclosure, along with a copy of the proposed agreement, is due to the Riverside County Office of Education at least ten (10) working days prior to the date the governing board is to take action.**

**(A) Proposed Change in Compensation (includes Fund 03 and Fund 06, R6500, R8150)**

COMPENSATION (ALL FUNDS COMBINED)	COST PRIOR TO PROPOSED AGREEMENT (Current Budget)	FISCAL IMPACT OF PROPOSED AGREEMENT		
		Current Year Increase/ (Decrease)	Year 2 Increase/ (Decrease)	Year 3 Increase/ (Decrease)
1. <b>Salary Schedule</b> - Increase (Decrease) <i>(Includes Step and Column reported on Line 7)</i>	\$ 26,011,378 % Salary Schedule	0.00%	0.00%	0.00%
2. <b>Statutory Benefits</b> <i>(STRS, PERS, FICA, Medicare, etc)</i>	\$ 7,900,007 % Statutory Benefits	0.00%	0.00%	0.00%
3. <b>Base Costs</b> <i>(Total of Lines 1 &amp; 2)</i>	\$ 33,911,385 % Base Costs	\$ - 0.00%	\$ - 0.00%	\$ - 0.00%
4. <b>a. Other Compensation</b> - Increase (Decrease) <i>(Describe in Section 12, Page 2)</i>	N/A % Salary Schedule	0.00%	0.00%	0.00%
<b>b. Changes to Step and Column With Agreement</b> <i>(Describe in Section 13, Page 2)</i>	N/A % Salary Schedule	0.00%	0.00%	0.00%
<b>c. Applicable Statutory Benefits</b>	N/A % Salary Schedule	0.00%	0.00%	0.00%
5. <b>Health/Welfare Benefits</b> - Increase (Decrease) Current Cap: \$9,000, \$9,500 Proposed Cap: \$9,500, \$9,750, \$10,000, \$9,500	\$ 6,306,341 % Salary Schedule	\$ 307,782 1.18%	\$ 205,188 0.79%	\$ (205,188) -0.79%
6. <b>Proposed Negotiated Change in Compensation</b> <i>(Excludes Statutory Benefits) (Lines 1, 4a, 4b, &amp; 5)</i>	% Salary Schedule	\$ 307,782 1.18%	\$ 205,188 0.79%	\$ (205,188) -0.79%
7. <b>Total Cost of Agreement</b> <i>(Includes Statutory Benefits) (Lines 3, 4, &amp; 5)</i>	\$ 40,217,726 % Base Costs	\$ 307,782 0.91%	\$ 205,188 0.61%	\$ (205,188) -0.61%
8. <b>Step and Column Due to Movement</b> <i>(Included in Salary Schedule reported on Line 1)</i>	\$ 219,631 % Salary Schedule	N/A N/A	0.00%	0.00%
9. <b>Total Number of Represented Employees</b>	888	888	888	888
10. <b>Cost of Agreement per Average Employee</b>	45,290 % from Prior Year	347 0.77%	\$ 231 0.51%	\$ (231) -0.50%

11. What is the negotiated percentage increase or decrease in compensation? If applicable, please explain how the district will implement furlough days; include the number of furlough days and the equivalent percentage reduction. Will furlough days be ongoing or will they end at the end of the agreement? In the event of an increase, please annualize the percentage increase for the first year if that increase is for less than one full year.

None

12. Are there any other compensation items included in the agreement? Please explain any changes indicated on page 1, Section A, 4a.

No

13. Is the district adding any steps, columns, or ranges due to the agreement? Please explain any changes indicated on page 1, Section A, 4b.

No

14. Does this unit have a negotiated cap for health and welfare benefits?  yes  no

Please describe the district's annual health and welfare cost per employee for this bargaining unit, and indicate the current and proposed cap on page 1, Section A, 5.

The District currently contributes \$9,500 per eligible employee to District-sponsored medical plans (choice of three plans). The District further contributes a variable amount per eligible employee to District-sponsored dental plans (choice of three plans) depending on the plan selected. the highest District contribution per eligible employee for dental plans is \$955. For the 2011 plan year (1/1/11 - 12/31/11) \$500 of the \$9,500 is one-time. Without a negotiated change, the District's annual contribution per eligible employee for medical plans for the 2012 plan year (1/1/12 - 12/31/12) reverts to \$9,000. (This agreement increases the \$9,000 contribution per eligible employee to \$9,500 for the 2012 plan year (1/01/12-12/31/12) and following. Further, on a one-time basis, the District will contribute an additional \$250 per eligible employee for the 2012 plan year (1/01/12 - 12/31/12). Additionally, effective the first day of the month following adoption of a 2012-13 State Budget, and on a one-time basis, the District will contribute an additional tenths contribution equal to a \$250 annual contribution per eligible employee. Such additional tenths contribution shall only be applicable if the adopted 2012-13 State Budget provides for 'flat funding' or more of the District's base revenue limit for fiscal year 2012-13. All amounts are prorated for part-time eligible employees. Effective 1/01/13 the District contribution shall return to a cap of \$9,500.

**(B) Proposed Negotiated Changes in Non-Compensation Items**

Please discuss proposed changes in non-compensation items such as class size adjustments, staff development days, teacher prep time, classified staffing ratios, etc.

The Pilot Centralized Team Cleaning program outlined in the Memorandum of Understanding dated June 17, 2010, shall become the District's standard operating procedure.

**(C) Specific Impact on Instructional and Support Programs to Accommodate Agreement**

Please discuss the impact of proposed changes on instructional and support programs (e.g. length of school year, staff reductions or increases, elimination or expansion of programs or services such as counseling, librarians, custodial services, etc.)

The Centralized Team Cleaning pilot program was implemented at non-high school sites as outlined in the Memorandum of Understanding dated June 17, 2010. The pilot program has been evaluated and the Centralized Team Cleaning program shall become the District's standard operating procedure.

**(D) Proposed Contingency Language**

Please detail proposed contingency language relating to funding restoration, reopening, applicable fiscal years, or other significant provisions. Please indicate when restoration will occur, if applicable.

The "second" one-time \$250 increase in the District's contribution (\$9,750 increased to \$10,000) is only applicable if the adopted 2012-13 State Budget provides for 'flat funding' or more of the District's base revenue limit for fiscal year 2012-13.

**(E) Impact on Deficit Spending**

Will this agreement increase deficit spending in the current or subsequent years? Deficit spending exists when a fund's total expenditures and other financing uses exceeds the total revenues and other financing sources in a given fiscal year.

Yes. The increase in deficit spending is \$307,782 in FY2011-12, and additional \$205,188 in FY2012-13, and a decrease of \$205,188 in FY2013-14. All amounts shown are incremental.

**(F) Funding Source(s) for Proposed Agreement**

1. Please discuss the proposed funding source for the current year.

Available unrestricted and restricted recurring revenues, undesignated ending fund balance from June 30, 2011.

2. If a single year agreement, please explain how any resulting ongoing costs will be funded in subsequent fiscal years (i.e. explain the assumptions showing the district can afford the contract in future years). If a multi-year agreement, please discuss the funding sources for each year, including assumptions used, to fund this obligation in future years. Consider any compounding effects when evaluating subsequent year impacts.

This is a single year agreement with 50% of the cost (two of the three components) of the contribution increase being one-time for the 2012 plan year.

**(G) Impact of Proposed Agreement on Current Year General Fund Operating Budget**

In accordance with California Government Code Section 3547.5, Education Code Section 42142, and the criteria and standards adopted by the State Board of Education.

**UNRESTRICTED GENERAL FUND**

<b>CURRENT YEAR OPERATING BUDGET</b>	(Col. 1) Board-Approved Budget Prior to Settlement	(Col. 2)* Adjustments Resulting from Settlement	(Col. 3)* Other Revisions Board Approved Date_____	(Col. 4) Total Revised Budget (Col. 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources 8010-8099	\$ 193,722,817			\$ 193,722,817
Federal Revenue 8100-8299	713,540			713,540
Other State Revenue 8300-8599	31,924,206			31,924,206
Other Local Revenue 8600-8799	2,455,466			2,455,466
<b>TOTAL REVENUES</b>	<b>\$228,816,029</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$228,816,029</b>
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 121,938,348			\$ 121,938,348
Classified Salaries 2000-2999	27,211,609			27,211,609
Employee Benefits 3000-3999	43,725,393		241,260	43,966,653
Books and Supplies 4000-4999	7,934,566			7,934,566
Services & Operating Expenditures 5000-5999	17,428,634			17,428,634
Capital Outlay 6000-6999	83,900			83,900
Other Outgo 7100-7299 7400-7499	70,000			70,000
Indirect/Direct Support Costs 7300-7399	(4,110,382)			(4,110,382)
<b>TOTAL EXPENDITURES</b>	<b>\$214,282,068</b>	<b>\$ -</b>	<b>\$ 241,260</b>	<b>\$214,523,328</b>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8910-8979	\$ (32,266,722)			\$ (32,266,722)
Transfers Out and Other Uses 7610-7699	\$ 2,824,368			\$ 2,824,368
<b>TOTAL EXPENDITURES AND USES</b>	<b>\$217,106,436</b>	<b>\$ -</b>	<b>\$ 241,260</b>	<b>\$217,347,696</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ (20,557,129)</b>	<b>\$ -</b>	<b>\$ (241,260)</b>	<b>\$ (20,798,389)</b>
BEGINNING BALANCE 9791,9793,9795	\$ 80,785,360			\$ 80,785,360
ENDING BALANCE	\$ 60,228,232	\$ -	\$ (241,260)	\$ 59,986,972
<b>COMPONENTS OF ENDING BALANCE</b>				
Nonspendable 9711-9719	\$ 650,000			\$ 650,000
Restricted 9740	\$ -			\$ -
Committed 9750-9760				-
Assigned 9780	30,175,288			30,175,288
Reserve for Economic Uncertainties 9789	6,733,147			6,733,147
Unassigned/Unappropriated 9790	\$ 22,669,796	\$ -	\$ (241,260)	\$ 22,428,536



**(G) Impact of Proposed Agreement on Current Year General Fund Operating Budget**

In accordance with Government Code Section 3547.5, Education Code Section 42142, and the criteria and standards adopted by the State Board of Education.

**RESTRICTED GENERAL FUND**

<b>CURRENT YEAR OPERATING BUDGET</b>	(Col. 1) Board-Approved Budget Prior to Settlement	(Col. 2)* Adjustments Resulting from Settlement	(Col. 3)* Other Revisions Board Approved Date_____	(Col. 4) Total Revised Budget (Col. 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources 8010-8099	\$ 8,953,173			\$ 8,953,173
Federal Revenue 8100-8299	34,508,287			34,508,287
Other State Revenue 8300-8599	33,847,874			33,847,874
Other Local Revenue 8600-8799	1,789,307			1,789,307
<b>TOTAL REVENUES</b>	<b>\$ 79,098,641</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,098,641</b>
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 34,506,238			\$ 34,506,238
Classified Salaries 2000-2999	15,652,370			15,652,370
Employee Benefits 3000-3999	16,455,734		66,522	16,522,256
Books and Supplies 4000-4999	21,854,534			21,854,534
Services & Operating Expenditures 5000-5999	23,684,506			23,684,506
Capital Outlay 6000-6999	4,149,790			4,149,790
Other Outgo 7100-7299 7400-7499	-			-
Indirect/Direct Support Costs 7300-7399	3,154,504			3,154,504
<b>TOTAL EXPENDITURES</b>	<b>\$119,457,675</b>	<b>\$ -</b>	<b>\$ 66,522</b>	<b>\$119,524,197</b>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8910-8979	\$ 32,994,846			\$ 32,994,846
Transfers Out and Other Uses 7610-7699	\$ 93,261			\$ 93,261
<b>TOTAL EXPENDITURES AND USES</b>	<b>\$119,550,936</b>	<b>\$ -</b>	<b>\$ 66,522</b>	<b>\$119,617,458</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ (7,457,449)</b>	<b>\$ -</b>	<b>\$ (66,522)</b>	<b>\$ (7,523,971)</b>
BEGINNING BALANCE 9791,9793,9795	\$ 9,426,205			\$ 9,426,205
ENDING BALANCE	\$ 1,968,756	\$ -	\$ (66,522)	\$ 1,902,234
<b>COMPONENTS OF ENDING BALANCE</b>				
Nonspendable 9711-9719				\$ -
Restricted 9740	\$ 1,998,756			1,998,756
Committed 9750-9760				-
Assigned 9780				-
Reserve for Economic Uncertainties 9789				-
Unassigned/Unappropriated 9790	\$ (30,000)	\$ -	\$ (66,522)	\$ (96,522)

**(G) Impact of Proposed Agreement on Current Year General Fund Operating Budget**

In accordance with Government Code Section 3547.5, Education Code Section 42142, and the criteria and standards adopted by the State Board of Education.

**COMBINED GENERAL FUND**

<b>CURRENT YEAR OPERATING BUDGET</b>	(Col. 1) Board-Approved Budget Prior to Settlement	(Col. 2)* Adjustments Resulting from Settlement	(Col. 3)* Other Revisions Board Approved Date_____	(Col. 4) Total Revised Budget (Col. 1+2+3)
<b>REVENUES</b>				
Revenue Limit Sources 8010-8099	\$ 202,675,990	\$ -	\$ -	\$ 202,675,990
Federal Revenue 8100-8299	\$ 35,221,827	\$ -	\$ -	35,221,827
Other State Revenue 8300-8599	\$ 65,772,080	\$ -	\$ -	65,772,080
Other Local Revenue 8600-8799	\$ 4,244,773	\$ -	\$ -	4,244,773
<b>TOTAL REVENUES</b>	<b>\$307,914,671</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$307,914,671</b>
<b>EXPENDITURES</b>				
Certificated Salaries 1000-1999	\$ 156,444,586	\$ -	\$ -	\$ 156,444,586
Classified Salaries 2000-2999	\$ 42,863,979	\$ -	\$ -	42,863,979
Employee Benefits 3000-3999	\$ 60,181,127	\$ -	\$ 307,782	60,488,909
Books and Supplies 4000-4999	\$ 29,789,100	\$ -	\$ -	29,789,100
Services & Operating Expenditures 5000-5999	\$ 41,113,140	\$ -	\$ -	41,113,140
Capital Outlay 6000-6999	\$ 4,233,690	\$ -	\$ -	4,233,690
Other Outgo 7100-7299 7400-7499	\$ 70,000	\$ -	\$ -	70,000
Indirect/Direct Support Costs 7300-7399	\$ (955,878)	\$ -	\$ -	(955,878)
<b>TOTAL EXPENDITURES</b>	<b>\$333,739,743</b>	<b>\$ -</b>	<b>\$ 307,782</b>	<b>\$334,047,525</b>
<b>OTHER FINANCING SOURCES/USES</b>				
Transfers In and Other Sources 8910-8979	\$ 728,124	\$ -	\$ -	\$ 728,124
Transfers Out and Other Uses 7610-7699	\$ 2,917,629	\$ -	\$ -	\$ 2,917,629
<b>TOTAL EXPENDITURES AND USES</b>	<b>\$336,657,372</b>	<b>\$ -</b>	<b>\$ 307,782</b>	<b>\$336,965,154</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>\$ (28,014,578)</b>	<b>\$ -</b>	<b>\$ (307,782)</b>	<b>\$ (28,322,360)</b>
BEGINNING BALANCE 9791,9793,9795	\$ 90,211,565			\$ 90,211,565
ENDING BALANCE	\$ 62,196,987	\$ -	\$ (307,782)	\$ 61,889,205
<b>COMPONENTS OF ENDING BALANCE</b>				
Nonspendable 9711-9719	\$ 650,000	\$ -	\$ -	\$ 650,000
Restricted 9740	\$ 1,998,756	\$ -	\$ -	1,998,756
Committed 9750-9760	\$ -	\$ -	\$ -	-
Assigned 9780	\$ 30,175,288	\$ -	\$ -	30,175,288
Reserve for Economic Uncertainties 9789	\$ 6,733,147	\$ -	\$ -	6,733,147
Unassigned/Unappropriated 9790	\$ 22,639,796	\$ -	\$ (307,782)	\$ 22,332,014

\*If the total adjustments in Col. 2 do not agree with the Total Cost of Agreement on page 1, Section A, Line 7, please explain the variance below (e.g. partially budgeted, salaries and benefits are budgeted in other funds), and/or explain any revisions included in Col. 3.

--

Multi-Year Financial Projections 2009-10 to 2013-14

	Prior Year Actuals 2009-10	Prior Year Actuals 2010-11	Percent of Change over PY	Adopted Budget 2011-12	Percent of Change over PY	Revised Budget 2011-12	Percent of Change over PY	Projected Budget 2012-13	Percent of Change over PY	Projected Budget 2013-14	Percent of Change over PY
COLA Actual/Projection %	4.25%	-0.39%	-109.18%	2.24%	-674.36%	2.24%	-674.36%	3.20%	42.86%	2.70%	-15.63%
P-2 ADA Actual/Projection	40,252	40,162	-0.22%	40,071	-0.23%	40,071	39628.00%	39,572	-1.25%	39,581	0.02%
Funded ADA Actual/Projection (excluding County and Charter)	40,823	40,251	-1.40%	40,182	-0.17%	40,182	-0.17%	40,080	-0.25%	38,911	-2.92%
	58	56		56		56		56		56	
<b>REVENUES</b>											
Revenue Limit	\$ 210,783,153	\$ 211,766,786	0.47%	\$ 202,675,990	-4.29%	\$ 202,675,990	-4.29%	\$ 202,164,247	-0.25%	\$ 199,582,840	-1.28%
Federal	\$ 35,165,043	\$ 41,431,622	17.82%	\$ 23,630,429	-42.97%	\$ 35,221,827	-14.99%	\$ 24,497,641	-30.45%	\$ 24,497,641	0.00%
State	\$ 69,760,341	\$ 76,656,406	9.89%	\$ 64,979,305	-15.23%	\$ 65,772,080	-14.20%	\$ 65,502,348	-0.41%	\$ 65,502,348	0.00%
Local	\$ 6,093,463	\$ 5,509,165	-9.59%	\$ 3,231,890	-41.34%	\$ 4,244,773	-22.95%	\$ 4,095,027	-3.53%	\$ 4,095,027	0.00%
Total Revenues	\$ 321,802,000	\$ 335,363,978	4.21%	\$ 294,517,614	-12.18%	\$ 307,914,671	-8.18%	\$ 296,259,263	-3.79%	\$ 293,677,856	-0.87%
<b>EXPENDITURES</b>											
Certificated Salaries	\$ 167,517,681	\$ 154,791,726	-7.60%	\$ 154,768,165	-0.02%	\$ 156,444,586	1.07%	\$ 160,856,112	2.82%	\$ 161,250,147	0.24%
Classified Salaries	\$ 44,618,424	\$ 41,800,518	-6.32%	\$ 42,243,551	1.06%	\$ 42,863,979	2.54%	\$ 43,897,916	2.41%	\$ 44,129,379	0.53%
Benefits	\$ 62,818,621	\$ 56,310,617	-10.36%	\$ 59,684,256	5.99%	\$ 60,488,909	7.42%	\$ 61,521,787	1.71%	\$ 61,408,072	-0.18%
Books & Supplies	\$ 13,286,301	\$ 15,004,383	12.93%	\$ 17,013,465	13.39%	\$ 29,789,100	98.54%	\$ 18,300,435	-38.57%	\$ 18,300,435	0.00%
Contracts & Services	\$ 39,125,329	\$ 40,368,721	3.18%	\$ 37,747,895	-6.49%	\$ 41,113,140	1.84%	\$ 41,113,140	0.00%	\$ 41,113,140	0.00%
Capital Outlay	\$ 794,037	\$ 1,293,940	62.96%	\$ 3,477,551	168.76%	\$ 4,233,690	227.19%	\$ 165,550	-96.09%	\$ 165,550	0.00%
Other Outgo	\$ 111,338	\$ 53,556	-51.90%	\$ 70,000	30.70%	\$ 70,000	30.70%	\$ 70,000	0.00%	\$ 70,000	0.00%
Support Costs	\$ (717,283)	\$ (548,533)	-23.53%	\$ (956,576)	74.39%	\$ (955,878)	74.26%	\$ (955,878)	0.00%	\$ (955,878)	0.00%
Total Expenditures	\$ 327,554,448	\$ 309,074,927	-5.64%	\$ 314,048,307	1.61%	\$ 334,047,525	8.08%	\$ 324,969,062	-2.72%	\$ 325,480,845	0.16%
<b>OTHER SOURCES &amp; USES</b>											
Transfers In & Other Sources	\$ 9,392,939	\$ 752,634	-91.99%	\$ 728,124	-3.26%	\$ 728,124	-3.26%	\$ 728,124	0.00%	\$ 728,124	0.00%
Transfers Out & Other Uses	\$ 5,185,750	\$ 7,846,033	51.30%	\$ 2,917,629	-62.81%	\$ 2,917,629	-62.81%	\$ 2,917,629	0.00%	\$ 2,917,629	0.00%
Total Expenditures & Uses	\$ 332,740,198	\$ 316,920,960	-4.75%	\$ 316,965,936	0.01%	\$ 336,965,154	6.32%	\$ 327,886,691	-2.69%	\$ 328,398,474	0.16%
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	\$ (1,545,259)	\$ 19,195,653	-1342.23%	\$ (21,720,198)	-213.15%	\$ (28,322,360)	-247.55%	\$ (30,899,304)	9.10%	\$ (33,992,494)	10.01%
<b>FUND BALANCE, RESERVES</b>											
Beginning Balance	\$ 72,561,171	\$ 71,015,912	-2.13%	\$ 87,086,058	22.63%	\$ 90,211,565	27.03%	\$ 61,889,205	-31.40%	\$ 30,989,902	-49.93%
Ending Balance	\$ 71,015,912	\$ 90,211,565	27.03%	\$ 65,365,860	-27.54%	\$ 61,889,205	-31.40%	\$ 30,989,902	-49.93%	\$ (3,002,592)	-109.69%
<b>Components of Ending Fund Balance:</b>											
Nonspendable	\$253,263	\$152,885		\$650,000		\$ 650,000		\$650,000		\$650,000	
Restricted	\$9,428,150	\$9,426,205		\$7,522,950		\$ 1,998,756		\$1,998,756		\$1,998,756	
Committed	\$0	\$0		\$0		\$ -		\$0		\$0	
Assigned	\$44,477,707	\$46,456,190		\$30,175,288		\$ 30,175,288		\$0		\$0	
Reserve for Economic Uncertainties	\$6,654,804	\$6,338,420		\$6,339,319		\$ 6,733,147		\$6,557,734		\$6,567,969	
Unassigned/Unappropriated	\$10,201,988	\$27,837,865		\$20,678,303		\$ 22,332,014		\$21,783,412		(\$12,219,318)	
Total Ending Balance	\$71,015,912	\$90,211,565		\$65,365,860		\$61,889,205		\$30,989,902		(\$3,002,592)	
% Reserve (9789 and 9790)	5.07%	10.78%		8.52%		8.63%		8.64%		-1.72%	

	7100-7299									Total	Rev Limit	Federal	State	Local	Other	Total
	1XXX	2XXX	3XXX	4XXX	5XXX	6XXX	7400-7499	7300-7399	7610-7629	Exp Change	80XX	81XX-82XX	83XX-85XX	86XX-87XX	89XX	Rev Change
<b>2011-12 TOTALS</b>	156,444,586	42,863,979	60,488,909	29,789,100	41,113,140	4,233,690	70,000	(955,878)	2,917,629	336,965,154	202,675,990	35,221,827	65,772,080	4,244,773	728,124	308,642,795
<b>2012-13 Adjustments</b>										-						-
<i>Carryover from 2011-12</i>				(11,143,665)						(11,143,665)		(10,724,186)	(269,732)	(149,746)		(11,143,665)
COLA/Deficit (Flat)										-						-
Growth (Decline)	(1,062,534)		(142,426)							(1,204,960)	(511,743)					(511,743)
Step/Column	1,806,995	229,522	283,660							2,320,177						-
Eliminate 5 furlough days	3,667,065	804,415	686,456							5,157,936						-
CSEA: Health benefits cap changes			205,188							205,188						-
Athletic Projects Finalized in 11-12						(4,068,140)				(4,068,140)						-
Board Elections				(345,000)						(345,000)						-
										-						-
										-						-
										-						-
										-						-
										-						-
<b>2012-13 TOTALS</b>	160,856,112	43,897,916	61,521,787	18,300,435	41,113,140	165,550	70,000	(955,878)	2,917,629	327,886,691	202,164,247	24,497,641	65,502,348	4,095,027	728,124	296,987,387
<b>2013-14 Adjustments</b>										-						-
<i>List separately:</i>										-						-
COLA/Deficit (Flat)										-						-
Growth (Decline)	(1,437,546)		(195,694)							(1,633,240)	(2,581,407)					(2,581,407)
Step/Column	1,831,581	231,463	287,167							2,350,211						-
CSEA: Health benefits cap returns to \$9500 1/1/13			(205,188)							(205,188)						-
										-						-
										-						-
										-						-
										-						-
										-						-
										-						-
<b>2013-14 TOTALS</b>	161,250,147	44,129,379	61,408,072	18,300,435	41,113,140	165,550	70,000	(955,878)	2,917,629	328,398,474	199,582,840	24,497,641	65,502,348	4,095,027	728,124	294,405,980

**(I) Impact of Proposed Agreement on Unrestricted Reserves****1. State Reserve Standard Calculation**

		Current Year	Year 2	Year 3
1a.	Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement) for both Unrestricted and Restricted General Fund	\$ 336,965,154	\$ 327,886,691	\$ 328,398,474
1b.	Enter State Standard Minimum Reserve Percentage	2%	2%	2%
1c.	State Standard Minimum Unrestricted Fund Reserve (Line 1a times Line 1b. For a district with less than 1,001 ADA, the greater of Line 1a times 1b or \$60,000)	\$ 6,739,303	\$ 6,557,734	\$ 6,567,969

**2. Budgeted Unrestricted Reserve (After Impact of Proposed Agreement)**

2a.	General Fund Reserve for Economic Uncertainties (Object 9789)	\$ 6,733,147	\$ 6,557,734	\$ 6,567,969
2b.	General Fund Budgeted as Unassigned/ Unappropriated Amount (Object 9790)	\$ 22,332,014	\$ 21,783,412	\$ (12,219,318)
2c.	Special Reserve Fund for Other Than Capital Outlay Projects Budgeted for Economic Uncertainties (Fund 17, Object 9789)	\$ -	\$ -	\$ -
2d.	Total District Budgeted Unrestricted Reserves	\$ 29,065,162	\$ 28,341,146	\$ (5,651,348)
2e.	Reserve for Economic Uncertainties Percentage (Line 2d divided by Line 1a)	8.63%	8.64%	-1.72%

**3. Does the district's budgeted unrestricted reserves meet the state standard minimum reserve amount?**

(Line 1c is less than or equal to Line 2e?)

Current Year:	2011 - 2012	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Year 2:	2012 - 2013	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
Year 3:	2013 - 2014	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**4. If no, how does the district plan to restore reserves?**

Any and all budget mitigation measures for FY2013-14 are available to the Board of Education to ensure adequate reserves are provided for FY2013-14 and forward.

**(J) Impact of Proposed Agreement on Current Year Operating Budget**

Itemized Budget Revisions Necessary to Meet Agreement's Cost

Description of the Revision	Attached Fund Transfer/ Budget Resolution Numbers	Amount	County Use Only: Date Action Taken
Increase District contribution by \$500 per eligible CSEA employee for applicable District-sponsored medical plan for the medical plan year January - December 2012.		\$ 205,188	
District will contribute on a one-time basis an increase of \$250 per eligible CSEA employee for applicable District-sponsored medical plan for the medical plan year January - December 2012. Sunsets Jan 1, 2013.		\$ 102,594	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
<b>TOTAL REVISIONS</b>		\$ 307,782	

Please provide an explanation if no budget revisions are necessary.

Revisions will be included in the 2011-12 1st Interim Report.

**(K) Impact of Proposed Agreement on Subsequent Fiscal Year Budgets**

Itemized Budget Revisions Included in the Multi-Year Financial Projections to Meet Agreement's Cost

**Year 2: 2012-2013**

Description of the Revision	Major Object Code Series	Amount	<i>County Use Only: Date Action Taken</i>
District will contribute on a one-time basis an increase of \$250 per eligible CSEA employee for applicable District-sponsored medical plan effective 1st month following adoption of 2012-13 State Budget providing flat or additional revenue limit funding. Sunsets Jan 1, 2013.	3xxx	\$ 205,188	
		\$ -	
		\$ -	
		\$ -	
<b>TOTAL YEAR 2</b>		<b>\$ 205,188</b>	

**Year 3: 2013-2014**

Description of the Revision	Major Object Code Series	Amount	<i>County Use Only: Date Action Taken</i>
District contributions return to \$9,500.	3xxx	\$ (205,188)	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
<b>TOTAL YEAR 3</b>		<b>\$ (205,188)</b>	

Please provide an explanation if no budget revisions are necessary.

Revisions will be included in the 2011-12 1st Interim Report as a part of the Multi-Year Projection.

**(L) Certification No. 1**

**Riverside Unified School District**

The District Superintendent and Chief Business Official should sign this certification at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the undersigned hereby certify that the costs incurred under the provisions of the agreement can be met by the district during the term of the agreement, and that the itemized budget revisions necessary to meet such costs, as indicated in sections J and K, are included in the district's budget and multi-year financial projections.

_____	_____
Signature - District Superintendent	Date
_____	_____
Signature - Chief Business Official	Date

District Contact Person: Sandra L. Meekins, Director-Business Services

Phone: 951-352-6729 x82002



**Board Meeting Agenda  
November 1, 2011**

Topic: Riverside Adult School – Career Technical Education Update

Presented by: Mr. Jim Dawson, Director  
Riverside Adult School

Responsible  
Cabinet Member: Dr. William E. Ermert, Assistant Superintendent  
Instructional Services

Type of Item: Report/Discussion

Short Description: Riverside Adult School staff will share a brief update on the school offerings and programs.

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**DESCRIPTION OF AGENDA ITEM:**

Riverside Adult School staff will provide a brief update and PowerPoint presentation on the current programs being offered at the Riverside Adult School.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** None

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**ADDITIONAL MATERIAL:** Riverside Adult School Program Overview

Attached: Yes

# RIVERSIDE ADULT SCHOOL

## PROGRAM OVERVIEW



# RIVERSIDE ADULT SCHOOL

## Mission Statement

- Every Riverside Adult School student will be provided the opportunity to gain the skills necessary to enter post-secondary education or the workforce.



# Academic Programs and Career Technical Education Programs

- High School Diploma for Adults and Concurrent Students
- GED Preparation & Test Site
- English as a Second Language (ESL) courses
- Developmentally Disabled Adults
- Health Care Careers
- Office Occupations

# CURRENT CTE OFFERINGS

- Medical Terminology
- Certified Nursing Assistant
- Medical Assistant
- CPR/First Aid for the Health Professional
- Home Health Aide
- Acute Care CNA
- Medical Billing & Coding
- Offices Occupations (Beginning Computer Course)
- Phlebotomy\* (Spring 2012)
- Notary Public (Spring 2012)



# RUSD/RAS ARTICULATION WITH RIVERSIDE COMMUNITY COLLEGE DISTRICT

RAS/RUSD Course	# of RCCD Credits
Certified Nurse Assistant	6
Medical Assistant	6 (Winter 2012)
Medical Terminology	3
Beginning Computers	3
Intermediate Computers	3 (Spring 2012)
Billing and Coding	3 (Spring 2012)



# Students Served in 2010/2011

Academic	CTE
ABE: 440	Health Care: 328
HSD/GED: 2,219	Office: 324
ESL: 1,429	
Concurrent: 290	
Developmentally Disabled: 318	TO TAL: 5,348 (4,952)

CALWORKS Eligible Students:  
3,547 / 72%

# Students Completing CTE Courses with Skills to enter the Workforce or Postsecondary Training:

<b>COURSE:</b>	<b>PERCENTAGE OF COMPLETERS (10/11):</b>
Medical Terminology	67% (55% earned college credit)
Medical Assistant	89%
CPR/First Aid	99%
Medical Billing & Coding	82%
Certified Nurse Assistant	85% (68% earning college credit)
Office Occupations	88%



# Job Placement & Continued Education Statistics

Currently, not required to keep job placement statistics, but based on preliminary, empirical findings:

- CNA/HHA: 80%
- MA: 50%
- Billing & Coding: 70%

Note: Effective 01/12, we will be required to keep job **statistical** placement and continuing education data



# RIVERSIDE ADULT SCHOOL

Time for  
Your Questions...



**Board Meeting Agenda  
November 1, 2011**

Topic: Fall 2011 Enrollment Report

Presented by: Janet Dixon, Director, Planning and Development

Responsible

Cabinet Member: Kirk Lewis Ed.D., Assistant Superintendent, Operations

Type of Item: Report/Discussion

Short Description: The actual K-12 Fall 2011 enrollment will be presented and contrasted with projected enrollment and prior year's enrollment. The District experienced a decrease of 106 students over last year for a grand total of 42,425 students.

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**DESCRIPTION OF AGENDA ITEM:**

Each fall, the Operations Division presents a report regarding the fall enrollment and District growth contrasted with projected enrollment and prior year's enrollments. The actual decrease was 106 students over last year's enrollment.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** This is a report item. No action is necessary.

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**ADDITIONAL MATERIAL:** Enrollment Report 2011/12

Attached: Yes

# **Riverside Unified School District**

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## **Enrollment Report**

**2011/12**

**Board of Education**

**November 1, 2011**

### **Operations Division**

**Dr. Kirk R. Lewis, Assistant Superintendent**

**Mrs. Janet Dixon, Director Planning/Development**

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# Fall 2011 Enrollments

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<input type="checkbox"/> K-12 Base Enrollment	38,602
<input type="checkbox"/> High School	12,217
<input type="checkbox"/> Middle School	5,981
<input type="checkbox"/> Elementary School	20,404
<input type="checkbox"/> Special Day Class Enrollment <small>(K-12)</small>	1,879

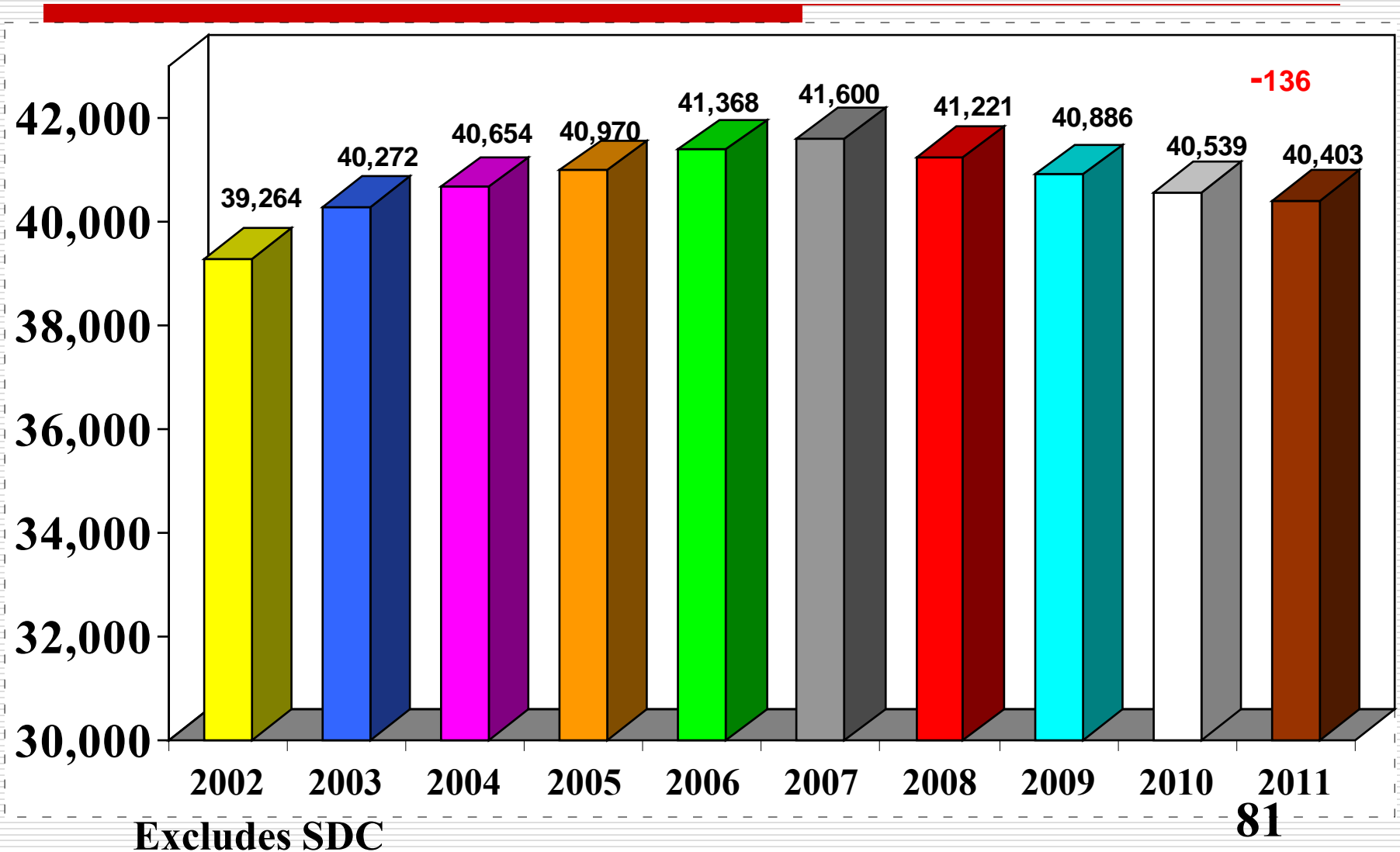
# Fall 2011 Enrollments

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<input type="checkbox"/> Special Programs Enrollment	1,801
<input type="checkbox"/> Summit View	654
<input type="checkbox"/> Lincoln High School	296
<input type="checkbox"/> Raincross	187
<input type="checkbox"/> Riverside Virtual School	87
<input type="checkbox"/> RCC Charter	167
<input type="checkbox"/> Opportunity 7-12	203
<input type="checkbox"/> STEM Academy	207
<input type="checkbox"/> Total – All K-12 Students	42,282

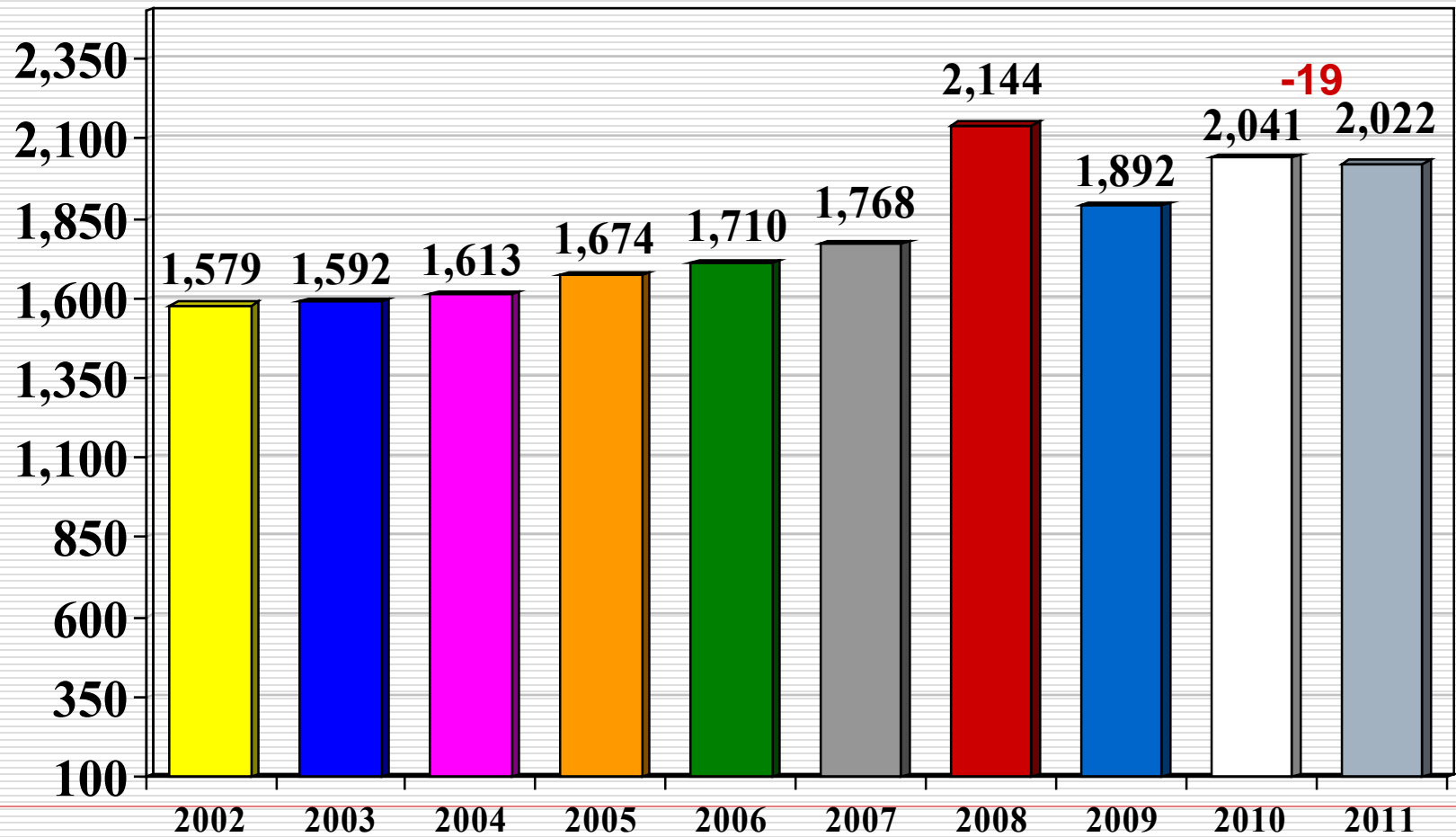
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# K-12 Enrollments



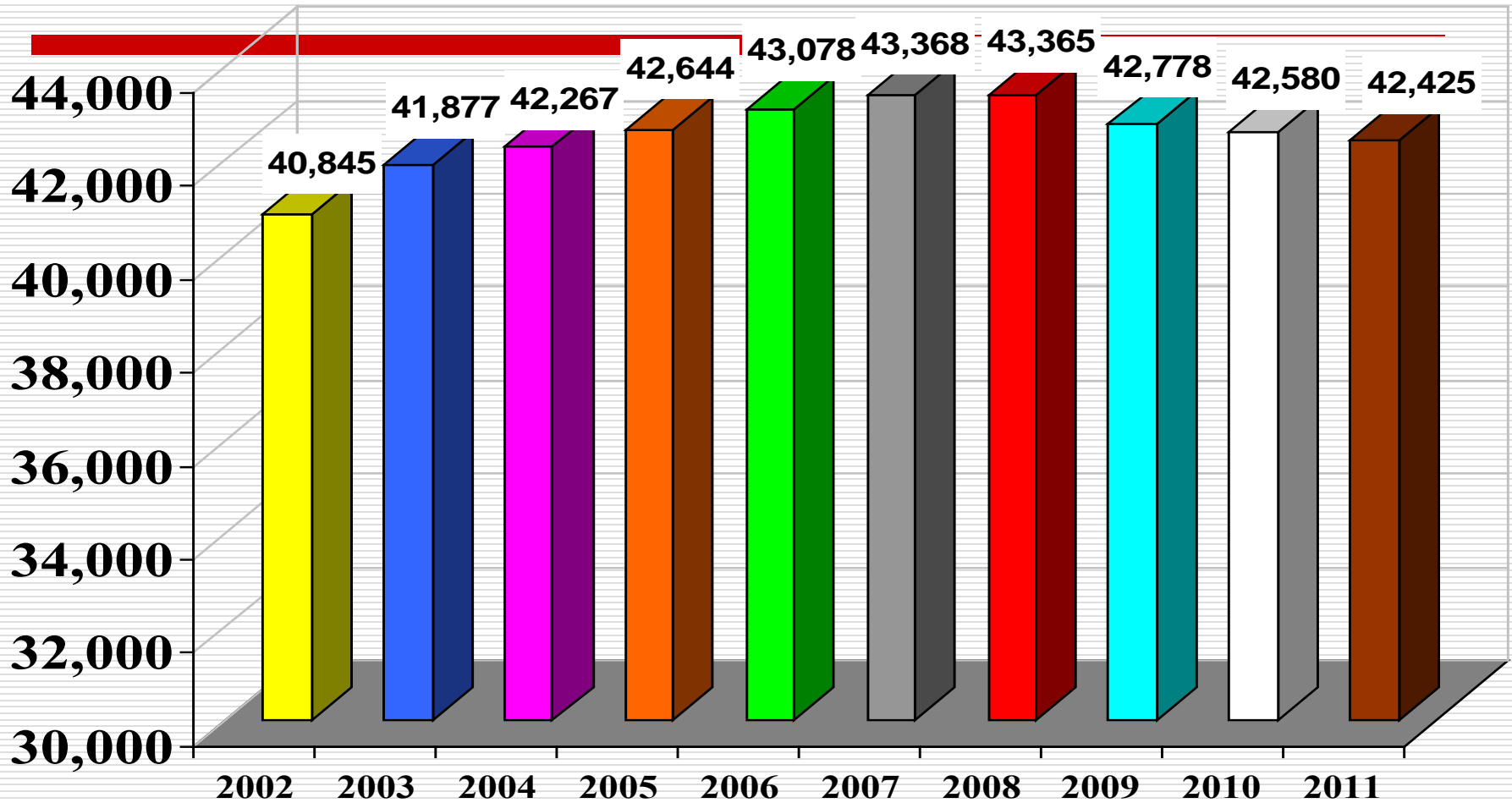
# SDC Enrollments

Including Pre-School thru 12<sup>th</sup> Grade





# Historical Enrollment Totals

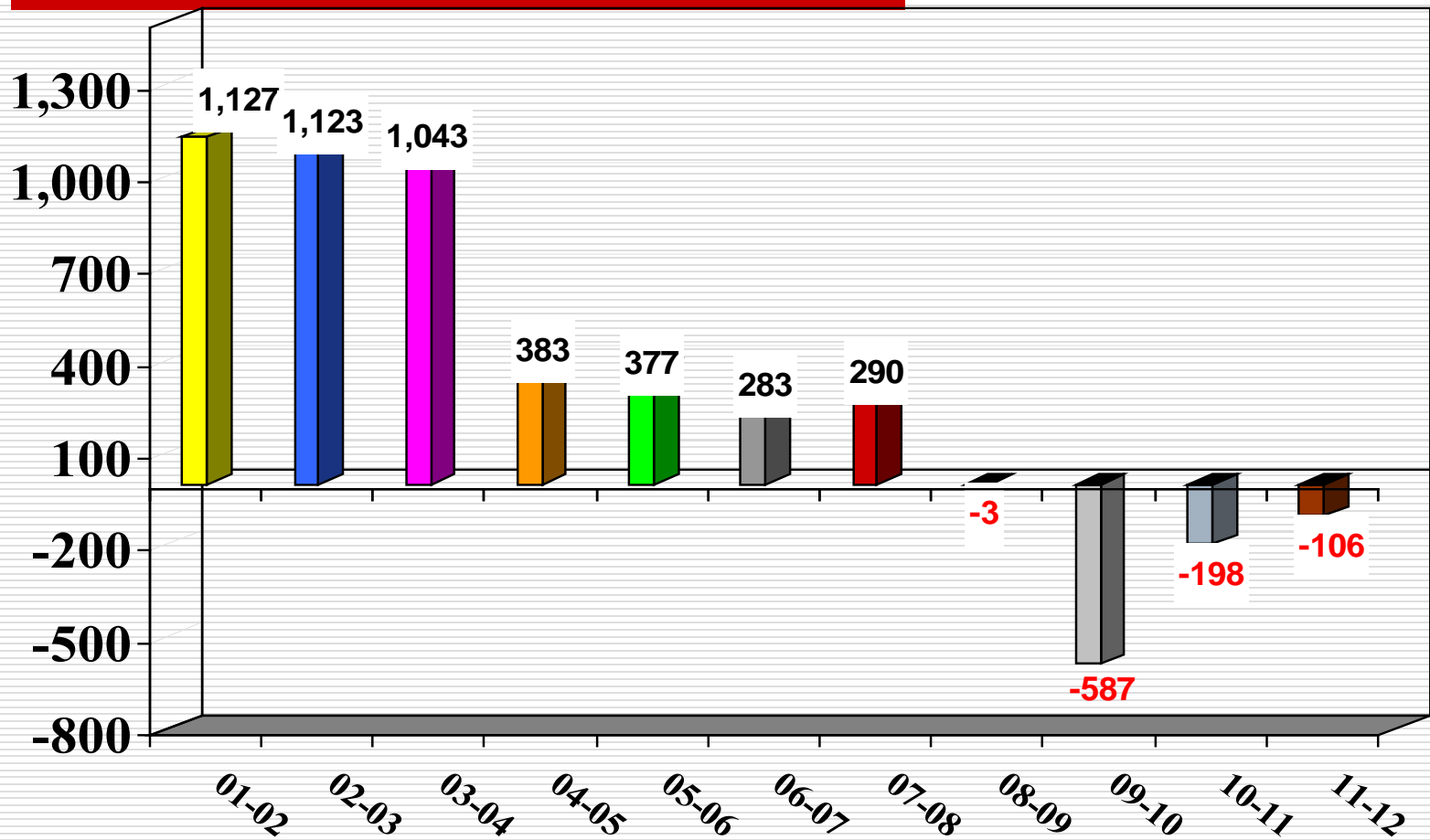


RUSD Enrollment has increased by 1,580 students from 2002 through 2011

All K-12 Students and Pre-School SDC

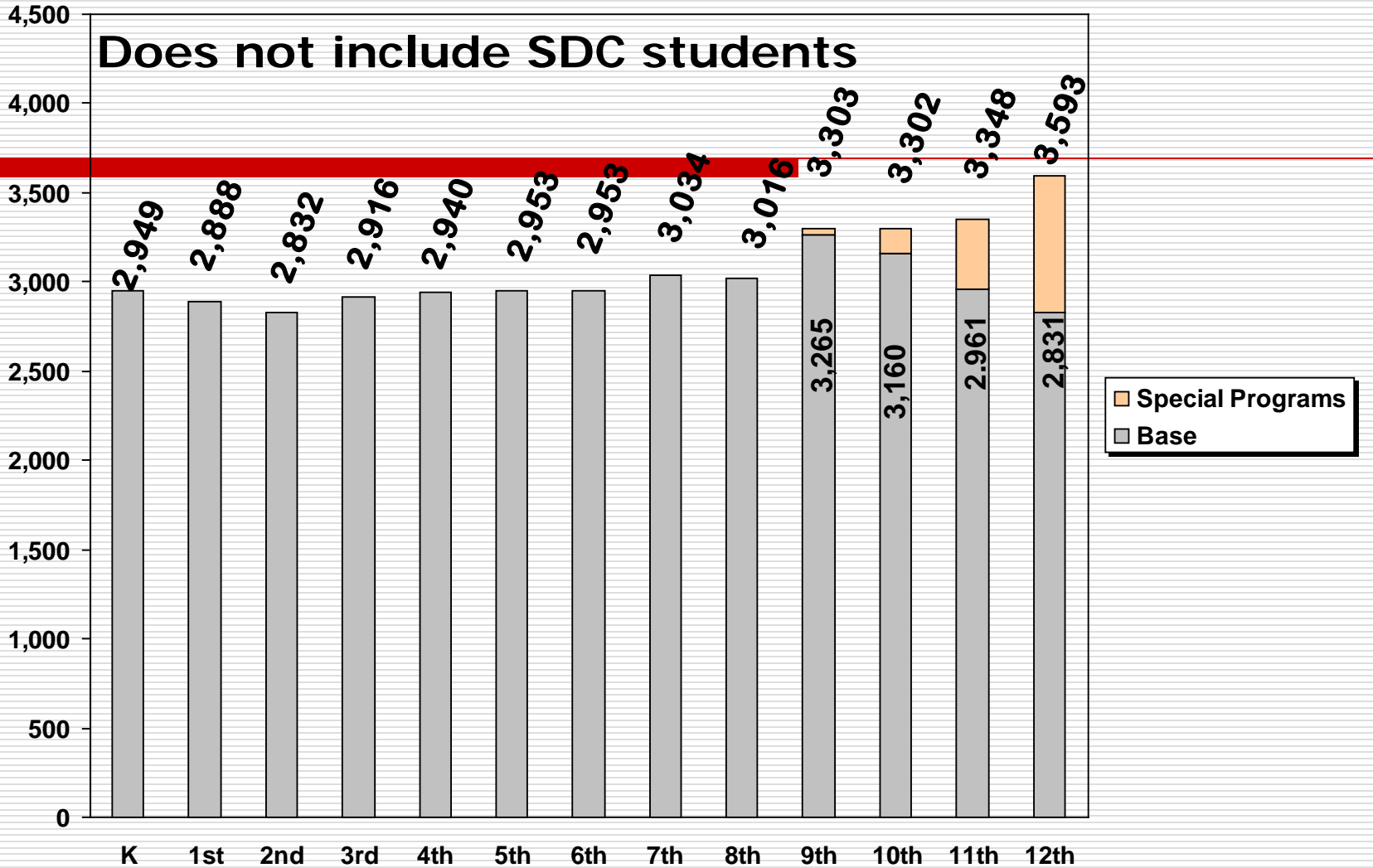
# Net Enrollment Increase/Decrease

## September to September



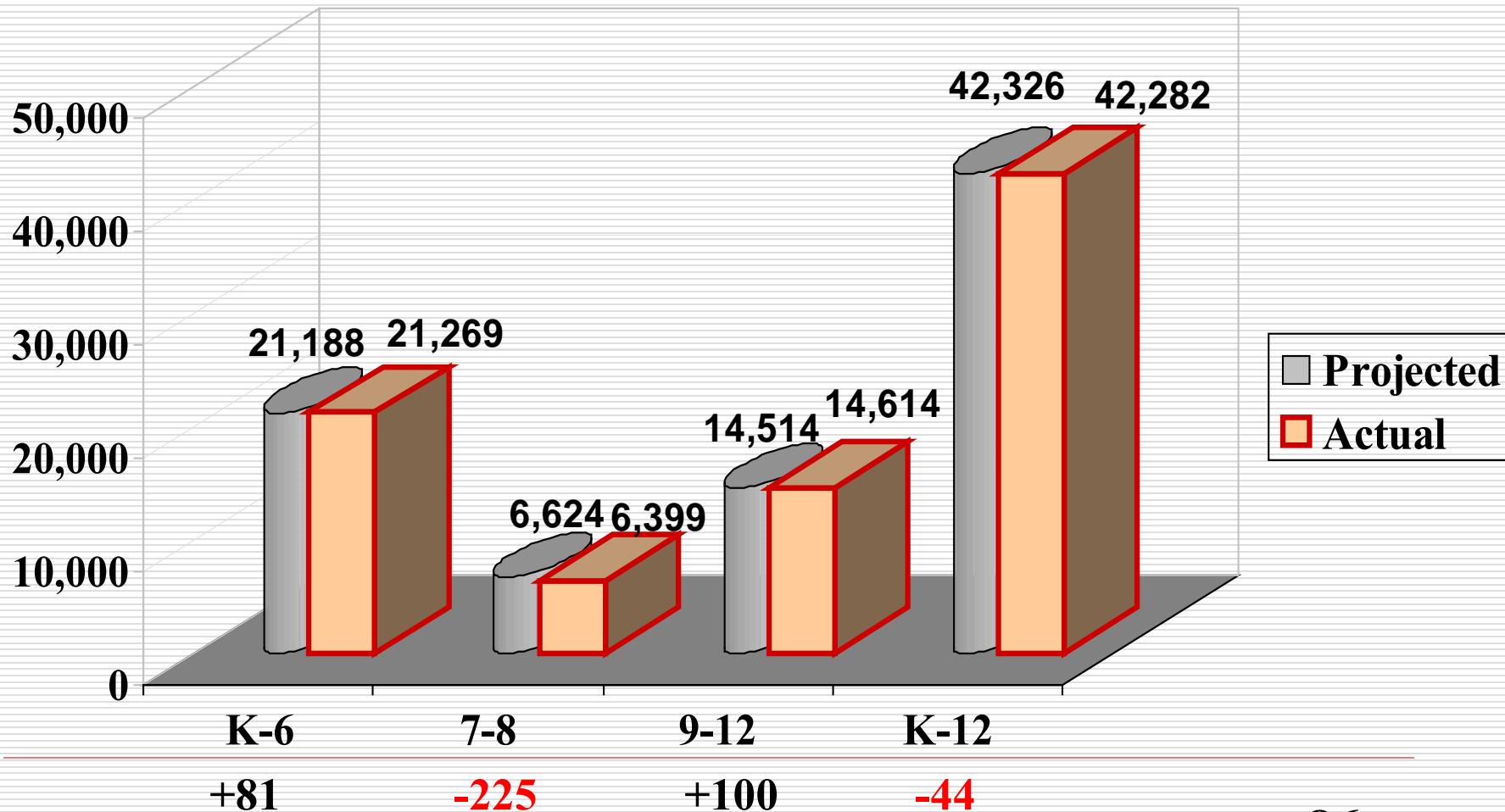
Excludes SDC

# K-12 Enrollment by Grades



# Fall 2011/12

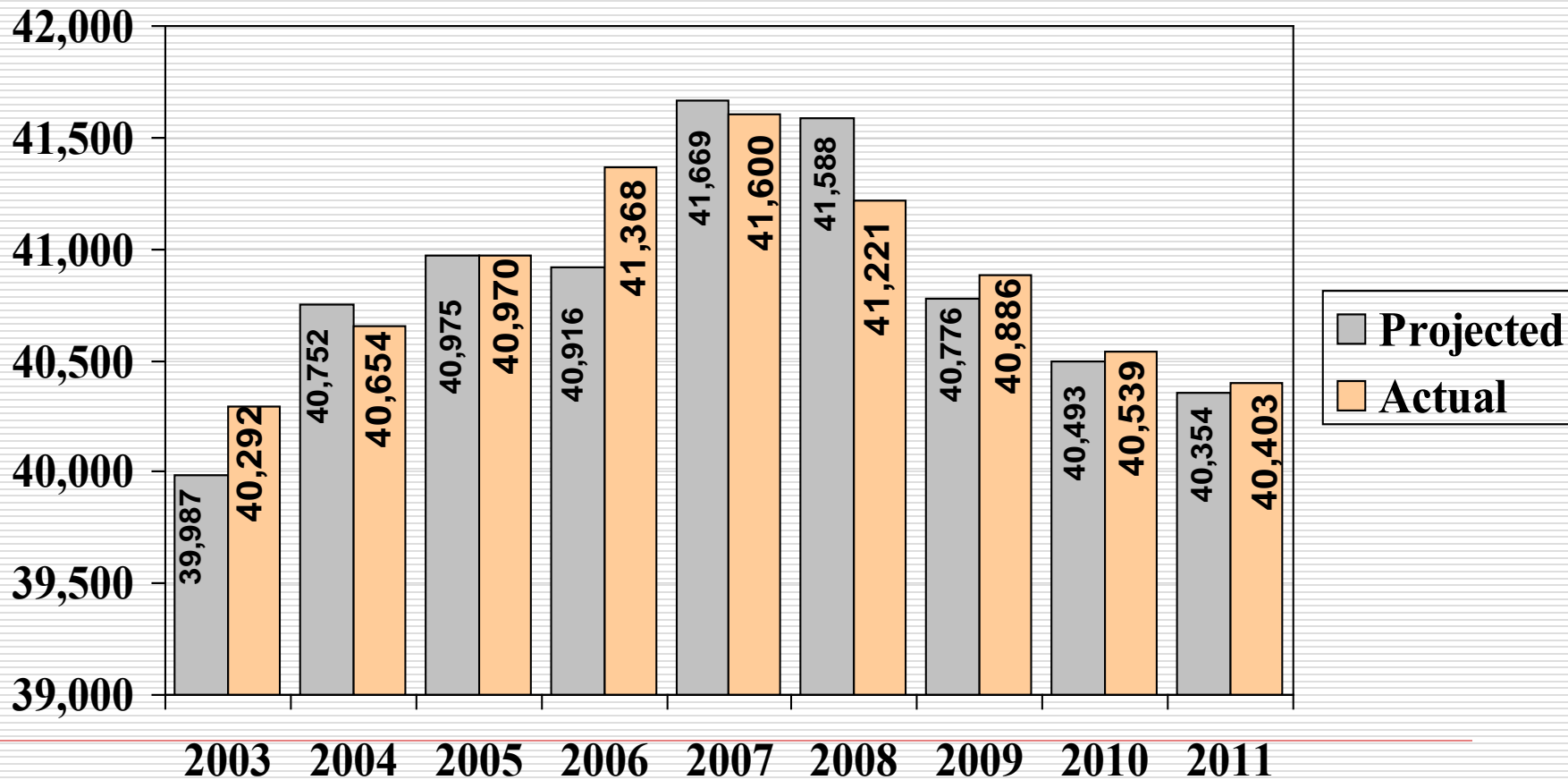
## Projected vs. Actual Enrollment



Includes K-12 SDC and Special Programs

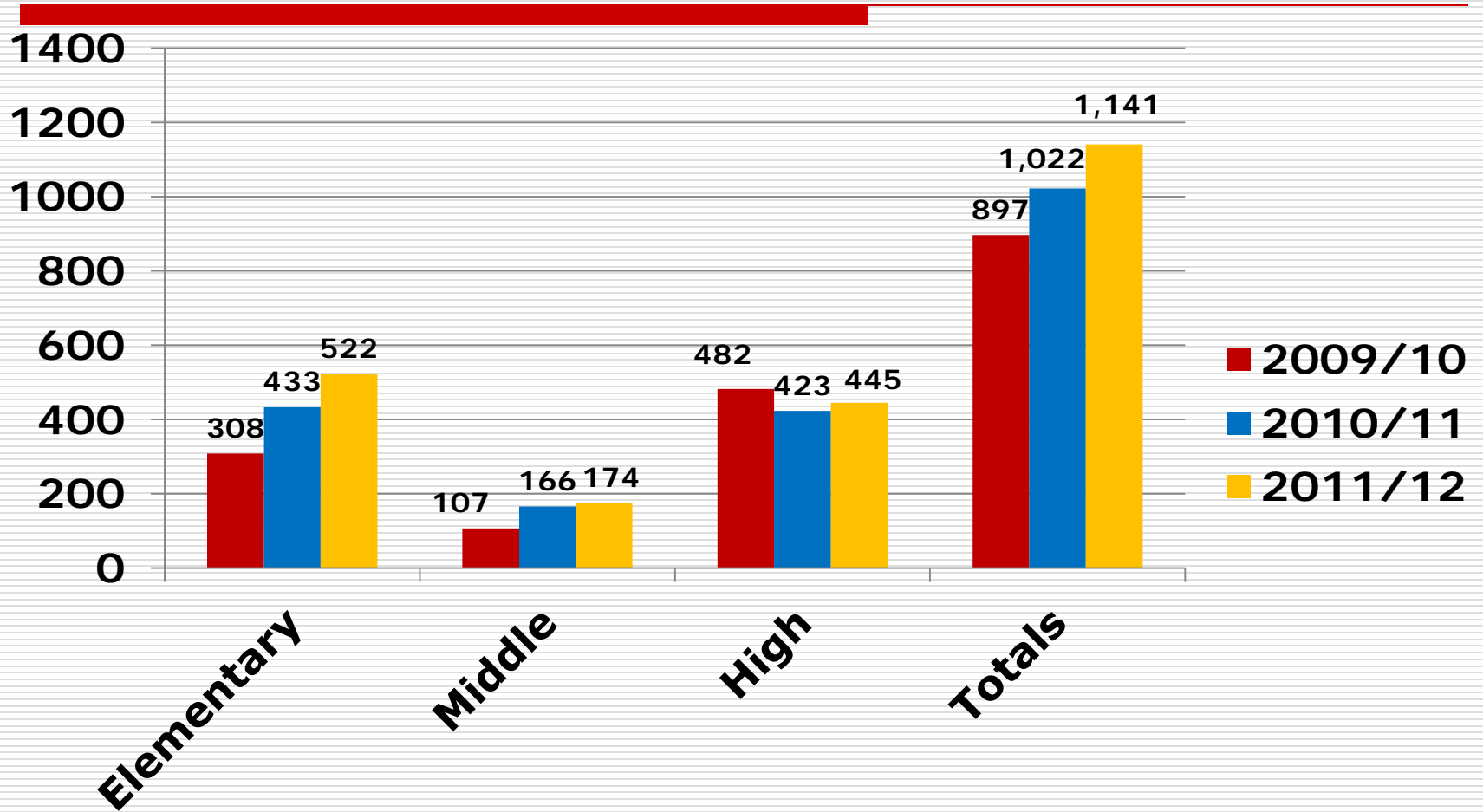
# Historical Enrollments

## Projected vs. Actual

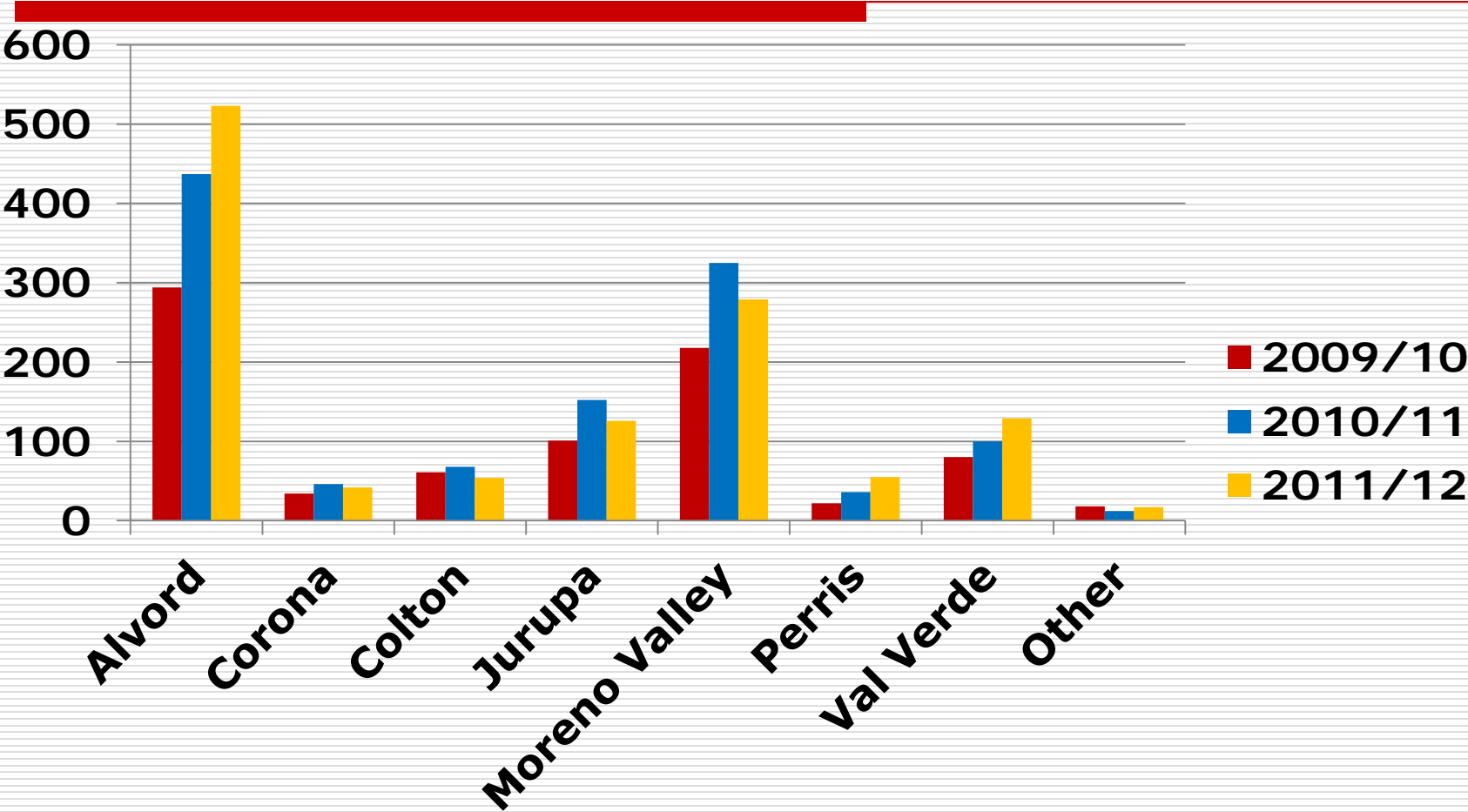


Excludes SDC

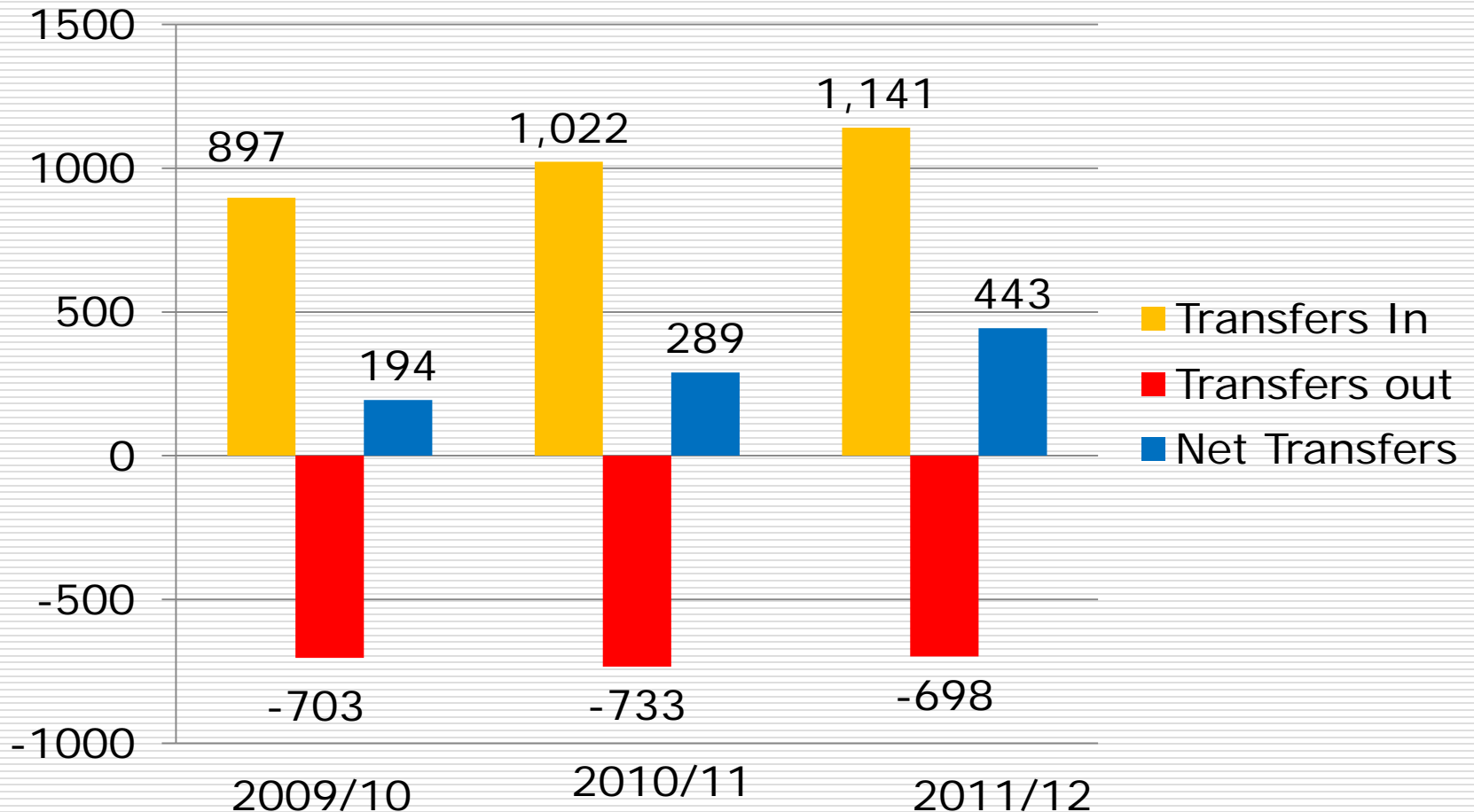
# Inter-District Transfers by Grade



# Inter-District Transfers by District of Residence



# Inter-District Transfers Totals





**Board Meeting Agenda  
November 1, 2011**

Topic: High School Graduation Requirements

Presented by: High School Task Force  
Middle School Task force

Responsible  
Cabinet Member: Dr. William E. Ermert, Assistant Superintendent, Instructional Services

Type of Item: Action

Short Description: The High School and Middle School Task Force members recommend that one year of math be added to Riverside Unified School District’s graduation requirements.

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**DESCRIPTION OF AGENDA ITEM:**

In order to better prepare students for career and college readiness, the High School and Middle School Task Forces have focused and collaborated with appropriate groups on how to increase student achievement for students who receive a Riverside Unified School District’s High School diploma.

After many hours of discussions and collaboration, the two groups are recommending that one year of math be added for students’ high school graduation requirement. Currently, two years of math are required. The recommendation is to change the requirement for math from two years to three years, effective for incoming 9<sup>th</sup> grade students, fall 2012- 2013.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** Approval is requested for increasing Riverside Unified School District’s graduation requirements by increasing the math requirements from two to three years.

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**ADDITIONAL MATERIAL:** No

Attached:

**Board Meeting Agenda  
November 1, 2011**

Topic: 2011 - 2012 Approval of Riverside Adult School Notary Public Study Course

Presented by: Mr. James Dawson, Director, Riverside Adult School

Responsible Cabinet Member: Dr. William E. Ermert, Assistant Superintendent, Instructional Services

Type of Item: Action

Short Description: California Education Code requires that the Board of Education approve all courses that will be offered through the Riverside Adult School.

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**DESCRIPTION OF AGENDA ITEM:**

Riverside Adult School (RAS) has created goals and objectives for a new class offering, Notary Public. This class will provide for current Notary Publics to complete renewal requirements as well as an opportunity for new students to complete coursework to become a state-approved Notary Public. RAS is requesting Board of Education approval of the Notary Public Study Course, 4.4621 Legal and Government Services Pathway.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** It is recommended that the Board of Education approve Riverside Adult School's Notary Public Study Course.

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**ADDITIONAL MATERIAL:**

- Notary Public Study Course
- Approval Letter from California Department of Education Business Programs Division
- Notary Public Education Vendor Certificate of Approval

Attached: Yes



# Riverside Adult School

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## *Notary Public Study Course*

# *Introduction*

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- Roll and Identification of Student
- Instructor's Introduction
- Class Schedule
- Class Materials

# *Class Schedule*

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8:30 a.m. to 10:00 a.m. Lecture (90)

10:00 a.m. – 10:15 a.m. Break (15mins.)

10:15 a.m. – 12:00 p.m. Lecture (105)

12:00 p.m. – 12:30 p.m. Lunch Break (30mins.)

12:30 p.m. - 2:00 p.m. Lecture (90)

2:00 – 2:15 p.m. Break (15 mins.)

2:15 p.m. – 3:30 p.m. Lecture (75)

# *Table of Contents - Overview*

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Introduction

Unit 1 – Mandatory Education

Unit 2 – Appointment and Qualifications

Unit 3 - Duties

**BREAK**

Unit 4 – Common Practice

Unit 5 – Professional Responsibilities

Unit 6 – Notarization Act

Unit 7 – Screening the Signer

**LUNCH BREAK**

Unit 8 – Subscribing Witness

Unit 9 – Signing by Mark

Unit 10 – Completing the Journal

Unit 11 –The Notarial Certificate

Unit 12 – The Official Seal

**BREAK**

Unit 13 – Acknowledgment

Unit 14 – Jurat

Unit 15 – Copy Certifications

**Practice Test**

# ***Unit 1 – Mandatory Education Requirement***

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## **Notary Public Education Regulation - Effective July 1, 2005**

- Commencing July 1, 2005, each notary public applicant shall provide satisfactory proof that he or she has completed the course of study required pursuant to Government Code § 8201, paragraph (3) of subdivision (a) prior to approval of his or her appointment as a notary public by the Secretary of State.

# *Unit 1 – Mandatory Education Requirement*

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- As of July 1, 2005, a person currently holding a Notary commission, no matter how many commission terms has held in the pass, will be required to take the initial six-hour course of study at the time of renewal.



# *Unit 1 – Mandatory Education Requirement*

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- From July 1, 2005, an applicant for notary public who holds a California notary public commission, and who has satisfactorily completed the required six-hour course of study at least one time, when applying for reappointment shall provide satisfactory proof of completion of a three-hour refresher course of study.

# ***Unit 1 – Mandatory Education Requirement***

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The goal of mandatory education is to:

- Provide **the proper training** for all notary publics;
- Provide a full understanding of **the duties and responsibilities** of a notary public;
- **Standardize knowledge** for all notaries public; and
- Reduce complaints and lawsuits due to **negligence or misconduct** by a notary public

# *Unit 1 – Mandatory Education Requirement*

## *Warning!*

- If an applicant or renewing notary public fails to be present during any portion of the required course of study, that person shall not be issued a proof of completion, nor shall receive credit for the time in which he/she was present.

*\*(Notary Public Education Regulations, §20800.5)*

# *Unit 2 – Appointment and Qualifications*

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## **What's a Notary Public?**

A Notary Public is an official witness (a person of proven integrity) appointed by the government to serve the public and performing acts authorized by law.

# *Unit 2 – Appointment and Qualifications*

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## **Notary Qualifications:**

1. Be a resident of the State of California
2. Be at least 18 years of age
3. Be able to read, write and understand English
4. Attend and complete a study course
5. Pass a written examination
6. Pass a background check

# *Unit 2 – Appointment and Qualifications*

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## **Additional qualifications:**

- Notary public applicants shall submit fingerprints to the Department of Justice for the purpose of a background check.

Under the new law, the fingerprints will also be submitted to the Federal Bureau of Investigation and the Secretary of State will be informed of any results as well as any subsequent arrests.

# *Unit 2 – Appointment and Qualifications*

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## **Additional qualifications:**

- A notary public applicant must submit **a photograph** of himself/herself to the Secretary of State along with the application. The photograph requirement is a 2”x 2” color passport photo.

# *Unit 2 – Appointment and Qualifications*

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## **California Notary Appointment**

1. A new applicant or renewing Notary may obtain a commission by completing the procedural steps described on Appendix A.
2. Appointed by the Secretary of State
3. The term of commission is 4 years starting with the commencement date stated in the commission issued by the California Secretary of State.
4. The services may be provided state wide



# *Unit 2 – Appointment and Qualifications*

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- Upon the recommendation of the commanding officer, the Secretary of State may appoint and commission notaries public for the military and naval reservations, given that the appointee is a citizen of the United States, of age, and meets the requirements set forth in paragraphs (3) and (4) of subdivision (a) of Section 8201. These Notaries are authorized to act only within the boundaries of the reservation.

*(Government Code § § 8203.1, 8203.2 et seq.)*

# *Unit 2 – Appointment and Qualifications*

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- As per *Government Code § 8202.5*, the Secretary of State may appoint and commission employees of the state, city, county, and public school district, as notaries public to act for and on behalf of the governmental entity for which appointed.

# *Unit 2 – Appointment and Qualifications*

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- Whenever a notary is appointed and commissioned under *Government Code §8202.5*, a duly authorized representative of the employing governmental entity shall execute a certificate that the appointment is made for the purposes of the employing governmental entity. Upon filing of the certificate with any state or county officer, no fees shall be charged by the officer for the filing or issuance of any document in connection with the appointment.

# *Unit 2 – Appointment and Qualifications*

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- The governmental entity may pay for the premiums on any bond and the cost of any stamps, seals, or other supplies required in connection with the appointment, commission, or performance of the duties of the notary public.

# *Unit 2 – Appointment and Qualifications*

## *Warning!*

- The Secretary of State will recommend denial of an appointment, if applicant fails to disclose any pertinent conviction information, including felonies or misdemeanors and convictions dismissed under California Penal Code §§ 1203.4 or 1203.4a.
- If applicants are found to be non-compliant with child or family support orders will be issued temporary term commissions. Notaries found to be non-compliant after the commission is issued may be subject to commission suspension or revocation.

*(Government Code §8214.1 and the Notary Public Disciplinary Guidelines (2001))*

# *Unit 3 – Duties*

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## **Duties** *(Government Code §8205)*

It is the duty of a notary public, when requested, to:

- Take acknowledgment or proof of written instruments
- Take depositions and administer oath and affirmations
- Certify copies of power of attorneys
- Protest of non-acceptance or non-payment

# *Unit 3 – Duties*

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Upon written request, a notary public shall:

- Render to the Secretary of State certified copies of the notary's journal
- Respond within 30 days of receiving written request with information relating to official acts performed

# *Unit 3 – Duties*

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Upon written request of any member of the public, a notary shall:

- Supply a photostatic copy of the line item representing the requested transaction at a cost of no more than thirty cents (\$0.30) per page. (*Government Code §8206.c*)
- The written request shall include the name of the parties, the type of document, and the month and year in which the document was notarized.



# *Unit 3 – Duties*

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## *Warning!*

A notary public shall not use the title "notary public—  
except for the purpose of rendering notarial service.

# *Unit 3 – Duties*

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## **Limitation of Duties** (*Government Code § 8202.8*)

If a notary public has an agreement with his/her private employer that the employer can limit the notary's duties during the ordinary course of employment, then the notary shall comply with such agreement.

# *Unit 3 – Duties*

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## *Discussion:*

### **Can a Notary refuse to serve people?**

As a public officer a notary may provide notarial services upon request. Unless the Notary is not certain about the identity of the signer, then the Notary may not refuse to provide the notarial services.

# Unit 4 – Common Practice

## Notary Fees *(Government Code §8211)*:

- A notary public may charge fees for services rendered, but those fees shall not exceed the amounts prescribed as follows:

<u><i>Service</i></u>	<u><i>Fee</i></u>
❖ <i>acknowledgment</i>	<u><i>\$10 per signature</i></u>
❖ <i>Jurat</i>	<u><i>\$10 per signature</i></u>
❖ <i>Deposition</i>	<u><i>\$20 for taking of deposition</i></u> <u><i>\$5 for oath administration to witness</i></u> <u><i>\$5 for certificate to the deposition</i></u>
❖ <i>Protest</i>	<u><i>\$10 for executing</i></u> <u><i>\$5 for service</i></u> <u><i>\$5 for recording</i></u>
❖ <i>Power of attorney</i>	<u><i>\$10</i></u>
❖ <i>Copy of Journal Entry</i>	<u><i>0.30¢ per page</i></u>

# *Unit 4 – Common Practice*

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## **Notary Fees** *(Cont'd.)*

- **No notarization fees** may be charged:
  - By notaries appointed to military and naval reservations
  - For verifying any nomination document or circulator's affidavit
  - For notarization of an application or claim of any veteran's benefit, signed by a US military veteran.

# *Unit 4 – Common Practice*

---

## **Notary Fees** (*Cont'd.*)

### **Collection of Notary Fees:**

- Under ***Government Code § 8202.5***, any fees collected by notaries appointed and commissioned to act for and on behalf of a governmental entity whose documents have been filed without charge and for whom bond premiums have been paid by the employer of the notary public shall be remitted by the notary public to the employing agency which shall deposit the funds to the credit of the fund from which the salary of the notary public is paid.

# *Unit 4 – Common Practice*

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## Notary Fees (*Cont'd.*)

### Collection of Notary Fees:

- *Government Code §8202.7, indicates:* Pursuant to an agreement between a private employer and his/her employee who is a notary public, may provide for the remission of fees collected by such notary public to the employer. While such agreement is in effect, the notary public's fees shall be remitted to the employer to be deposited to the credit of the fund from which the compensation of the notary public is paid.

# *Unit 4 – Common Practice*

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## **Notary Fees** (*Cont'd.*)

### **Collection of Fees:**

- Officers of the state, or of a county or judicial district, shall not perform any official services unless upon the payment of the fees prescribed by law for the performance of the services, except as provided in this chapter. This section shall not be construed to prohibit any notary public, *except a notary public whose fees are required by law to be remitted to the state or any other public agency*, from performing notarial services without charging a fee (*Government Code § 6100*).



# *Unit 4 – Common Practice*

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## **Confidential Marriage** (*Family Code §503*)

- —A notary public shall not authorize a confidential marriage unless approved by the county clerk having jurisdiction.”
- A notary public cannot perform confidential marriage unless the notary is also a priest, minister or rabbi, as prescribed under Family Code §§400 to 402.

# *Unit 4 – Common Practice*

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## **Confidential Marriage** *(Cont'd.)*

- If interested in authorizing confidential marriages, a notary public may apply for approval to the county clerk in which the notary public resides, and take a course of instruction.
- At the discretion of the county clerk, the notary public may or may not authorize confidential marriages.
- The form that a notary completes when notarizing a confidential marriage license is a jurat. (See the Jurat section for reference).

# *Unit 4 – Common Practice*

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## **Immigration Documents**

*(Government Code §8223, Business and Professions Code §22441)*

- A notary public may notarize immigration documents.
- A notary public, who is also qualified and bonded as an immigration consultant under the Business and Professions Code may assist to enter data, provided by the client, on immigration forms.

# *Unit 4 – Common Practice*

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## **Immigration Documents** *(Cont'd.)*

- The immigration consultant may charge no more than \$10 for each set of forms, unless is also performing notary services, he or she may also charge for the additional pertinent notary fees.
- The fee limitation does not apply to an attorney who is also a notary public, and who is rendering professional services regarding immigration matters .

# *Unit 4 – Common Practice*

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## **Wills**

- If a notary public is presented with a will to notarize, the notary should refer the person requesting the notarization to consult an attorney. If an attorney recommends that the signature of the maker of the will be notarized or if the maker of the will insists that his or her acknowledgment of the signature be taken by the notary, the notary may notarize the signature.

# Unit 4 – Common Practice

## Advertising (Government Code §8219.5)

- ◆ A notary public who is not an attorney who advertises the services of a notary public in a language other than English, shall post with that advertisement a notice in English and in the other language which sets forth the following:
  - ❖ –I am not an attorney and, therefore, cannot give legal advice about immigration or any other legal matters.”
  - ❖ List the fees set by statute which a notary public may charge.”

# *Unit 4 – Common Practice*

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## **Advertising** (*Cont'd*)

- ◆ The literal translation of the phrase "notary public" into Spanish, hereby defined as "notario publico" or "notario," is forbidden.

# *Unit 4 – Common Practice*

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## **Advertising** *(Cont'd.)*

- ◆ Translating the term —“NotaryPublic” into Spanish will result in suspension of not less than one year or revocation of a notary’s commission on the first offense and permanent revocation of the notary’s commission on the second offense.



# *Unit 4 – Common Practice*

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## **Advertising** *(Cont'd.)*

- ◆ A notary cannot advertise as a notary if the individual promotes himself/herself as an immigration specialist or consultant.

# *Unit 4 – Common Practice*

## **Address Change** (*Government Code §8213.5*)

- If a notary public changes the location or address of the place of business or residence, shall notify the Secretary of State within 30 days, by certified mail.
- If a notary public transfers the principal place of business from one county to another, he or she is not required to re-file the oath and bond in the new county. But if the notary decides to make a new filing of the oath and bond in the new county of jurisdiction, then a new seal must be obtained within 30 days, including the name of the county to which the notary has transferred.

# *Unit 4 – Common Practice*

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## **Address Change** *(Cont'd.)*

- A notary public **may not** use a commercial mail receiving agency or post office box as his or her principal place of business or residence unless the notary public provides the Secretary of State with a physical street address as the principal place of residence.
- In the situation where the notary public receives correspondence at a post office box and the notary public cancels the postal box's contract, the notary public **must notify** the California Secretary of State of the new mailing address.

# *Unit 4 – Common Practice*

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## **Address Change** *(Cont'd.)*

The notification of change of address to the California Secretary of State can be sent by **letter** or by the change of address **form** found on [www.sos.ca.gov/business/notary](http://www.sos.ca.gov/business/notary).

### **Warning!**

Willful failure to notify the Secretary of State of a change of address is now punishable as an infraction by a fine of up to \$500.

# Unit 4 – Common Practice



## Name Change (*Government Code §8213.6*)

- 📄 If a notary public changes his or her name, the notary public shall complete an application for name change form and file that application with the Secretary of State.
- 📄 Upon approval of the application for change of name, the Secretary of State issues a commission that reflects the new name of the notary public, but the term of the commission and commission number may remain the same.

# ***Unit 4 – Common Practice***

---



## **Name Change** *(Cont'd.)*

-  Upon approval of the application for change of name, the Secretary of State issues a commission that reflects the new name of the notary public, but the term of the commission and commission number may remain the same.
-  Within 30 days of approval of the name change by the Secretary of State, the notary must file a new oath of office and amendment to the bond with the County Clerk of venue.

# *Unit 4 – Common Practice*

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## **Name Change** *(Cont'd.)*

-  The notary must obtain a new official seal that reflects the name change within 30 days of filing the new oath and amended bond.
-  Willful failure to notify the Secretary of State of a name change is now punishable as an infraction by a fine of up to \$500.

# *Unit 4 – Common Practice*

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## **Name Change** *(Cont'd.)*

### ***Important!***

There is no time frame limited for a notary to apply for name change, it is interpreted to mean as soon as the name changes. Therefore, the notary should not wait until the expiration of the commission to apply for name change.



# *Unit 4 – Common Practice*

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## **Commission Expiration** (*Government Code §8209*)

- ◆ When a notary public resigns, is disqualified, removed from office, or allows his/her appointment to expire, he/she must deliver all notarial records and papers to the county clerk, within 30 days.

# *Unit 4 – Common Practice*

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## **Commission Expiration** *(Cont'd.)*

- ◆ When the death of a notary public occurs, the personal representative of the deceased is responsible for notifying the Secretary of State of the death of the notary public and delivering all notarial records and papers of the deceased to the clerk of the county in which the notary public's official oath of office is on file.

# *Unit 4 – Common Practice*

## **Commission Expiration** *(Cont'd.)*

### ***Important!***

- If a Notary refuses to deliver notarial records to the County Clerk as indicated by the law, the Notary is guilty of a misdemeanor and is liable for damages caused to any person due to his/her improper action.

*(Government Code §8209)*

# *Unit 5 – Professional Responsibilities*

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## *What's Misconduct?*

*Performing a prohibited action or failing to perform a required action.*

# *Unit 5 – Professional Responsibilities*

## *What's Misconduct? – (Cont'd.)*

- ◆ A notary who performs any notarial act in relation to a deed of trust on real property consisting of a single-family dwelling with knowledge that the deed of trust contains any false statements or is forged in whole or in part, is guilty of a felony. (*Government Code section 8214.2*)
- ◆ Any person who knowingly destroys, defaces, or conceals any records or papers belonging to the office of a notary public will be guilty of a misdemeanor and is liable in a civil action for damages to any person injured as a result of such destruction, defacing, or concealment. (*Government Code section 8221*)

# *Unit 5 – Professional Responsibilities*

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## *What's Misconduct? – (Cont'd.)*

- ◆ Any person who solicits, coerces, or in any manner influences a notary public to perform an improper notarial act knowing such act to be improper is guilty of a misdemeanor. (*Government Code section 8225*).
- ◆ It is a misdemeanor for anyone who is not a duly commission, qualified, and acting notary public for the State of California to represent oneself as, advertise as, or act as a notary public. (*Government Code section 8227.1*)

# *Unit 5 – Professional Responsibilities*

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## **Common Reasons for Lawsuits against Notaries:**

1. Failure to require personal appearance
2. Failure to positively identify the signer
3. Failure to keep a complete and accurate journal record
4. Failure to safeguard the seal and journal

# *Unit 5 – Professional Responsibilities*

## Penalties for Misconduct

<i>Administrative Penalties</i>	<i>Civil Penalties</i>	<i>Criminal Penalties</i>
a. Commission Revocation	a. Reimbursement for damages to victim	a. Fines
b. Commission Suspension	b. Attorney fees and court costs	b. Imprisonment
c. Commission Denial		
d. Fines		



# *Unit 5 – Professional Responsibilities*

## **Disciplinary Proceedings**

- If the Secretary of State determines that any notary public has committed or omitted acts constituting grounds for suspension or revocation of a notary public's commission, the resignation or expiration of the notary public's commission shall not bar the Secretary of State from instituting or continuing an investigation or instituting disciplinary proceedings.

# *Unit 5 – Professional Responsibilities*

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## **Disciplinary Proceedings** *(Cont'd.)*

- Upon completion of the disciplinary proceedings, the Secretary of State shall enter an order finding the facts and stating the conclusion that the facts would or would not have constituted grounds for suspension or revocation of the commission if the commission had still been in effect. *(Government Code section 8214.4)*

# ***Unit 5 – Professional Responsibilities***

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## ***A. REVOCATION, SUSPENSION OR DENIAL OF A COMMISSION:***

1. Prior to a revocation or suspension or after a denial of a commission, the person affected has a right to a hearing on the matter, except in the cases indicated in *Government Code* §8214.3.

# *Unit 5 – Professional Responsibilities*

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## *A. REVOCATION, SUSPENSION OR DENAIL OF A COMMISSION(Cont'd.)*

2. *Government Code §8214.1* describes that willful failure to report the theft or loss of a journal, or to provide access to a journal when requested by a police officer are now expressly stated as grounds for revocation or suspension of a notary public.

# *Unit 5 – Professional Responsibilities*

---

## *A. REVOCATION, SUSPENSION OR DENAIL OF A COMMISSION(Cont'd.)*

3. Also, new grounds for denial of an application or revocation or suspension have been added for crimes connected to notarial acts such as: making a false writing, fraud relating to a deed of trust, improper notarial acts, unlawfully acting as a notary public, filing false or forged documents, forgery, embezzlement, and falsely obtaining personal information.

# *Unit 5 – Professional Responsibilities*

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## *B. FINES*

- In addition to suspension or revocation of a commission as a notary public, fines may also be imposed for violations specified in Government Code §8214.15.

# ***Unit 5 – Professional Responsibilities***

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## **B. FINES (Cont'd.)**

Penalties of up to \$750 may apply in the following circumstances:

- The negligent failure to discharge fully and faithfully any of the duties required of a notary public (*Government Code §8214.1(d)*);
- Charging more than the fees prescribed by law (*Government Code §8214.1(h)*);

# ***Unit 5 – Professional Responsibilities***

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## **B. FINES** (Cont'd.):

- Failure to complete the acknowledgment at the time the notary's signature and seal are affixed to the document (*Government Code §8214.1(j)*);
- Failure to administer the oath of affirmation as required by law (*Government Code §8214.1(k)*).



# *Unit 5 – Professional Responsibilities*

## **B. FINES** (Cont'd.)

Penalties of up to \$1,500 may apply in the following circumstances:

- The failure to discharge fully and faithfully any of the duties required of a notary public (*Government Code §8214.1(d)*);
- The use of false or misleading advertising wherein the notary public has represented that he or she has duties, rights, or privileges that he or she does not possess (*Government Code §8214.1(f)*);

# *Unit 5 – Professional Responsibilities*

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## **B. FINES** (Cont'd.)

- Commission of any act involving dishonesty, fraud, or deceit with the intent to substantially benefit the notary public or another, or substantially injure another  
(*Government Code §8214.1(i)*);
- Execution of any certificate as a notary public containing a statement known to the notary public to be false  
(*Government Code §8214.1(l)*);

# *Unit 5 – Professional Responsibilities*

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## **B. FINES (Cont'd.)**

- Violating the prohibition against a notary public who holds himself or herself out as an immigration specialist or consultant advertising that he or she is a notary or violating the restrictions on charging to assist in the completion of immigration forms (*Government Code §8214.1(m)*);
- Violating the restrictions on advertising notarial services in a language other than English or literally translating the phrase —“notary public” into Spanish (*Government Code §8214.1(p)*);

# *Unit 5 – Professional Responsibilities*

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## **B. FINES (Cont'd.)**

- In addition, this penalty may also apply to violators of the provisions in *Government Code* §§8207.1, 8207.2, 8207.3 and 8207.4 relating to failure to notify the Secretary of State that a notary seal is lost, stolen, destroyed, etc., as well as failure to comply with the seal purchase procedures.

# *Unit 5 – Professional Responsibilities*

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## ***C. CRIMINAL CONVICTIONS/COURT REVOCAION OF COMMISSION***

- 1.If a notary public is convicted of a crime related to notarial misconduct, including the false completion of a notarial certificate (*Government Code §6203*), or of **any felony**, the **court** must revoke the notary public's commission and require the notary public to surrender to the court the notary seal. The court will then forward the notary public's seal to the Secretary of State. (*Government Code §8214.8*)

# *Unit 5 – Professional Responsibilities*

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## **C. CRIMINAL CONVICTIONS/COURT REVOCAION OF COMMISSION (Cont'd.)**

2. A four-year statute of limitations is added to the misdemeanor crime of a notary public who makes and delivers as true any certificate or writing that contains statements known to be false. (*Government Code §6203*)

# *Unit 5 – Professional Responsibilities*

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## *C. CRIMINAL CONVICTIONS/COURT REVOCATION OF COMMISSION (Cont'd.)*

3. In addition to being guilty of a felony, a notary public who defrauds in relation to a deed of trust on real property single-family residence by means of forgery may be subject to other relief or remedies provided to the parties by law. (*Government Code §8214.2*)

# *Unit 5 – Professional Responsibilities*

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## *C. CRIMINAL CONVICTIONS/COURT REVOCATION OF COMMISSION (Cont'd.)*

4. Willfully destroying, defacing, or concealing records belonging to a notary public now has a four-year statute of limitations. The criminal penalty is not the exclusive relief or remedy provided by law. (*Government Code §8221*)



# *Unit 5 – Professional Responsibilities*

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## *C. CRIMINAL CONVICTIONS/COURT REVOCATION OF COMMISSION (Cont'd.)*

5. In addition to the Secretary of State, a peace officer, acting within his or her authority may also enforce this Chapter 3 of Division 1 of Title 2 of the Government Code relating to notaries public by examining a notary public's pertinent records. (*Government Code §8228*)

# *Unit 5 – Professional Responsibilities*

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## What's Liability?

Responsibility for damages caused by misconduct.

1. Intentional and unintentional misconduct
  - ❖ Intentional acts
  - ❖ Unintentional acts
2. Financial liability

# *Unit 5 – Professional Responsibilities*

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## **Notary Bond**

- ❖ An appointed Notary shall execute an official bond in the amount of \$15,000.
- ❖ The official bond and an oath shall be filed with the County Clerk within 30 days from the official appointment of the commission.
- ❖ Protects the public, not the Notary, from liability or dishonesty.

# *Unit 5 – Professional Responsibilities*

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## **Notary Bond** (*Cont'd.*)

- ❖ Covers monetary damages for claims made against a Notary.
- ❖ Must be repaid by the Notary in the event of a claim.

# *Unit 5 – Professional Responsibilities*

---

## **Notary Bond**

### *Warning!*

The notary public and the sureties on the notary public's official bond are liable in a civil action to the injured persons for all the damages sustained from the notary's misconduct or neglect (if the damages exceed the amount of the notary's official bond, the notary is liable for the entire amount). (*Government Code §8214*)

# *Unit 5 – Professional Responsibilities*

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## **Notary's Protection:**

### **1. Reasonable Care:**

The degree of care which a person of ordinary prudence and intelligence would exercise in the same or similar circumstances. Failure to exercise such care is negligence.

# *Unit 5 – Professional Responsibilities*

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## **2. Errors and Omissions Insurance:**

Errors and Omissions Insurance protects the notary against personal liability, and is not required by law.

# *Unit 5 – Professional Responsibilities*

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## **3. Avoid Unauthorized Practice of Law:**

- ❖ Do not give legal advice
- ❖ Do not prepare legal documents



# *Unit 5 – Professional Responsibilities*

---

## **4. Exceptions to the rule of Unauthorized Practice of Law**

- ❖ Practicing attorneys
- ❖ Individuals certified or trained in a particular field

# *Unit 5 – Professional Responsibilities*

---

## *Important!*

- Notarial misconduct should be reported to the related authorities (police, sheriff, attorney, etc.) and the Secretary of State's office.

# *Unit 6 – The Notarial Act*

---

## **What's a Notarial Act?**

The official acts of a notary public taking an acknowledgment, administering an oath, or any other act authorized by law.

# *Unit 6 – The Notarial Act*

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A notary public in California is allowed to perform the following acts:

1. Acknowledgments
2. Jurats
3. Oath and affirmations
4. Copy certifications of journal entries and powers of attorney
5. Proof of Execution by a subscribing witness
6. Protest

# *Unit 6 – The Notarial Act*

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## **Steps when performing a Notarial Act:**

- ✓ Identify the signer
- ✓ Record the notarial act in the journal
- ✓ Complete the certificate of notarization
- ✓ Sign the certificate of notarization
- ✓ Affix the official seal to the document

# *Unit 6 – The Notarial Act*

---

## *Important!*

A notary public must refuse to notarize an incomplete document (i.e., a document that the notary can see is incomplete or that the notary knows from experience is incomplete).



*(Government Code § 8205)*

# *Unit 6 – The Notarial Act*

**Conflict of interest:** (*Government Code §§8224 and 8224.1*)

A notary public shall not perform any notarial act when he or she has a direct financial or beneficial interest in a transaction.

Gov. Code §8224 describes that a notary public has a direct financial or beneficial interest in a transaction if:

-  The notary public is named individually, as a principal in a financial transaction.
-  With respect to real property, the notary public is named, individually, as a grantor, grantee, mortgagor, mortgagee, trustor, trustee, beneficiary, vendor, vendee, lessor, or lessee, to the transaction.

# *Unit 6 – The Notarial Act*

---

## *Important!*

For purposes of the Government Code § 8224, a notary public has no direct financial or beneficial interest in a transaction, if the notary public acts in the capacity of an agent, employee, insurer, attorney, escrow, or lender for a person having a direct financial or beneficial interest in the transaction.



# ***Unit 6 – The Notarial Act***

---

## **Conflict of Interest (Cont'd.)**

As per Government Code §8224.1, a notary public shall not:

1. Take the acknowledgment or proof of instruments of writing executed by the notary public.
2. Take his or her own depositions or affidavits.

# ***Unit 6 – The Notarial Act***

---

## ***Discussion:***

**Why are documents notarized?**

*To prevent fraud*

**Is notarization required by law?**

*In general, it is not required by law, with the exception of the execution of some real estate documents: deeds.*

**Does notarization make a document "true" or "legal"?**

*No.*

# *Unit 7 – Screening the Signer*

---

## **How can a Notary identify a signer?**

A statement about the identity of a person making an acknowledgment, or taking an oath or affirmation must be based on —“satisfactory evidence” in conformity with Civil Code §1185. When completing a certificate of acknowledgment or a jurat, a notary public is required to certify to the identity of the signer of the document (*Civil Code §§1185(a), 1189, and Government Code §§ 8202 and 8206*).

# *Unit 7 – Screening the Signer*

## **How can a Notary identify a signer? (Cont'd.)**

- Under the new law described in *Civil Code §1185 effective as Jan.1, 2008*, the identity of the person making an acknowledgment may no longer be established by personal knowledge alone. Violation of this section subjects a notary public to a civil penalty of up \$10,000 in an administrative action brought by the Secretary of State or a public prosecutor.

# *Unit 7 – Screening the Signer*

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## Ways of Identification of Signer

- ❖ ~~Personal knowledge~~
- ❖ Satisfactory evidence
  - Personal identification document
  - Credible witness

# *Unit 7 – Screening the Signer*

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## **Satisfactory Evidence:**

- —“Satisfactory Evidence” means the absence of any information, evidence, or other circumstances which would lead a reasonable person to believe that the individual is not the individual he or she claims to be.

# *Unit 7 – Screening the Signer*

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## **Satisfactory Evidence (Cont'd.):**

- Generally, the Notary will ask to see an identification document with a photograph, physical description and signature. In addition, the identification document also may include a serial number or any other identifying number.

# *Unit 7 – Screening the Signer*

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## **Paper Identification Documents** (*Civil Code §1185(c)(3) & (4)*):

- ❖ Identity of the signer can be established by the notary public's reasonable reliance on the presentation of any one of the following documents, provided that the identification document is current or has been issued within five years.



# ***Unit 7 – Screening the Signer***

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## **Paper Identification Docs. *(Cont'd.)***

The most common documents used for purpose of identification are:

1. An identification card or driver's license issued by the California Department of Motor Vehicles;
2. A United States passport;

# *Unit 7 – Screening the Signer*

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## **Paper Identification Docs. (Cont'd.)**

3. Other State-approved identification card, consisting of any one of the following, provided that it also contains **a photograph, description of the person, signature of the person, and an identifying number** —
  - a) A passport issued by a foreign government, provided that it has been stamped by the U.S. Immigration or Naturalization Service or the U.S. Citizenship and Immigration Services;

# ***Unit 7 – Screening the Signer***

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## **Paper Identification Docs. *(Cont'd.)***

- b) A driver's license issued by another state or by a Canadian or Mexican public agency authorized to issue drivers' licenses;
- c) An identification card issued by another state;
- d) A military identification card;
- e) An inmate identification card issued by California Department of Corrections, if the inmate is in custody.

# *Unit 7 – Screening the Signer*

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## *Important!*

*The notary public must include in his or her journal the type of identifying document, the governmental agency issuing the document, the serial or identifying number of the document, and the date of issue or expiration of the document that was used to establish the identity of the signer (Government Code §8206(a)(2)(D)).*

# *Unit 7 – Screening the Signer*

## Discussion:

Is the following ID sample an acceptable identification document?



# *Unit 8 – Subscribing Witness*

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## *What's a subscribing witness?*

If a person, called the principal, has signed a document, but does not personally appear before the Notary, another individual can appear on that principal's behalf to prove the execution by the principal. That person is called a subscribing witness to sign as a witness.  
*(Code of Civil Procedure §1935)*

# *Unit 8 – Subscribing Witness*

## **Requirements:**

1. The Subscribing Witness must swear or affirm that:
  - a) In the Principal's presence he or she either saw the Principal Signer sign the document or heard the Principal Signer say that he or she did indeed sign the document;
  - b) The Subscribing Witness personally knows the Principal Signer to be the person who signed the document;
  - c) The Principal Signer requested that the Subscribing Witness sign the document as a witness and the Subscribing Witness did so.

# *Unit 8 – Subscribing Witness*

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## **Requirements:** *(Cont'd)*

2. The subscribing witness must be personally known by the notary public, otherwise, his or her identity must be proved by a third party, who must know personally the subscribing witness and who the notary public personally knows.



# *Unit 8 – Subscribing Witness*

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## **Requirements:** *(Cont'd)*

3. The subscribing witness must sign the document.
4. The subscribing witness must sign the notary's official journal. In addition, if the identity of the subscribing witness was established by a credible witness, then the credible witness must also sign the notary's official journal.

# *Unit 8 – Subscribing Witness*

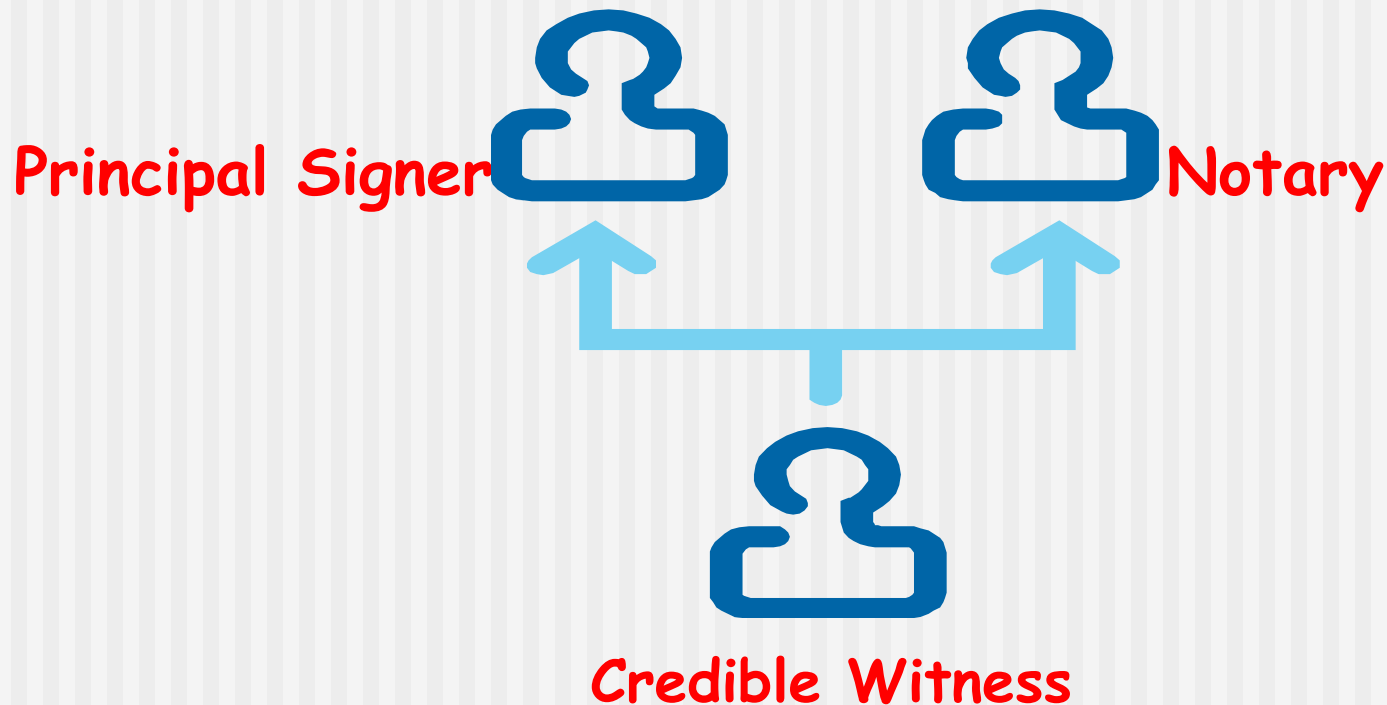
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## **Situations:**

**1. Oath of a Single Credible Witness:** The identity of the signer can be established by the **oath of a single credible witness** whom the notary public **personally knows** (Civil Code section 1185(c)(1)). Under oath, the credible witness must swear or affirm under penalty of perjury that each of the following is true (Civil Code section 1185(c)(1)(A)-(E)):

# *Unit 8 – Subscribing Witness*

*Sample situation 1 - One Credible Witness:*



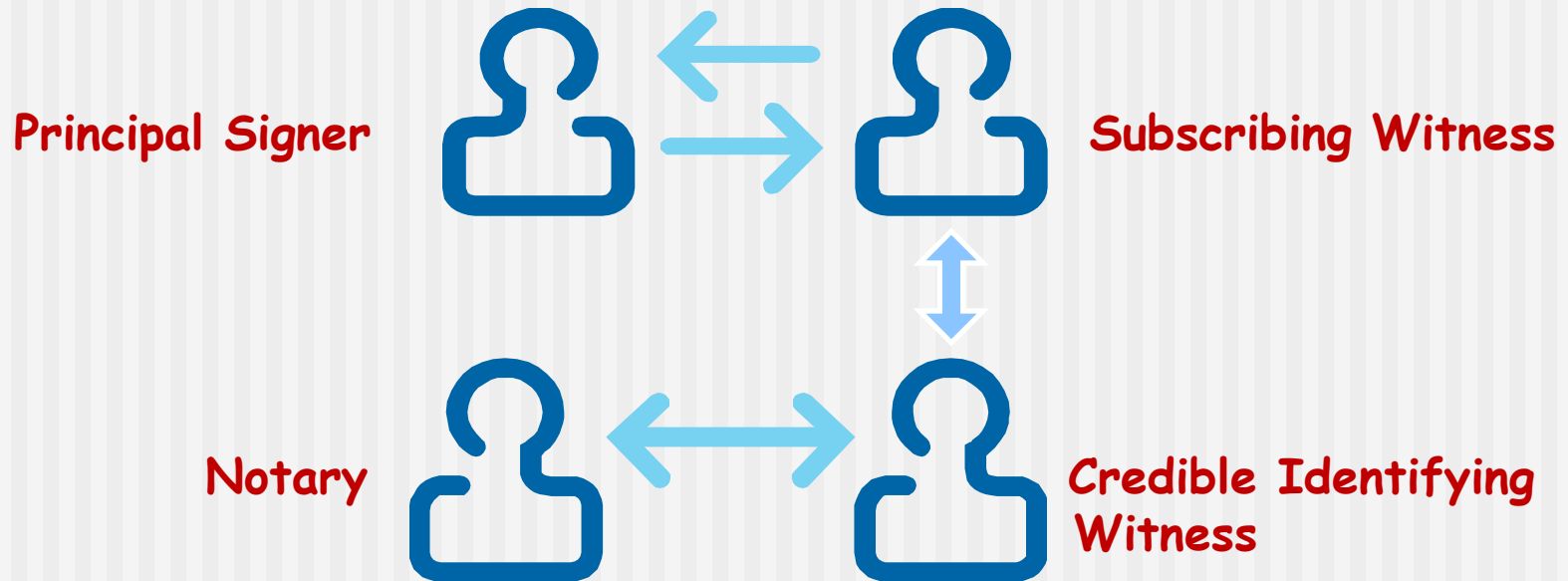
# *Unit 8 – Subscribing Witness*

## **Situations – Cont’d.**

**2. Oaths of Two Credible Witnesses:** The identity of the signer can be established by the oaths of two credible witnesses whom the notary public does not personally know (*Civil Code §1185(c)(2)*). However, in such a case, the notary public must first establish the identities of the two credible witnesses by the presentation of paper identification documents as set forth above. Under oath, the credible witness must then swear or affirm under penalty of perjury to each of the things sworn to or affirmed by a single credible witness, as set forth above. (*Civil Code §§1185(c)(2) and 1185(c)(1)A)-(E)*).

# *Unit 8 – Subscribing Witness*

*Sample situation 2- Two Credible Witnesses:*



# ***Unit 8 – Subscribing Witness***

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## **Execution Wording**(*Civil Code § 1195(c)*):

Any certificate for proof execution taken within this state may be in the format suggested in Civil Code § 1195, *subdivision (c)*, although the use of other substantially similar form is not precluded. (See suggested sample wording on Notary Public Handbook)

# ***Unit 8 – Subscribing Witness***

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## **Unauthorized Use (*Civil Code § 1195(b)*):**

Pursuant to Government Code § 27287, subscribing witness notarizations are not permitted with mortgages, grant deeds, deeds of trust, quitclaim deeds, or security agreements. Although, proof of execution of a trustee's deed or deed of reconveyance is permitted.

# *Unit 9 – Signature by Mark*

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## *What's signature by Mark?*

When the signer is unable to write/sign his or her name on a document, that person may sign the document by mark.



# *Unit 9 – Signature by Mark*

## Requirement for notarizing a signature by mark:

- ✓ The signer must be identified by the Notary
- ✓ The signer's mark must be witnessed by two people who must also sign the document as witnesses
- ✓ One of the witnesses must write the name of the person next to his/her mark
- ✓ The notary is not required to identify the two signers as witnesses

*Exception: If the witnesses are acting as credible witnesses, establishing the identity of the signer by mark, then their signatures must be entered in the notary's journal.*

# *Unit 9 – Signature by Mark*

Sample:

I, James Brown, give my power of attorney to Jane McKean, to act as my Attorney on all matters pertaining to the handling of my estate, finances and investments. This Power of Attorney is to remain in effect until another document revoking this instrument has been filed of record thereby rendering this instrument null and void.

Date: October 1, 2005 Name X James Brown By: Carol Donnelly, Witness #1  
Robert Chang, Witness #2

# ***Unit 10 – The Journal***

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## **Completing a Journal Entry** (*Government Code § 8206*)

1. When completing a certificate of acknowledgment or a jurat, a notary public is required to certify to the identity of the signer of the document and record the pertinent information.
2. A notary public shall keep one sequential journal, of all official acts performed as a notary public.

# ***Unit 10 – The Journal***

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## **Completing a Journal Entry *(Cont'd.)***





3. The journal must be always in the possession of the notary public and shall include all of the following: Date, time, and type of the official act; the type of instrument being notarized; the signer(s) signature(s); identification of the signer(s); the notarial fee charged; and right thumb fingerprint, if required.
4. The notary must keep the journal in a locked and secured area under the exclusive control of the notary.

# *Unit 10 – The Journal*

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## **Completing a Journal Entry (*Cont'd.*)**

5. If the journal is lost, misplaced, destroyed, damaged, or stolen, the notary public shall immediately notify the Secretary of State by certified or registered mail. The notification shall include:

-  the period of the journal entries,
-  the notary public commission number.
-  the expiration date of the commission.
-  If applicable, include a copy of any police report issued in relation to the event.

# *Unit 10 – The Journal*

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## **Notary Public's Journal and Employment:**

1. The journal is the *exclusive property* of a notary public, and shall not be surrendered to an employer upon termination of employment, or at any other time.

# ***Unit 10 – The Journal***

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## **Notary Public's Journal and Employment (*Cont'd*)**

2. A notary may permit inspection and copying of journal transactions by an auditor or agent duly designated by the notary's employer, given that the inspection and copying is done in the presence of the notary public and the transactions are directly associated with the employer's business purposes only.

# ***Unit 10 – The Journal***

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## **Notary Public's Journal and Employment (*Cont'd*)**

3. Upon the request of the employer, a notary shall regularly provide copies of all transactions that are directly associated with the business purposes of the employer, but ***shall not*** be required to provide copies of any transaction that is unrelated to the employer's business.



# *Unit 10 – The Journal*

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## **Journal Entry:** *(Government Code §8206)*

A notary public must record the required information in the sequential journal about every acknowledgement performed, as follows:

- Date and **time** of the act.
- Type of **notarial** act performed, i.e.: —acknowledgment” or —jrat” It is recommend to avoid the use of any abbreviations for this recording.
- Type of **document**.
- Signature of the **person signing** the document (also named —signer”)
- Satisfactory evidence obtained to **identify** the signer
- Specification of how the **identity of the signer** was established, such as: satisfactory evidence or affirmation of credible witness.
- **Fees** charged for the notarial act
- Right **thumbprint** of the signer

# Unit 10 – The Journal

Required	Required	Optional	Required	Required	Required	Suggested	Required	Required	Required
Date and time of Notarization (M/D/Y)	Kind or Type of Notarization	Document Date (M/D/Y)	Document Type	Name and Address of Signer	Identification of Signer	Additional Information	Notary Fee	Signature of Signer	Right Thumbprint of Signer
Feb. 4, 200X 3:00 p.m.	Acknowledgment	Feb. 3, 200X	Grant Deed	John R. Allen 510 Main St. Los Altos, CA 94321	CA Driver's Lic. No. A12395012 Exp. 10/31/09	One page doc. Signers are husband and wife	\$10	John R. Allen	
"	"	"	"	Ann S. Allen 510 Main St. Los Altos, CA 94321	CA ID Card No. B5678901 Exp. 6/1/07	One page doc. Signers are husband and wife	\$10	Ann S. Allen	
Feb. 16, 0X 9:30 a.m.	"	Feb. 16, 0X	Authorization Form	Bryan P. Chang 1256 El Camino Ave., Santa Clara, CA 95150	<i>Michael Smith</i> Michael Smith (personally known)	Credible witness address: 123 West Avenue, San Jose, CA 95130	\$10	Bryan P. Chang	
3/1/09 11:45 a.m.	Jurat	3/1/0X	Affidavit of Forgery	Charles D. Brown 6789 Canyon Drive Austin, TX 78765	TX Driver's Lic. No. 9876543 Exp. 1/2/12		\$10	Charles D. Brown	

# *Unit 10 – The Journal*

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## **Thumbprint Requirements:**

The Notary must obtain each signer's thumbprint in the journal for deeds, quitclaim deeds and deeds of trust affecting real property.

*Exceptions: Notary publics are not required to obtain a right thumbprint of Signers on trustee's deeds resulting from foreclosure and deeds of reconveyance.*

# ***Unit 10 – The Journal***

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## **Failure to obtain thumbprint, penalty**

*(Government Code §8214.23).*

A notary public who fails to obtain a thumbprint as required, is subject to a civil penalty up to \$2,500. There is a four-year statute of limitations for this offense. Hence, either the Secretary of State or a public prosecutor may seek this penalty.

# ***Unit 10 – The Journal***

## **Thumbprint Requirements (*Cont'd.*)**

### ***Important!***

- If the signer's right thumbprint is not available, then the Notary shall obtain the left thumbprint or a print of any available finger, with an explanation in the journal.
- If the signer is physically unable to leave a thumbprint or a fingerprint, the Notary must note this in the journal with an explanation of the signer's physical condition.

# ***Unit 10 – The Journal***

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## **Response Time for a Request:** *(Government Code § 8206.5)*

1. A notary public must respond to written requests from the California Secretary of State in two separate ways:
  - A. A notary must respond within 30 calendar days of receiving a written request for information relating to official acts performed by the notary public, from the California Secretary of State by certified mail.
  - B. A notary public must furnish certified copies of his or her notarial journal, or any portion of the journal that is requested within the time specified in the written request by the Secretary of State.

# ***Unit 10 – The Journal***

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## **Response Time for a Request:***(Government Code § 8206.5)*

2. A notary public must respond to a request for a transaction in the notary public journal within 15 business days after the receipt of the request.
3. Must supply either a photostatic copy of the line item or acknowledge that no such line item exists.
4. In a disciplinary proceeding for failing to comply with this section, the notary public may raise a defense of unavoidable, exigent business or personal circumstances.

# ***Unit 10 – The Journal***

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## **Response Time for a Request:(Cont'd.)**

5. When requested by a peace officer investigating a criminal offense, a notary public must surrender his or her journal immediately or as soon as possible if the journal is not present.
6. The peace officer must have probable cause to believe the journal contains evidence of a criminal offense.
7. The peace officer who seizes a journal must notify the Secretary of State within 24 hours or as soon as possible of the name of the notary public whose journal was seized.



# *Unit 10 – The Journal*

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## **Relinquishing the Notarial Journal:**

1. With the exception of the county clerk, pursuant to Section 8209, or to a peace officer, as defined in Sections 830.1, 830.2, and 830.3 of the Penal Code, a notary ***shall not*** surrender the journal to any other person, unless upon service of a criminal search warrant signed by a magistrate and served upon the notary public by the peace officer.

# ***Unit 10 – The Journal***

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## **Relinquishing the Notarial Journal (*Cont'd*)**

2. Upon relinquishing of the journal to a peace officer, the notary public shall:

- Obtain a receipt for the journal
- Notify the Secretary of State by certified mail within 10 days.
- Obtain a new sequential journal.

# *Unit 10 – The Journal*

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## **Relinquishing the Notarial Journal:** *(Cont'd)*

3. If the relinquished journal is returned to the notary by the peace officer, and a new journal has been obtained, then the notary ***must not make*** new entries in the returned journal.
4. The notary public shall provide the journal for examination and copying in the presence of the notary public upon receipt of a subpoena duces tecum or a court order, and shall certify those copies if requested.

# *Unit 10 – The Journal*

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## **Penalties:**

1. The law makes a notary public **guilty of a misdemeanor** (*Government Code §8228.1*) if the notary public:
  - a. Willfully fails to properly maintain his or her notarial journal;  
OR
  - b. Willfully fails to notify the Secretary of State if his or her notarial journal is lost, stolen, rendered unusable or surrendered to a peace officer; OR

# ***Unit 10 – The Journal***

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## **Penalties** *(Cont'd.)*

- c. Willfully fails to permit a lawful inspection or copying of his or her notarial journal; OR
- d. Willfully fails to keep his or her notarial seal under direct and exclusive control; OR
- e. Willfully surrenders his or her notarial seal to any person not authorized to possess it. OR

# ***Unit 10 – The Journal***

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## **Penalties** *(Cont'd.)*

2. A person who solicits, coerces, or influences a notary public to improperly maintain the notary public's journal is guilty of a misdemeanor.
3. The misdemeanor crime of soliciting, coercing, or influencing a notary public to perform an improper notarial act, knowing it to be improper, now has a four-year statute of limitations.

# *Unit 11 – The Notarial Certificate*

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## **What's a Notarial Certificate?**

When performing a notarization of a document, the Notary must complete, sign and affix the official seal to the *notarial wording* to indicate exactly what has been certified with the notarization. This wording is called *notarial certificate* and indicates the procedures that the notary followed in performing the notarization.

# ***Unit 11 – The Notarial Certificate***

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## **What's a Notarial Certificate? (Cont'd)**

**Venue: Is the location (state and county) where a notarization is performed, as indicated on the top of most notarial certificates.**



# Unit 11 – The Notarial Certificate

## Acknowledgment

State of California )  
County of \_\_\_\_\_ ) **VENUE**

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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.

Statement  
of  
particulars

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

Penalty of  
Perjury  
language

WITNESS my hand and official seal.

**Signature and Seal  
of Notary**

{ (Seal)

\_\_\_\_\_  
Signature of Notary

# *Unit 11 – The Notarial Certificate*

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## **Preparing the Notarial Certificate**

1. The notary is responsible for completing information related to the venue, execution of the certification, identity of the signer(s), as well as executing the certificate and affixing the official seal.
2. The certificate of acknowledgment or the jurat form must be completely filled out at the time the notary's signature and seal are affixed. (Civil Code section 1188 and Government Code section 8214.1)

# *Unit 11 – The Notarial Certificate*

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## **Preparing the Notarial Certificate** *(Cont'd.)*

3. The notary's signature on the notarial certificate must be in ink and match the name that appears on the Notary's commission certificate and official seal.

*[I am unaware of any provision of law that requires that the signature be in ink, although that is certainly the recommended practice.]*

# ***Unit 11 – The Notarial Certificate***

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## **Preparing the Notarial Certificate *(Cont'd.)***

4. If it is not clear what type of notarization is required, a notary is not responsible for deciding what type of notarization must be performed, but the signer should find out from the issuing agency or an attorney.

# *Unit 11 – The Notarial Certificate*

---

## **Preparing the Notarial Certificate** *(Cont'd)*

5. Notarial wording may be in two forms:
  - Wording on the document itself
  - Wording on a loose certificate attached to the document
  
6. When using a loose certificate, the notary shall staple it behind the signature of the document.

# ***Unit 11 – The Notarial Certificate***

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## **Preparing the Notarial Certificate *(Cont'd)***

7. The certificate of acknowledgment is now executed under penalty of perjury. A notary public who willfully states as true any material fact known to be false can be subject to a civil penalty of up to \$10,000 (*Civil Code §1189*).

# *Unit 11 – The Notarial Certificate*

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## **Correction of a Notarial Certificate**

1. Draw a line through the incorrect information, using ink.
2. Write corrected information above.
3. Initial and date the correction.
4. When making corrections, never use correction fluid.

# *Unit 11 – The Notarial Certificate*

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## *Warning!*

- When a Notary knowingly completes a false notarial certificate, he or she may be guilty of a crime and subject to penalties.
- —Its not acceptable to affix a notary public seal and signature to a document without the notarial wording.” *(Notary Handbook)*



# *Unit 12 – The Official Seal*

## **The Official Seal** *(Government Code §8207)*

A notary public must have and use a seal purchased from an authorized vendor or manufacturer, as indicated by the Secretary of State. Also:

1. A notary public can obtain an official notary seal upon issuance of a certificate of authorization by the Secretary of State.
2. A vendor or manufacturer is not authorized to provide a notary with an official seal, if the notary does not present a certificate of authorization.
3. The notary public shall provide and keep an official seal, which shall clearly show, when embossed, stamped, impressed or affixed to a document *(Government Code §8207)*.
4. The seal may be circular and not over 2 inches in diameter, or may be with a rectangular form with no more than 1 inch in width and 2 ½ inches in length, with a serrated or milled edged border.

# Unit 12 – The Official Seal

## The Official Seal *(Cont'd)*

### 5. The official seal shall include the following:

- The state seal
- The notary's name as indicate on the commission
- The notary's commission number
- The wording —“Notary Public”
- The name of the county where oath and bond are filed
- The expiration date of commission
- The seal manufacturer ID number
- Be photographically reproducible
- Be rectangular or circular shape
- The border of the seal must be serrated or milled



# *Unit 12 – The Official Seal*

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## **The Official Seal** *(Cont'd)*

### ***Warning!***

- Failure of a notary or vendor to comply with procedures regarding the Certificate of Authorization in purchasing or selling a Notary seal can result in a fine of up to \$1500 fine for each violation.
- Failure to secure the seal shall be cause for the Secretary of State to take administrative action against the commission held by the notary public pursuant to Section 8214.1.

# *Unit 12 – The Official Seal*

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## **Affixing the Official Seal**

1. The official seal is usually placed next to the Notary's signature.
2. The seal should not be affixed over wording on the document.
3. A photographically reproducible seal impression must be clearly affixed to all notarizations.
4. A notary public shall not use the official notarial seal except for the purpose of carrying out the duties and responsibilities.

# ***Unit 12 – The Official Seal***

---

## **Affixing the Official Seal** *(Cont'd)*

5. The seal shall be kept in a locked and secured area, under the direct and exclusive control of the notary.
6. The official seal of a notary public is the exclusive property of that notary public, and shall not be surrendered to an employer upon the termination of employment, whether or not the employer paid for the seal, or to any other person.
7. The notary, or his or her representative, shall destroy or deface the seal upon termination, resignation, or revocation of the notary's commission.

# *Unit 12 – The Official Seal*

---

## **PENALTIES:**

**Willful failure to control seal.** A four-year statute of limitations is added to the misdemeanor crime of a notary public willfully failing to perform his or her required duties or failing to keep the notary public seal under his or her direct and exclusive control (*Government Code section 8228.1*).

# *Unit 12 – The Official Seal*

## *Important!*

- The recorder may not accept documents with illegible or improperly placed seals. (*GC § § 8202 & 8207 and CC § § 1189 & 1195*)
- The only condition under which a notary can authenticate an official act without using an official notary seal is performing an acknowledgment for a California subdivision map certificate. (Government Code section 66436(c))

# *Unit 12 – The Official Seal*

## *Important!*

- The requirements in lieu of a seal in acknowledging a California subdivision map certificate under GC § 66436(c) are:
  - the name of the notary
  - the county of the notary's principal place of business, and
  - the notary's commission expiration date
- The required information should be typed or printed below or immediately adjacent to the notary's signature in the acknowledgment.



# *Unit 13 – The Acknowledgment*

---

## **What's an acknowledgment?**

A formal declaration before an authorized official (a notary public) by a person signing an instrument that such execution is his or her free act and deed. The term also refers to the notary's certificate on the document indicating that it was so acknowledged.

# *Unit 13 – The Acknowledgment*

## **Requirements when performing an Acknowledgment**

1. Signer must personally appear before the Notary Public
2. Signer shall be positively identified by the Notary Public
3. Signing may be witnessed
4. Signer must acknowledge having signed the document to the Notary
5. Use the —“purpose acknowledgment” wording for all acknowledgment filed in California.
6. Complete entry in the journal

# *Unit 13 – The Acknowledgment*

## **Requirements when performing an Acknowledgment:**

### *Important*

- It is not required that a signer sign the document in front of the notary public, for notary to perform a notarization and issue an acknowledgment. But, the signed must personally appear and acknowledge to the notary public that he or she signed the document. (Civil Code section 1189)

# *Unit 13 – The Acknowledgment*

## **Requirements when performing an Acknowledgment**

- ❖ Amended *Civil Code §1189* indicates that the California certificate of acknowledgment must be in the form set forth in the statute.
- ❖ If a document contains a suggested “certificate of acknowledgment,” the certificate must be used only if it is the same as the statutory wording. If it is not, then a loose certificate of acknowledgment with the statutory wording must be used

# *Unit 13 – The Acknowledgment*

## *Important*

- California notaries may complete any acknowledgment form as may be required in that other state or jurisdiction on a document, to be filed on another state, so far that form does not require the notary to make determinations and certifications not allowed by California law. For example, out-of-state acknowledgments may require the Notary to determine or certify the capacity of the signer, or make other determinations not allowed by California law.
- A notary must be able to communicate with the customer in order to perform an acknowledgment or jurat, and if the notary cannot communicate with the customer, the notary should refer the customer to a notary that speaks the customer's language. (Government Code section 8205)

# *Unit 13 – The Acknowledgment*

## **Penalties:**

*Penal Code §470 (Amended as of Jan. 1, 2006) – False Acknowledgments/Forgery* – The law makes a notary public **guilty of forgery** if he or she issues an acknowledgment knowing it to be false. A person who falsifies the acknowledgment of a notary public may also be guilty of forgery. Forgery is punishable by imprisonment in the state prison, or by imprisonment in the county jail for not more than one year. (False certification by a notary public may also be a misdemeanor pursuant to Government Code §6203).

# *Unit 13 – The Acknowledgment*

---

## *Recommendations:*

- A notary can perform a notarization on a document written in a foreign language.

# ***Unit 13 – The Acknowledgment***

---

## **Situation –**

John Allen and his wife, Ann, are the signers of a Grant Deed and request your services to notarize their signatures for said document. You will need to prepare the acknowledgment form to be attached to the document.





# Unit 13 – The Acknowledgment

## All Purpose Acknowledgment

State of California )  
County of \_\_\_\_\_ )

1. Venue

2. Date of Notarization

3. Notary's Name

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally

appeared \_\_\_\_\_,

4. Signer's Name

5. Signer's identification

personally known to me (or 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.

8. Penalty of Perjury Wording

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.

(Seal)

6. Notary's Seal

7. Notary's Signature

Signature \_\_\_\_\_

# *Unit 14 – The Jurat*

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## **What's a Jurat?**

The written notarial certificate on any sworn statement or affidavit completed by the notary public indicating that the document was sworn or affirmed to by the signer.

## *Unit 14 – The Jurat*

---

By completing a jurat, the notary public certifies:

- ❖ The signer personally appeared before the notary public on the date and in the county indicated.
- ❖ The signer has been positively identified by satisfactory evidence
- ❖ The notary public administered the oath or affirmation
- ❖ The signing of the instrument or document has been witnessed by the notary public as required.

# *Unit 14 – The Jurat*

---

## **Requirements**

1. Signer must **personally appear** before the Notary
2. Signer shall be positively **identified** by satisfactory evidence
3. Signing of the instrument or document **must** be witnessed by the notary public
4. Document sworn to or **affirmed**
5. Notary **administers** oath or affirmation

# ***Unit 14 – The Jurat***

---

## **Requirements** *(Cont'd.)*

6. A jurat form must be attached to all affidavits subscribed and sworn to before the notary public.
  
7. In addition, the new law requires that the notary public identifies or personally knows the signer, and completes the entry in the journal.
  
8. The identity of the affiant may no longer be established by personal knowledge alone. —“Satisfactory evidence” must be used to identify an affiant in accordance with Civil Code §1185.

# *Unit 14 – The Jurat*

---

## *Important*

- If a notary executes a jurat and the statement sworn or subscribed to is contained in a document that includes the affiant's birthdate or age and a photograph or finger or thumb print of the person, the notary must require the person to verify the birthdate or age by showing a certified copy of the person's birth certificate or an identification card or driver's license issued by the Department of Motor Vehicles. (*Government Code §8230*)

# *Unit 14 – The Jurat*

---

## **Administering the Oath:**

Even though there is no official wording for the oath, acceptable wording is as follows:

*“Do you swear or affirm that the statements in this document are true?”*

***Important:*** When administering the oath, rising the right hand is not a legal requirement.



# *Unit 14 – The Jurat*

## *Sample Jurat*

State of California

County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_, by \_\_\_\_\_, who proved to me on the basis of  
satisfactory evidence to be the person(s) who appeared before me.

Seal \_\_\_\_\_

Signature \_\_\_\_\_

# *Unit 15 – Copy Certification*

---

## **What's a Copy Certification?**

A certified copy is a copy of a document or record, signed and certified as a true copy by the public official who has custody of the original record.

**NOTE:** A notary may make an "attested photocopy," but not a certified copy. A certified copy is not the same as an original document.

# *Unit 15 – Copy Certification*

---

## **Can a Notary Public certify documents?**

Notaries are *not allowed* to certify documents, with the exception of:

- Power of Attorneys
- Journal Entries

# *Unit 15 – Copy Certification*

---

## **Steps for certification of copies**

1. The Notary shall make or supervise the making of the copy
2. The Notary makes the journal entry
3. The Notary completes certificate, including affixing of the signature and seal
4. The Notary attaches the certificate to the first page of the copy

# *Unit 15 – Copy Certification*

---

## *Suggested wording:*

State of California

County of \_\_\_\_\_

I (name of notary public), Notary Public, certify that on (date), I examined the original power of attorney and the copy of the power of attorney. I further certify that the copy is a true and correct copy of the original power of attorney.

Signature \_\_\_\_\_ (seal)

# Appendix A – Application Procedure

## Steps

## Date of Completion

Complete Mandatory Education  
Proof of completion of the six-hour course of study  
will be received

\_\_\_\_\_

Obtain Exam Materials  
Contact Cooperative Personnel Services (CPS)  
at (916) 263-3520 and request an application package.

\_\_\_\_\_

Register for the Exam  
From the application package, choose a test site  
and date. Proceed to register.

\_\_\_\_\_

Take the Exam  
Review materials for requirements and fees due  
on the day of the exam

\_\_\_\_\_

Submit Fingerprints via Live Scan

\_\_\_\_\_

Await Commission Packet

\_\_\_\_\_

Purchase Notary Materials

\_\_\_\_\_

File Notary Oath & Bond

\_\_\_\_\_

# *Appendix B – Acknowledgment Certificate*

## **All Purpose Acknowledgment**

State of California )

County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, 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.

(Seal)

Notary's Signature \_\_\_\_\_

# *Appendix C – Acknowledgment Sample for Out of State*

Page \_\_\_\_\_, of \_\_\_\_\_  
Description of Document \_\_\_\_\_

## **Acknowledgment**

State of Nebraska  
County of \_\_\_\_\_)

The foregoing instrument was acknowledged before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 200\_\_

by \_\_\_\_\_  
(printed name of person acknowledged)

as Attorney in Fact on behalf of

\_\_\_\_\_  
(printed name of principal)

\_\_\_\_\_  
Notary Public

Affix Official Notary seal here





**Secretary of State  
Business Programs Division**

Notary Public, P.O. Box 942877, Sacramento, CA 94277-0001

September 6, 2011

JAMES NEIL DAWSON  
RIVERSIDE ADULT SCHOOL  
6735 MAGNOLIA AVENUE  
RIVERSIDE, CA 92506

Dear Mr. Dawson:

Congratulations! Enclosed is your Certificate of Approval for the Notary Public Education lesson plan for Riverside Adult School (six hour Vendor No. 603732).

Please note that the Certificate of Approval is non-transferable and shall not be transferred to another vendor or another lesson plan. In addition, you may not alter or substitute the lesson plan reviewed and approved by the Secretary of State, unless such revisions are approved by the Secretary of State in accordance with Section 20800.4 of Chapter 8 of Division 7 of Title 2 of the California Code of Regulations.

Feel free to contact [EdVendors@sos.ca.gov](mailto:EdVendors@sos.ca.gov) if you have any questions.

Sincerely,

Education Unit  
Notary Public Section  
Business Programs Division

Enclosures

California Secretary of State  
[www.sos.ca.gov/business/notary](http://www.sos.ca.gov/business/notary)  
(916) 653-3595



# State of California



**SECRETARY OF STATE**

## **Notary Public Education Vendor Certificate of Approval**

**Riverside Adult School  
603732**

This Certificate of Approval is hereby issued to Riverside Adult School on this 6th day of September 2011.

Pursuant to subdivision (a) of Section 8201.2 of the Government Code, Riverside Adult School is authorized to conduct a six-hour course of study approved by the Secretary of State concerning the functions and duties of a notary public.

This Certificate of Approval is non transferable and shall not be transferred to another vendor of another course of study.

Riverside Adult School shall not alter or substitute the course of study reviewed and approved by the Secretary of State, unless the revisions are approved in accordance with Section 20800.4 Chapter 8 of Division 7 of Title 2 of the California Code of Regulations.



*Jana Bowen*  
Secretary of State

**Board Meeting Agenda  
November 1, 2011**

Topic: Out-of-State Field Trip, Martin Luther King High School

Presented by: Dr. William E. Ermert, Assistant Superintendent, Instructional Services

Responsible  
Cabinet Member: Dr. William E. Ermert, Assistant Superintendent, Instructional Services

Type of Item: Action

Short Description: Martin Luther King High School’s Marching Band will travel by bus to Phoenix, Arizona to participate in the Fiesta Bowl National Band Championships from December 29, 2011 – January 1, 2012. The trip will be funded by fundraising activities.

---

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**DESCRIPTION OF AGENDA ITEM:**

Martin Luther King High School’s Marching Band will travel by bus to Phoenix, Arizona to participate in the Fiesta Bowl National Band Championships from December 29, 2011 – January 1, 2012. The trip will be funded by fundraising activities.

---

**FISCAL IMPACT:** None

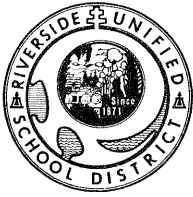
**RECOMMENDATION:** Approval is requested for the Martin Luther King High School’s Marching Band multiple-day field trip.

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**ADDITIONAL MATERIAL:** Multiple-Day Field Trip application, itinerary and information letter

Attached: Yes



RIVERSIDE UNIFIED SCHOOL DISTRICT  
Elementary and Secondary Education

MULTIPLE-DAY FIELD TRIP APPLICATION

Multiple-Day Field Trip Application must be submitted to the Director of Elementary or Secondary Education for approval **two months prior to departure** for in-state trips, and **four months prior to departure** for out-of-state and out-of-country trips. Out-of-country field trips require Board approval at least **four months prior to departure**. The Multiple-Day Final Checklist is due to the principal 2 weeks prior to departure. Submit application to the Director of Elementary or Secondary Education for approval within time limits as noted.

School: RIVERSIDE KING HS Grade Level: 9th through 12th  
Teacher's Name: CHARLES GRAY Teaching (Subject): MUSIC/BAND Phone #: X62039  
Field Trip Dates: 12/29/2011 - 1/1/2012 Location (City and State): PHOENIX, AZ.  
Number School Days Missed: -0- Number Students: 173 Number Adults: 45 Ratio Adult to Student: 5 To 20  
Name and Title of Adults: SEE ATTACHED SHEET

Administrator Accompanying Group  Yes  No Name(s): Michael Rhodes  
Name of Group (i.e. Choir, Drill Team, Swim Team, etc.): RIVERSIDE KING MARCHING BAND  
Name of Event (ATTACH INFORMATION DESCRIBING EVENT): FIESTA BOWL NATIONAL BAND CHAMPIONSHIPS

Link to course of study: RUSD STANDARDS: 1.1, 1.2, 1.3, 1.4, 1.5, 2.1, 2.2, 2.3, 2.4, 3.1, 4.3 5.1, 5.2 & 6.5  
EXPECTED SCHOOL WIDE LEARNING RESULTS TO INCLUDE: COMMUNICATION & INTERPRETATION, ARTISTIC EXPRESSION  
Estimated cost per student: \$675 Detailed Funding Plan Paid in Full

Transportation By:  Bus -- Check one:  RUSD or \*\*\*\*\*  Charter # trip # 0061-0062-0063-0064  
 Plane  
 Private Vehicle (The vehicle MUST have one seat and a seat belt for each person in the car.) All school  
 **NOTE:** CHECK THIS BOX TO VERIFY THAT ALL DRIVERS OF PRIVATE VEHICLES HAVE BEEN APPROVED BY RUSD'S TRANSPORTATION DEPARTMENT. Field trip will not be approved until private vehicle drivers have been approved.  
 Other \_\_\_\_\_

Insurance for Host Organization (if applicable): N/A  
Housing Accommodations: EMBASSY SUITES HOTEL 4400 SOUTH RURAL RD TEMPE, AZ 85282

**SIGNATURES:**  
[Signature] 6/28/2011 [Signature] 6/30/11  
Teacher Date Principal Date  
[Signature] 10-13-11 [Signature] 7-22-11  
Director/Elementary - Secondary Education Date Transportation Manager Date  
[Signature] [Signature] 10/17/14  
\*Deputy - Assistant Superintendent, Instruction Date \*Superintendent Date

\*For out-of-state requests only  
\*\*For out-of-country requests only  
\*\*Date of Board Action

**DEPARTMENT USE ONLY**  
 Approval pending clearance of Transportation and signed Multiple Day Final Checklist  
 Not approved because \_\_\_\_\_

A Multiple-Day Checklist, signed by the site principal, is required to be filed with the Elementary or Secondary Education department 1 week prior to departure.

Riverside Unified School District  
Instructional Services

MULTIPLE-DAY PRE APPROVAL CHECKLIST

School: KING HS

Name of Group: KING BAND

Field Trip: PHOENIX, ARIZONA

Date of Event: 12/29/11 - 1/1/12

Teacher or Administrator Requesting Pre-Approval:

CHARLES GRAY

Principal's Signature 

Date: 7/20/11

Destination:  California  Within the United States  Out of the Country\*

\*Following items must be attached for submission of Pre-Approval for Multiple-Day Field Trip Application\*

- \* Brochure or registration forms
- \* Itinerary
- \* Detailed funding plan that itemizes earnings and all expenditures, including sub costs
- \* A list of all eligible students attending
- \* Copy of notification to be used for parents/legal guardian explaining purpose of event, funding, transportation, housing, supervision, permission forms, and emergency plans (include emergency telephone number of trip supervisor)
- \* Safety and Supervision Plan listing of all personnel and their positions (administrators, teachers, counselors, parents, etc.) who are responsible for students during multiple-day field trip.
- \* Copy of Parent Consent form to be used for each participating student (#26-9050) *will have in 9/1/11*
- \* List of names, addresses and telephone numbers of students' host families if students are housed in private homes *N/A*

TYPE OF TRANSPORTATION: One of the following is required. *trip #5*

SCHOOL BUS  CHARTER BUS  RENTAL VEHICLE  PRIVATE VEHICLE  AIRLINE  TRAIN

1. Charter / School Bus Transportation Manager Signature:  Date: 7-22-11


a. If the trip requires a bus, a "Request for Field Trip Transportation" must be submitted via TRIP TRACKER on-line to Pupil Transportation Services at least 30 days prior to the scheduled trip.

2. Rental or Privately Owned Vehicle

- a. In no instance may a vehicle be used that is capable of holding more than ten persons
- b. All drivers and all documents must be cleared through Transportation.
- c. Rental vehicles are booked through Purchasing

Signature certifies that all items have been submitted and are on file. Pre-approval is given for the submission of the Multiple-Day Field Trip Application.

\*Out of Country field trips require Board Pre-approval and Final approval.

Superintendent / Designee Signature  Date 10-13-11

THIS FIELD TRIP IS **NOT APPROVED** UNLESS THIS PRE-APPROVAL IS SIGNED BY THE SUPERINTENDENT OR HIS DESIGNEE, IN ACCORDANCE WITH RIVERSIDE UNIFIED SCHOOL DISTRICT POLICIES AND PROCEDURES.

**Riverside King High School  
Band and Color Guard Tour to:**

**The Fiesta Bowl  
Phoenix, Arizona  
December 2011**

**Purpose and Objective:**

With School Board approval, the Riverside King Band and Color Guard will be participating in a national field show competition and national televised parade to be held in Phoenix, Arizona between Thursday, December 29, 2011 and Sunday, January 1, 2012.

The band, under the supervision of director Charles J. Gray will also be in the company the following Executive Board parent chaperones: Hal and Lauri Byers, Sally and Greg Bondy, Joleen and Robert Klundt, Jeremy and Ann Gates, Jerry and Ann Grell, Mary and Bob Gilhouse, Bill and Wendy Clark, Ryan Lester-Wilson, Renee and Jeff Hill, Lisa Johnson, John and Jackie Edous, Jim and Marilyn Orens, Wendy Cano, Lori and Shawna Benson, Dave and Cindy Roy, Dave and Mary Loaiza, Elma and Jamie Frias, Dave and Jeanine Candelaria, and staff members Sergio Reyes, Joshua Boyd, Dr. Joshua Norton, Paul and Beth Salyers, and Lauren Stevens. It will also include Sophia Gray, Ingrid Murphy-Gray, and Bruce and Gloria Welch who will all assist the Director throughout the entire trip.

The Riverside King High School Band has been invited to perform in the "Annual Fiesta Bowl Parade and National Championship of Bands!" This invitational is being held at Phoenix, Arizona and will give the students a great learning experience with regards to other bands from around the United States, and the performances of other field shows. This enriching trip will allow many students who don't normally go out and travel the chance to visit a new place that will help to broaden their horizons. Too many times learning experiences are confined to the four walls of a classroom. While this is traditional learning, more authentic and real experiences outside of the classroom do more for students by enriching their learning. Experiences like these give students perspective and assist with many of the district and state standards and objectives they must tackle within the four walls of the traditional classroom. The "real" life learning also gives students more opportunities to achieve expected school wide learning result (ESLRs).

With major fundraisers scheduled between January-September of 2011, and we see no problems with monetary conflicts. The students are motivated to raise the balance of the monies needed. They understand that this is a stipulation before embarking on the tour. We also have the extra cash needed to take those who can not afford to go, "...no student will be denied the chance to go on tour!"

This tour will enrich the lives of these students. It will be an opportunity for these young performers to realize their responsibilities, limits, potentials, and talents in a positive environment!





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FiestaBands.com 2011/2012 Edition - Your home for Fiesta Bowl Band information.

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**Band Menu**

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[Printable Itinerary](#)

**Band Itinerary: Riverside King High School Band**

<b>Thursday, December 29, 2011</b>	<b>Start Time</b>	<b>End Time</b>	<b>Info</b>
<b>Fiesta Bowl Band Directors' Breakfast (mandatory Directors' meeting)</b>	8:00:00 AM	10:00:00 AM	<a href="#">More -&gt;</a>
Make your own hoagies - Riverside King High School Band	11:00:00 AM	12:30:00 PM	<a href="#">More -&gt;</a>
Rehearsal - Riverside King High School Band	1:00:00 PM	5:00:00 PM	<a href="#">More -&gt;</a>
Rustler's Rooste - 8383 S. 48th Street, Phoenix, AZ 85044 (602) 431-6474	7:00:00 PM	8:00:00 PM	<a href="#">More -&gt;</a>
<b>Friday, December 30, 2011</b>	<b>Start Time</b>	<b>End Time</b>	<b>Info</b>
Breakfast at the hotel - Riverside King High School band	7:00:00 AM	8:00:00 AM	<a href="#">More -&gt;</a>
Rehearsal - Riverside King High School Band	8:30:00 AM	10:30:00 AM	<a href="#">More -&gt;</a>
<b>Fiesta Bowl National Championship of Bands- PRELIMS(performing)</b>	12:00:00 PM	4:00:00 PM	<a href="#">More -&gt;</a>
<b>Fiesta Bowl National Pageant of Bands - Preliminary Contest Award Ceremony</b>	4:00:00 PM	4:30:00 PM	<a href="#">More -&gt;</a>
Jason's Deli (Snack/Meal) - to be set up between Prelims and Finals	4:30:00 PM	6:00:00 PM	<a href="#">More -&gt;</a>
<b>Fiesta Bowl National Championship of Bands- FINALS PERFORMANCES</b>	7:00:00 PM	10:00:00 PM	<a href="#">More -&gt;</a>
Italian Night dinner - Riverside King HS Band	11:00:00 PM	12:00:00 AM	<a href="#">More -&gt;</a>
<b>Saturday, December 31, 2011</b>	<b>Start Time</b>	<b>End Time</b>	<b>Info</b>
Breakfast at the hotel - Riverside King High School band	7:00:00 AM	8:00:00 AM	<a href="#">More -&gt;</a>
<b>Fort McDowell Fiesta Bowl Parade - Band Unit Instructions</b>	8:30:00 AM	8:30:00 AM	<a href="#">More -&gt;</a>
<b>FORT MCDOWELL FIESTA BOWL PARADE</b>	9:00:00 AM	12:00:00 PM	<a href="#">More -&gt;</a>
Jason's Deli Meal after the Parade	12:00:00 PM	1:00:00 PM	<a href="#">More -&gt;</a>
Open time at hotel	2:00:00 PM	5:00:00 PM	<a href="#">More -&gt;</a>
<b>Rawhide - Fiesta Bowl New Years Eve Steak Fry Party</b>	7:00:00 PM	11:00:00 PM	<a href="#">More -&gt;</a>
<b>Sunday, January 01, 2012</b>	<b>Start Time</b>	<b>End Time</b>	<b>Info</b>
Breakfast at the hotel - Riverside King High School band	7:00:00 AM	8:00:00 AM	<a href="#">More -&gt;</a>

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## Riverside Unified School District

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3380 14<sup>th</sup> Street • Riverside, CA • 92501

### Board Meeting Agenda November 1, 2011

Topic: Community Facilities District No. 23 of Riverside Unified School District – Assumption of Joint Community Facilities Agreements (Spring Mountain Ranch)

Presented by: Janet Dixon, Director, Planning and Development

Responsible

Cabinet Member: Kirk Lewis, Ed.D., Assistant Superintendent, Operations

Type of Item: Action

Short Description: The purpose of these agreements is to substitute the new owner/developer, SFI SMR LLC, as a party to the joint community facilities agreements.

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#### DESCRIPTION OF AGENDA ITEM:

CFD No. 23 is a proposed CFD for the Spring Mountain Ranch development, future home of the Maxine Frost Elementary School, located in the eastern portion of the Highgrove community.

On January 12, 2009, the Riverside Unified School District approved Resolution No. 2008/09-33 – Resolution of the Board of Education of Riverside Unified School District Approving Joint Community Facilities Agreements with the County of Riverside and Riverside County Flood Control and Water Conservation District. The owner listed on the previous agreement was SMR Ventures, LLC, the original owner/developer of the Spring Mountain Ranch project. Due to a change in ownership, the Board of Education is requested to approve an Assumption of Joint Community Facilities Agreements for each of the three previous agreements which assign the responsibilities of the previous owner to the new owner, SFI SMR LLC.

This item does not approve the formation of the CFD. CFD formation will be a separate series of Board items at a later date.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** It is recommended that the Board of Education approve the agreements to substitute the new owner/developer.

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**ADDITIONAL MATERIAL:** Resolution No. 2008/09-33, Spring Mountain Ranch Phasing Map, Spring Mountain Ranch Aerial Map, Assumption of Joint Community Facilities Agreement (Flood Control Facilities), Assumption of Joint Community Facilities Agreement (Sewer Collection Facilities), Assumption of Joint Community Facilities Agreement (Street Improvements)

Attached: Yes

**RESOLUTION NO. 2008/09-33**

**RESOLUTION OF THE BOARD OF EDUCATION OF RIVERSIDE UNIFIED SCHOOL DISTRICT APPROVING JOINT COMMUNITY FACILITIES AGREEMENTS WITH THE COUNTY OF RIVERSIDE AND RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT (COMMUNITY FACILITIES DISTRICT NO. 23)**

WHEREAS, Riverside Unified School District (the "District") and SMR Ventures, LLC, a Delaware limited liability company, the owner and developer of certain property in the District, have entered into a School Facilities Mitigation Agreement, dated as of July 1, 2007 (the "Mitigation Agreement") regarding the formation of a community facilities district pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the "Mello-Roos Community Facilities Act of 1982," over and including such property for the purposes of designing, constructing, acquiring and financing through the sale of bonds the design, construction and acquisition of public facilities which are necessary to meet increased demands placed upon the District as a result of the development of said real property, and the design, construction and acquisition of public facilities which are necessary to meet increased demands placed upon the County of Riverside (the "County"), Riverside County Flood Control and Water Conservation District (the "Flood Control District"), the City of Riverside, and the City of Grand Terrace as a result of the development of said real property; and

WHEREAS, pursuant to Sections 53316.2 through 53316.6 of the California Government Code a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district pursuant to a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

WHEREAS, pursuant to said Section 53316.2, the District may have primary responsibility for the formation of a community facilities district pursuant to such a joint community facilities agreement if it is reasonably expected to have responsibility for providing facilities to be financed by a larger share of the proceeds of bonds of the district created pursuant to the joint community facilities agreement than any other local agency; and

WHEREAS, there have been presented to the Board of Education forms of joint community facilities agreements to be entered into by and between the District with each of the County and the Flood Control District; and

WHEREAS, pursuant to the Mitigation Agreement and the proposed joint community facilities agreements, it is reasonably expected that the District will have responsibility for providing facilities to be financed by a larger share of the proceeds of the bonds of the proposed community facilities district than either of the County or the Flood Control District; and


PASSED AND ADOPTED by the Board of Education of Riverside Unified School District at its regular meeting held on the 12<sup>th</sup> day of January, 2009 by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTAINED: 0




Clerk of the Board of Education

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF RIVERSIDE )

I, Tom Hunt, Clerk of the Board of Education of Riverside Unified School District, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2008/09-33 of said Board, and that the same has not been amended or repealed.

Dated: 1/12, 2009.



\_\_\_\_\_  
Clerk of the Board of Education  
of Riverside Unified School District







Spring Mountain Ranch

ARLISS  
FLYNN  
SANRIVE  
MAIN  
HIGHGROVE ELEM  
CONNERS  
TRABERT  
GARFIELD  
KEOWN  
SWAZEE  
CINDY  
MURPHY  
MICHIGAN  
PALMYRITA  
SERPENTINE  
MARBOROUGH  
COLUMBIA  
PROSPECT  
CALIFORNIA  
MANDARIN  
BROWNING  
MT VERNON  
ELENA  
CENTER  
PIGEON PASS  
HIGHGROVE PASS  
CENTER



280



ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT  
(SPRING MOUNTAIN RANCH - FLOOD CONTROL FACILITIES)

This Assumption Agreement (this "**Agreement**") is made and entered into as of August 1, 2011, by and among the County of Riverside, a political subdivision of the State of California (the "**County**"), Riverside Unified School District (the "**District**"), Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code (the "**Flood Control District**"), and SFI SMR LLC, a Delaware limited liability company (the "**Property Owner**").

**RECITALS**

A. The Property Owner is the owner of property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 (the "**Property**"), providing for the development of approximately 1,461 proposed single family residential lots ("**Spring Mountain Ranch**"). The Property Owner acquired the Property from SMR Ventures, LLC, a Delaware limited liability company (the "**Previous Owner**"), pursuant to Trustee's Sale No. 08-24758 (the "**Transfer**").

B. To finance various public facilities required in connection with the development of Spring Mountain Ranch, including the Flood Control Improvements described in Recital C, the District contemplates the formation of a community facilities district (anticipated to be designated Community Facilities District No. 23 of Riverside Unified School District, and referred to herein as the "**CFD**") under the authority of the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**").

C. The Act provides that the CFD may finance the acquisition and construction of certain public improvements, including but not limited to the flood control and storm water drainage facilities (the "**Flood Control Improvements**"), which are to be owned by the Flood Control District, only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act.

D. As required by the Act, the District, the County, the Flood Control District, and the Previous Owner entered into and executed that certain Joint Community Facilities Agreement (Flood Control Improvements), dated as of June 26, 2007 (the "**Flood Control Improvements JCFA**"), a copy of which is attached hereto as Exhibit A.

E. In connection with the Transfer, the Previous Owner and the Property Owner entered into that certain Assignment of Contracts (the "**Assignment of Contracts**"), a copy of which is attached hereto as Exhibit B, whereby the Previous Owner assigned to the Property Owner, and the Property Owner assumed from the Previous Owner, all of the Previous Owner's rights and obligations under certain contracts relating to Spring Mountain Ranch previously entered into by the Previous

Owner, including, but not limited to, the Flood Control Improvements JCFA. Neither the County, the Flood Control District, nor the District approved the Assignment of Contracts at the time of its execution, and the Assignment of Contracts has not been subsequently ratified by the County, the Flood Control District, or the District.

F. Section 6.3 of the Flood Control Improvements JCFA requires a purchaser or assignee of the Property, as a condition to receiving payment of the purchase price of the Flood Control Improvements, to enter into an assignment agreement with the County, the District, the Flood Control District, and the CFD, in a form acceptable to the County, the District, the Flood Control District, and the CFD, to assume the duties and obligations of the Previous Owner under the Flood Control Improvements JCFA. Since the CFD has not yet been formed, it cannot enter into any such agreement.

G. In order to effectuate the assignment and assumption of the Flood Control Improvements JCFA and to receive and accept all of the corresponding benefits under the Flood Control Improvements JCFA, the Property Owner desires to enter into this Agreement to satisfy the conditions set forth under Section 6.3 of the Flood Control Improvements JCFA, and to assume the duties and obligations of the Previous Owner under the Flood Control Improvements JCFA.

H. Pursuant to California Civil Code Section 1589, a voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting. The Property Owner has read and understood the Flood Control Improvements JCFA and consents to all of its terms.

NOW THEREFORE for the mutual promises reflected herein and for other valuable consideration the receipt of which is hereby acknowledged by all of the signatory parties, the parties hereby agree as follows:

Section 1. Definitions. Except as expressly defined herein, all capitalized terms shall have the meaning afforded to those terms in the Flood Control Improvements JCFA.

Section 2. Recitals Correct. It is expressly agreed by the signatories that the recitals are true and correct.

Section 3. Assumption. The Property Owner hereby assumes and agrees to perform and faithfully discharge all of the duties and obligations of the property owner in the Flood Control Improvements JCFA. The other party signatories to this Agreement accept and consent to the assumption of those duties by the Property Owner. From and after the date hereof, the Property Owner agrees to perform all duties of the property owner reflected in the Flood Control Improvements JCFA including the duty of indemnification as set-forth therein. From and after the date hereof it is agreed that the Property Owner shall be entitled to enjoy all of the benefits that the Flood Control Improvements JCFA affords to the property owner. Notwithstanding the foregoing, it is the intent of the parties that this Agreement shall not effect a novation.



Section 4. Representations and Warranties of the Property Owner. The Property Owner, as the current owner of the Property, makes the following representations and warranties for the benefit of the County, the Flood Control District, and the District as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is validly existing as a limited liability company and in good standing under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Agreement is a valid and binding obligation of the Property Owner and is enforceable against the Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Ownership. The Property Owner represents and warrants that it has lawfully obtained fee title to the Property and that no other known entity has a superior claim of title.

Section 5. Indemnification. The Property Owner, with respect to the responsibilities of the property owner under the Flood Control Improvements JCFA, agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the Flood Control District, the County, and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents, and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs in accordance with and pursuant to the indemnification provisions set forth under Section 5.5 of the Flood Control Improvements JCFA.

Not as a limitation of, but in addition to the Property Owner's duty of indemnification reflected in Section 5.5 of the Flood Control Improvements JCFA, the Property Owner further agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the Flood Control District, the County, and their respective directors, officers, Board of Education, Board of Supervisors, Legislative Body, elected officials, employees, representatives and agents (the "**Indemnified Parties**"), and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs by reason of or arising out of or in consequence of this Agreement or the approval of this Agreement or the Indemnified Parties' good-faith performance under this Agreement,

including, but not limited to, any and all claims and liabilities asserted by the Previous Owner against the Indemnified Parties under the Flood Control Improvements JCFA.

If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner for any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs arising directly from the willful misconduct or sole or active negligence of the Indemnified Parties.

The provisions of this Section 5 shall survive the termination of this Agreement.

Section 6. Amendments. This Agreement may only be amended by an instrument in writing executed and delivered by the District, the County, the Flood Control District, and the Property Owner.

Section 7. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County: County of Riverside  
Attn: Director of Transportation  
4080 Lemon Street, 8th Floor  
Riverside, California 92501  
Telephone: (951) 955-6740  
Fax: (951) 955-3198

District: Riverside Unified School District  
3070 Washington Street  
Riverside, California 92504  
Attention: Director Planning & Development  
Telephone: (951) 788-7554  
Fax: (951) 275-9349

Flood Control District Riverside County Flood Control and  
Water Conservation District  
1995 Market Street  
Riverside, California 92501  
Attention: Administrative Service  
Telephone: (951) 955-1200  
Fax: (951) 788-9965



Property Owner: SFI SMR, LLC  
c/o iStar Financial Inc.  
5 Park Plaza, Suite 1640  
Irvine, California 92614  
Attention: Steven Magee  
Telephone: (949) 567-8066  
Fax: (949) 567-2411

With a copy to: iStar Financial Inc.  
1114 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, New York 10036  
Attn: Chief Operating Officer  
Telephone: (212) 930-9400  
Fax: (212) 930-9494

With a copy to: iStar Financial Inc.  
1114 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, New York 10036  
Attn: Nina B. Matis, Esq./General Counsel  
Telephone: (212) 930-9400  
Fax: (212) 930-9492

With a copy to: iStar Asset Services Inc.  
180 Glastonbury Blvd., Suite 201  
Glastonbury, Connecticut 06033  
Attn: President  
Telephone: (860) 815-5900  
Fax: (860) 815-5901

With a copy to: Katten Muchin Rosenman LLP  
2029 Century Park East, Suite 2600  
Los Angeles, California 90067  
Attn: Benzion J. Westreich, Esq.  
Telephone: (310) 788-4409  
Fax: (310) 712-8228

Section 8. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

(b) Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of California applicable to contracts made and performed in the State.

(c) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Bob Buster  
Chairman, Board of Supervisors

ATTEST:  
Kecia Harper-Ihem, Clerk of the  
Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT

By: \_\_\_\_\_  
Chairman, Board of Supervisors of the  
Flood Control and Water Conservation District

ATTEST:  
Kccia Harper-Ihem, Clerk of the  
Board of Supervisors of the Control and  
Water Conservation District

By: \_\_\_\_\_  
Deputy Clerk

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

ATTEST:

By: \_\_\_\_\_  
Clerk of the Board of Education

PROPERTY OWNER

SFI SMR LLC,  
a Delaware limited liability company

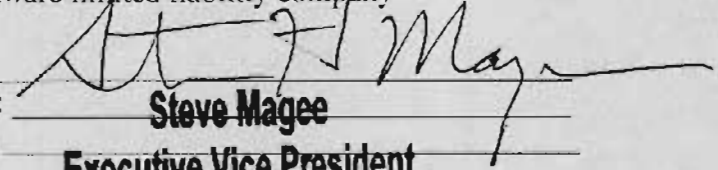
By:   
Name: **Steve Magee**  
Title: **Executive Vice President**

EXHIBIT A

JOINT COMMUNITY FACILITIES AGREEMENT  
(FLOOD CONTROL IMPROVEMENTS)

[See Attachment]



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**JOINT COMMUNITY FACILITIES AGREEMENT**  
(Flood Control Improvements)

by and among

**RIVERSIDE UNIFIED SCHOOL DISTRICT,**

**RIVERSIDE COUNTY FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT,**

**COUNTY OF RIVERSIDE,**

and,

**SMR VENTURES, LLC,**  
a Delaware limited liability company,

Dated as of June 26, 2007

Relating to:  
**Community Facilities District No. 23  
of Riverside Unified School District**

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## JOINT COMMUNITY FACILITIES AGREEMENT

**THIS JOINT COMMUNITY FACILITIES AGREEMENT** (this "Joint Community Facilities Agreement") is made and entered into as of June 26, 2007, by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code (the "Flood Control District"), the County of Riverside, a political subdivision of the State of California (the "County") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner").

### RECITALS

A. The Board of Education of the School District (the "Board of Education") has been requested to initiate proceedings to form a community facilities district that is to be identified as "Community Facilities District No. 23 of Riverside Unified School District" (the "Community Facilities District") under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") (commencing with Section 53311 of the California Government Code (the "Code")) that is to be located in an unincorporated portion of the County known as "Highgrove."

B. The Property Owner is the owner of certain real property as generally shown on Exhibit A, attached hereto, representing Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741 (each a "Tract," and collectively, the "Tracts"), that provide for the development of approximately 1,461 proposed single family residential lots; the boundaries of the Community Facilities District include all territory within the Tracts. The Property Owner has requested that in forming the Community Facilities District that two or more improvement areas be designated therein (each an "Improvement Area," and collectively, the "Improvement Areas"). It is the intention of the parties hereto that each Improvement Area shall be authorized to finance all or any part of the Flood Control Facilities (as defined below). The determination of which Tracts will be in which Improvement Area will be made by the School District and the Property Owner at the time the Community Facilities District is formed.

C. The Property Owner has requested and proposed that the Community Facilities District be formed for the purpose of providing the means of financing the acquisition and construction of certain public improvements, including but not limited to the flood control and storm water drainage facilities listed in Exhibit B (each of the facilities described in Exhibit B as Facilities 1 through 8 shall be referred to herein as a "Flood Control Facility" and, collectively, as the "Flood Control Facilities") to be constructed by the Property Owner with the purchase price therefor to be paid from the proceeds of bonds to be sold and issued by the Community Facilities District. Upon the completion of the construction of each Flood Control Facility by the Property Owner and the acceptance thereof by the Flood Control District, each Flood Control Facility is to be owned, maintained and operated by the Flood Control District. The Flood Control



Facilities are generally described in Exhibit B attached hereto and incorporated herein by this reference.

D. Section 53313.5 of the Code provides that a community facilities district may only finance the purchase of facilities whose construction has been completed, as determined by the legislative body of the community facilities district, before the resolution of formation to establish the community facilities district is adopted pursuant to Section 53325.1 of the Code, except that a community facilities district may finance the purchase of facilities completed after the adoption of a resolution of formation if the facility is constructed as if it had been constructed under the direction and supervision, or under the authority of the local agency, in this instance, the Flood Control District.

E. Section 53314.9 of the Code provides that at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds or work in-kind from any source, including, but not limited to, private persons or entities, and may provide, by resolution, for the use of those funds or that work in-kind for any authorized purpose, under all of the following conditions: (a) the proposal to repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the resolution of intention to establish the community facilities district adopted pursuant to Section 53321 of the Code and in the resolution to establish the community facilities district pursuant to Section 53325.1 of the Code, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any work in-kind accepted pursuant to Section 53314.9 of the Code shall have been performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of the Flood Control District.

F. Pursuant to the Act, the Board of Education, upon approval of this Joint Community Facilities Agreement by the School District, the Flood Control District, the County and the Property Owner, intends to consider a resolution of intention stating that it is the intention of the School District to cause the proposed Community Facilities District to be established and the Improvement Areas therein to be designated, and if established, the Community Facilities District will use its best efforts to sell and issue special tax bonds the proceeds of which will be used in part to pay the Property Owner the purchase price of the Flood Control Facilities, provided all of the conditions of Sections 53313.5 and 53314.9 of the Code are satisfied and that the purchase price shall only be paid from the proceeds of special tax bonds, if any are sold and issued by the proposed Community Facilities District and the Improvement Areas therein.

G. The Act provides that the proposed Community Facilities District may finance the Flood Control Facilities only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code.

H. The School District, the Flood Control District, the County and the Property Owner desire to enter into this Joint Community Facilities Agreement, as required by the aforementioned sections of the Code and prior to the adoption by the Board of Education of the resolution establishing the Community Facilities District and the designation of the Improvement Areas. The provisions of this Joint Community

Facilities Agreement are intended to apply only to the Flood Control Facilities and to all Improvement Areas designated within the Community Facilities District.

I. The School District the Flood Control District and the County by entering into this Joint Community Facilities Agreement will enable the Community Facilities District to finance some or all of the costs of acquiring and constructing the Flood Control Facilities, and, consistent with Section 53316.2 of the Code, the School District, the Flood Control District and the County have determined that executing this Joint Community Facilities Agreement will be beneficial to the residents of their respective jurisdictions and to the owners of property within the Community Facilities District.

J. The design, construction, inspection, acceptance, operation and maintenance of the Flood Control Facilities shall be accomplished in accordance with the provisions of this Joint Community Facilities Agreement. If the Property Owner wants to be paid or to be reimbursed for the costs of any Flood Control Facility from the proceeds of the Bonds (when and if issued), it must comply with the specific provisions set forth in Article III of this Joint Community Facilities Agreement with respect to the Flood Control Facility. If the Property Owner chooses not to be paid or to seek reimbursement for a particular Flood Control Facility from the proceeds of the Bonds, then the Property Owner shall not be bound by Article III of this Joint Community Facilities Agreement.



## AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual premises and covenants contained herein, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.1 Definitions.** Unless the context otherwise requires, the terms defined in this Article I shall have the meaning herein specified when used in this Joint Community Facilities Agreement:

"**Acceptable Title**" means title to land, or an easement therein, delivered free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether any such item is recorded or unrecorded, except those non-monetary items which are reasonably determined by the Flood Control District not to interfere with the intended use of such land or easement and therefore are not required to be cleared from title.

"**Acceptance Date**" means, with respect to any Flood Control Facility, the date that the Flood Engineer provides written notice, pursuant to Section 4.13., that the Flood Control Facility has been accepted by the Flood Control District into its maintained system.

"**Act**" means the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the Code, as amended.

"**Actual Cost**" means, with respect to a Flood Control Facility, to the extent authorized by law, an amount equal to the sum of (a) the Property Owner's actual, reasonable cost of constructing such Flood Control Facility, including labor, material and equipment costs, (b) the Property Owner's actual reasonable cost of designing and preparing the Plans and Specifications for such Flood Control Facility, including engineering services provided in connection with designing and preparing such Plans and Specifications, (c) the Property Owner's actual, reasonable cost of environmental evaluations and any mitigation measures required by any governmental agency with jurisdiction with regard to such Flood Control Facility, or portions thereof, (d) the amount of any fees actually paid by the Property Owner to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Flood Control Facility including but not limited to plan check and inspection fees by the Flood Control District and the County, (e) the Property Owner's actual reasonable cost for professional services directly related to the construction of such Flood Control Facility, including engineering, legal, inspection, construction staking, materials testing and similar professional services, (f) the Property Owner's actual, reasonable cost, as determined by the County, for construction management, bid administration and contract administration services which shall not exceed 2% of construction costs, (g) the costs incurred by the County acting as the Contract Administrator; (h) the Property Owner's actual reasonable cost of payment, performance or maintenance bonds and insurance for such Flood Control Facility, (i) the actual, reasonable cost of easements or other real property or interest therein acquired from a party other than a

Property Owner, which real property or interest therein is either necessary for the construction of such Flood Control Facility (e.g., temporary construction easements, haul roads, etc.) or is required to be conveyed with such Flood Control Facility in order to convey Acceptable Title thereto to the Flood Control District, all as specified in a Payment Request that is to be reviewed and approved by the Contract Administrator; provided, however, that (x) no item of cost relating to a Flood Control Facility shall be included in more than one category of cost specified in clauses (a) through (i) of this definition, and (y) each item of cost shall include only amounts actually paid by the Property Owner to third parties and shall not include overhead or other internal expenses of the Property Owner, except that, if Property Owner employees perform construction management, bid administration or contract administration services with respect to a Flood Control Facility, the actual reasonable cost of the salaries and benefits paid by the Property Owner to such employees for performing such services may be included as an item of cost relating to such Flood Control Facility for the category of cost specified in clause (f) of this definition and subject to the 2% limitation specified in clause (f).

**"Administrator"** means the Director of Planning and Development of the School District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

**"Board of Education"** means the Board of Education of the School District.

**"Board of Supervisors"** means, respectively, the Board of Supervisors of the County and the Board of Supervisors of the Riverside County Flood Control and Water Conservation District.

**"Bonds"** means the special tax bonds that the Community Facilities District may attempt to sell and issue in one or more series for each Improvement Area if the Proceedings are approved, a portion of the proceeds of which will be used to acquire all or part of the Flood Control Facilities.

**"Business Day"** means a day which is not a Saturday or Sunday or a day of the year on which the Flood Control District or the County are not required or authorized to be open.

**"CEQA"** means the California Environmental Quality Act (CEQA), constituting Section 21000 *et seq.* of the California Public Resources Code, as amended.

**"Code"** means the California Government Code.

**"Community Facilities District"** means "Community Facilities District No. 23 of Riverside Unified School District," a community facilities district to be organized and existing under the Act.

**"Construction Site"** means the sites on which the Flood Control Facilities are to be constructed, including off site staging areas and material storage areas.



**"Contract Administrator"** means the Director of Transportation of the County (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

**"County"** means the County of Riverside, a political subdivision of the State, and its successors.

**"County Engineer"** means the Director of Transportation of the County (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

**"Flood Control District"** means the Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code.

**"Flood Control Facilities"** means one or more of those certain flood control and storm water drainage facilities that are identified and described as Facilities 1 through 8 of Exhibit B attached hereto that are to be owned, operated and maintained by the Flood Control District. This term expressly does not include the associated catch basins, connector pipes, laterals or roadway culverts which are to be owned and maintained by the County and are to be addressed in the Joint Community Facilities Agreement among the School District, the County and the Property Owner.

**"Flood Control Facility"** means any individual facility described in Exhibit B as Facility 1 through 8.

**"Flood Control Facilities Account"** means the account (however denominated) to be established pursuant to each Indenture for an Improvement Area to hold that portion of Bond proceeds to be applied to pay the Purchase Price for the Flood Control Facilities.

**"Flood Engineer"** means the General Manager-Chief Engineer of the Flood Control District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

**"Functional"** means that the Flood Engineer or County Engineer, as appropriate, has determined that construction of a Flood Control Facility, or a segment thereof, has been satisfactorily completed to the point where the Flood Control Facility is capable of safely accepting, conveying and discharging storm water runoff in accordance with the approved Plans and Specifications and without causing damage to adjacent property or another Flood Control Facility.

**"Functioning Segment"** means a discrete segment of a Flood Control Facility or an aggregation of Flood Control Facilities which have been deemed Functional.

**"General Prevailing Wage Rates"** means those rates as determined by the Director of the Department of Industrial Relations of the State pursuant to Sections 1770, *et seq.* of the Labor Code of the State that are applicable to public works construction activity within the County.

**"Hazardous Material"** means any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic substances, material or waste which is or becomes regulated by any local governmental authority, the State or the federal government and specifically includes, without limitation, any material or substance which is (i) designated as "hazardous substance" pursuant to Section 3111 of the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 *et seq.* (33 U.S.C. Section 1321), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 USC Section 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, (iv) petroleum or petroleum products, (v) asbestos, (vi) hydrocarbons, or (vii) polychlorinated biphenyl ("PCB" or PCB containing materials).

**"Improvement Area" or "Improvement Areas"** means, either individually or collectively, one or more of the Improvement Areas, as the context would indicate, that are to be designated within the Community Facilities District.

**"Indenture" or "Indentures"** means each indenture, trust agreement, resolution, fiscal agent agreement or similar instrument, regardless of title, pursuant to which bonds, notes or other evidences of indebtedness of the Community Facilities District have been issued for an Improvement Area and are outstanding, as originally executed or as the same may from time to time be supplemented or amended pursuant to the provisions thereof.

**"Joint Community Facilities Agreement"** means this Joint Community Facilities Agreement, dated as of June 26, 2007, by and among the School District, the Flood Control District, the County and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

**"Legislative Body"** means the Board of Education, acting *ex officio* as the legislative body of the Community Facilities District.

**"Mitigation Agreement"** means the Mitigation Agreement to be entered into by and between the School District and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

**"Payment Request"** means the document to be provided by the Property Owner to the Contract Administrator to substantiate the Purchase Price of one or more the Flood Control Facilities, which shall be substantially in the form of Exhibit D attached hereto.

**"Plans and Specifications"** mean the plans and specifications for the Flood Control Facilities prepared or to be prepared at the direction of the Property Owner pursuant to Section 4.1., hereof comprised of Flood Control District Drawing Nos. 1-646, 1-651, 1-652, 1-653, 1-654, 1-655, 1-656 and 1-657.



**"Proceedings"** means those proceedings to be undertaken by the Board of Education to consider the formation of the Community Facilities District and the designation of Improvement Areas therein and the approval by said Board of Education and the qualified electors of the Community Facilities District and each Improvement Area of the authorization to levy special taxes therein pursuant to the Rate and Method and to incur bonded indebtedness to finance the construction and acquisition of certain public improvements and by the Legislative Body to sell and issue the Bonds.

**"Property Owner"** means SMR Ventures, LLC, a Delaware limited liability company, and its successors and assigns, acting as the master developer of infrastructure within the Community Facilities District, including but not limited to the Flood Control Facilities.

**"Property Owner's Representative"** means the person executing this Joint Community Facilities Agreement or the person or persons designated as such by the Property Owner in a certificate signed by the Property Owner and delivered to the School District, the Community Facilities District, the Flood Control District, and the County consistent with Section 6.16., below.

**"Public Contract Code"** means the Public Contract Code of the State.

**"Purchase Price"** means, subject to the provisions of Section 3.2 hereof, the Actual Cost of a Flood Control Facility as determined by the Contract Administrator.

**"Rate and Method"** means the rate and method of apportionment of special taxes for each Improvement Area authorized to be levied within the Community Facilities District pursuant to the Proceedings.

**"School District"** means the Riverside Unified School District, a school district organized and existing under the laws of the State of California.

**"State"** means the State of California.

**"Tract" or "Tracts"** means, individually or collectively, Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741.

## ARTICLE II

### CONDITIONS PRECEDENT

**Section 2.1. Proceedings for the Formation of the Community Facilities District and the Improvement Areas therein; Costs of Formation.** The Property Owner has submitted to the School District an application requesting that the Proceedings be initiated by the School District to form the Community Facilities District and designate the Improvement Areas therein for the purpose of financing the acquisition and construction of certain public facilities, including the Flood Control Facilities, and to authorize the levy of special taxes within the Community Facilities District pursuant to the Rate and Method for each Improvement Area and the incurrence of bonded indebtedness to finance the construction and acquisition of said public facilities and for the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area pursuant to the Act and the applicable Indenture.

Should the formation of the Community Facilities District and the designation of the Improvement Areas be approved to finance the acquisition and construction of the Flood Control Facilities, the Legislative Body will use its best efforts to cause the Bonds to be sold and issued for each Improvement Area in one or more series, pursuant to the terms of the Act, the applicable Indenture and the applicable sections of the Mitigation Agreement. A portion of the proceeds of the Bonds are intended to provide funds that will allow each Improvement Area of the Community Facilities District to finance all or a portion of the costs of constructing and acquiring the Flood Control Facilities. Should the Board of Education not approve the formation of the Community Facilities District and/or the Legislative Body not sell and issue any Bonds, the School District, the Flood Control District, the County and the Property Owner will not be bound by the terms of this Joint Community Facilities Agreement and it shall be considered null and void by the parties to it. The School District will notify all parties to this Joint Community Facilities Agreement within fifteen (15) calendar days of either event occurring.

The Property Owner acknowledges that the decision of the Board of Education to approve the formation of the Community Facilities District and the designation of the Improvement Areas therein and of the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area is an exercise of legislative discretion by the Board of Education and Legislative Body, respectively, and the School District may not enter into a contract or obligate either the Board of Education or the Legislative Body to exercise its legislative discretion in a particular manner. This Joint Community Facilities Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the Board of Education to approve the formation of the Community Facilities District and the designation of Improvement Areas therein or the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area.



The Board of Education and the Legislative Body shall have the jurisdiction to and shall be solely responsible for undertaking the Proceedings consistent with the provisions of the Act, each Indenture and the Mitigation Agreement.

**Section 2.2. Addendum to Exhibit B of this Joint Community Facilities Agreement for Modification of the Flood Control Facilities.** It is the intent of both the Property Owner and the School District to cause one or more series of Bonds to be issued for each Improvement Area. All of the Flood Control Facilities eligible to be financed by the Community Facilities District are identified in Exhibit B. Each Improvement Area shall be authorized to finance any or all of the Flood Control Facilities. The descriptions of the Flood Control Facilities are general and any minor differences between the Flood Control Facilities described in Exhibit B and those Flood Control Facilities actually acquired hereunder shall not prevent the financing of such Flood Control Facilities. Should there be additional amendments deemed necessary by the Flood Control District or the County to be made to this Joint Community Facilities Agreement, any necessary amendments to this Joint Community Facilities Agreement shall be made pursuant to Section 6.4., hereof, and such amendments shall be made prior to the authorization by the Legislative Body to sell and issue any additional series of Bonds the proceeds of which will be used to finance such Flood Control Facilities.

**Section 2.3. Fee Deposit with County for Preparation and Implementation of this Joint Community Facilities Agreement.** The Property Owner is to cause to be deposited with the County Executive Officer, or his/her designee (the "Special Districts Administrator") an aggregate amount of \$12,000 for the three joint community facilities agreements that are to be prepared with regard to the Community Facilities District, of which \$ 4,000 has been deposited by the Property Owner, to be held in a trust account to cover all costs incurred in drafting, preparing and implementing this Joint Community Facilities Agreement and the other two such agreements. The Special Districts Administrator will prepare an accounting of the costs incurred and provide an accounting to the Property Owner. If the amount deposited is insufficient to cover such costs, the Property Owner will cause an additional amount to be deposited with the Special District Administrator within thirty (30) calendar days of being provided a written request for the additional funds. The amounts deposited with the Special District Administrator that have not been used will be returned to the Property Owner as directed by the Administrator. Any portion of the amounts deposited with the Special District Administrator that are used for the purposes identified above shall be reimbursable to the Property Owner from the proceeds of the Bonds.

**Section 2.4 Right of Entry and Inspection Agreements.** The Flood Control District has approved Plans and Specifications [District Drawing Nos. 1-646, 1-651, 1-652, 1-654 and 1-655] and entered into three Right of Entry and Inspection Agreements with the Property Owner. Under the Right of Entry and Inspection Agreements, the Property Owner may commence construction of those Flood Control Facilities for which Plans and Specifications have been approved.

## ARTICLE III

### ACQUISITION OF THE FLOOD CONTROL FACILITIES

**Section 3.1. Acquisition of the Flood Control Facilities.** The provisions of this Article III shall apply only to those Flood Control Facilities that the Property Owner elects to finance with the proceeds of the Bonds deposited in the Flood Control Facilities Account for an Improvement Area.

For any such Flood Control Facility, the Property Owner hereby agrees to transfer to the Flood Control District each of the Flood Control Facilities and the Community Facilities District hereby agrees to pay the Purchase Price thereof, subject to the terms and conditions hereof and of the Mitigation Agreement. Acceptable Title to any parcels on which any Flood Control Facility is constructed and for which title is not presently held by the Flood Control District as well as Acceptable Title to the Flood Control Facility financed pursuant hereto shall be transferred to the Flood Control District as of the Acceptance Date; provided, however, that notwithstanding such transfer the Property Owner shall be solely responsible for the operation and maintenance of any Flood Control Facility until the Acceptance Date of said Flood Control Facility.

The Purchase Price of each Flood Control Facility is to be paid solely from the amounts on deposit in the Flood Control Facilities Accounts, established by the applicable Indentures for the issuance of Bonds for one or more of the Improvement Areas, and the Community Facilities District shall not be obligated to pay the Purchase Price for any Flood Control Facility except from the amounts on deposit in a Flood Control Facilities Account. None of the School District, the Community Facilities District, the Flood Control District or the County makes any warranty, either expressed or implied, that the amount on deposit in the Flood Control Facilities Accounts will be sufficient to pay the full amount of the Purchase Price of any Flood Control Facility.

It is understood by the Property Owner that the net principal amount of the Bonds that will be deposited into each Flood Control Facilities Account, pursuant to the terms of the Mitigation Agreement and the applicable Indenture, and any investment earnings thereon, may not be sufficient to pay the full amount of the Purchase Price of any Flood Control Facility at the time a Payment Request is approved by the Contract Administrator. If the amounts on deposit in the applicable Flood Control Facilities Account, at the time Payment Request is approved by the County Engineer and submitted to the Administrator for payment, are not sufficient to pay the Purchase Price for the Flood Control Facility or Facilities identified therein, the timing of the payment of the Purchase Price therefor and the proportionate amount of the Purchase Price to be paid will be determined consistent with the terms of the Mitigation Agreement. At all times, the construction of Flood Control Facilities that are to be financed with the Bonds is made with the expectation that the Purchase Price for any Flood Control Facility is to be paid by the Community Facilities District (but solely from the proceeds of the Bonds, if any, issued by one or more of the Improvement Areas), and that the conveyance of a Flood Control Facility to the County or the Flood Control District prior to the receipt of



the Purchase Price, or any portion thereof, for said Flood Control Facility shall not be construed as a dedication, gift, or waiver of the payment of the Purchase Price or any unpaid balance thereof.

Notwithstanding any other provision of this Joint Community Facilities Agreement, the fact that there may not be sufficient funds available in the Flood Control Facilities Accounts to pay the Purchase Price for one or more Flood Control Facilities will not relieve the Property Owner from its obligation consistent with the conditions of approval for the Tracts to construct the Flood Control Facilities.

Failure of the Property Owner to fully comply with the terms of this Article may result in a denial of the Property Owner's request for reimbursement for any costs incurred in the design, engineering and construction of such Flood Control Facilities. Compliance with Article III shall be determined separately for each Flood Control Facility.

Each Flood Control Facility may be acquired by the Flood Control District pursuant to the terms hereof provided such Flood Control Facility has been accepted by the Flood Control District in accordance with the terms of Article IV Section 13 and otherwise meets the conditions established in this Joint Community Facilities Agreement.

**Section 3.2. Determination of the Purchase Price; Processing Payment Requests.** The determination of the Purchase Price for the Flood Control Facilities shall be made consistent with the provisions of this Section 3.2.

In order for the Contract Administrator to be able to determine the Purchase Price for a completed Flood Control Facility, the Property Owner shall deliver to the Contract Administrator:

- (a) A complete Payment Request for said Flood Control Facility, together with all attachments and exhibits needed to be included therewith as determined by the Contract Administrator; and
- (b) A written statement from the Flood Control Engineer stating that the Flood Control District has accepted ownership of the Flood Control Facility as constructed and to include it as part of Flood Control District's maintained system as of the Acceptance Date; and
- (c) A copy of the Notice of Completion for said Flood Control Facility that will be filed in accordance with Section 3093 of the California Civil Code, if applicable. Final lien releases addressed to the Flood Control District, the County, the School District and the Community Facilities District must be received by the Contract Administrator prior to the Contract Administrator approving the Payment Request which determines the Purchase Price for said Flood Control Facility and authorizes payment.

When the Contract Administrator has been provided with a complete Payment Request and all other documents as required by it to determine the Purchase Price, the Contract Administrator will sign the Payment Request, identifying the Flood Control  
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Facility and specifying the Purchase Price, and forward it to the Administrator for payment consistent with the terms of the Indenture.

Upon receipt of such a completed Payment Request from the Contract Administrator, the Administrator shall submit it to the fiscal agent or trustee for the Flood Control Facilities Account from which the Purchase Price is to be paid together with such other information as the fiscal agent or trustee may require to authorize payment of the Purchase Price from the Flood Control Facilities Account. If at the time such a Payment Request is received by the Administrator, there are not sufficient funds on deposit in the applicable Flood Control Facilities Account to pay the Purchase Price for the identified Flood Control Facility, the Administrator shall notify the Contract Administrator and the Property Owner of the amount of funds that are on deposit in the Flood Control Facilities Account to be applied to payment of a portion of the Purchase Price for the Flood Control Facility, and shall authorize the fiscal agent or trustee to pay the available amount to the Property Owner as a partial payment of the Purchase Price for the Flood Control Facility.

**Section 3.3. Public Works Bidding and Construction Requirements.**

(a) In order to ensure that a Flood Control Facility that is to be acquired with the proceeds of the Bonds will be constructed as if it had been constructed under the direction and supervision, or under the authority of, a public agency, so that it may be acquired pursuant to Sections 53313.5 and 53314.9 of the Code, the Property Owner shall comply with all of the applicable requirements set forth in the Public Contract Code regarding the notice of bidding and award of contract for a public works project by a public agency, in this instance the Flood Control District.

(b) Prior to awarding a construction contract for any Flood Control Facilities, the Property Owner shall submit a bid packet for review to the Flood Engineer and the County Engineer for review of the general and technical specifications and to the Contract Administrator for compliance with Public Contract Code requirements. The contract for construction of any Flood Control Facility is to be awarded to the responsible bidder submitting the lowest responsive bid after notice inviting sealed bids. Sealed bids are to be publicly solicited consistent with the applicable provisions of the Public Contract Code dealing with the bidding of public works projects constructed by the Flood Control District. Public notice is to be given consistent with the Public Contract Code as to the date, time and place where bids will be opened. The Contract Administrator is to be provided with copies of all bids received, formatted consistent with Exhibit C, attached hereto, and provided with a declaration, in a form satisfactory to the Contract Administrator, as to solicitation of bids, the bid opening and award of bid.

(c) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on a Flood Control Facility, as required by the Labor Code, to pay not less than General Prevailing Wage Rates to all workers employed in the execution of the contract, to post a copy of the General Prevailing Wage Rates at the job-site in a conspicuous place available to all employees and applicants for employment, and to otherwise comply with applicable provisions of the California Labor



Code, the Code and the California Public Contracts Code relating to General Prevailing Wage Rates as required by the specifications approved by the Contract Administrator. The Contract Administrator shall provide the Property Owner with copies of tables setting forth the General Prevailing Wage Rates, and the Property Owner hereby acknowledges receipt thereof.

(d) The Property Owner shall require each principal contractor to provide proof of insurance coverage to the Contract Administrator satisfying the requirements of Section 4.6 hereof throughout the term of the construction of the Flood Control Facilities. Rather than requiring its principal contractors to provide such insurance, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(e) Each principal contractor engaged to perform work on the Flood Control Facilities shall be required to furnish (i) labor and material payment bonds, and (ii) contract performance bonds, each in an amount equal to 100% of the contract price naming the Property Owner, the Community Facilities District, the Flood Control District, and the County as obligees and with an admitted surety complying with the provisions of Section 995.660 of the California Code of Civil Procedure.

All such bonds shall be in a form as shown in Exhibit D. The bonds tendered pursuant to this sub-section are to be accepted and held by the County Engineer. Rather than requiring its contractors to provide such bonds, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(f) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the Flood Control Facilities, to comply, with such other requirements relating to the construction of the Flood Control Facilities as the Contract Administrator may impose by written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State or County laws, rules or procedures.

(g) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the Flood Control Facilities, to submit certified weekly payroll records or other proof of payment of General Prevailing Wage Rates to the Property Owner and to furnish certified payroll records or such other proof of payment of General Prevailing Wage Rates to the Contract Administrator promptly upon request.

(h) All change orders shall be reviewed and, if appropriate, approved by the Flood Engineer and the County Engineer for the purpose of ensuring that they comply with the Flood Control District's and County's engineering standards and by the Contract Administrator in order for the work represented by the change order to be eligible for consideration in determining the Purchase Price. Copies of the Flood Engineer's or the County Engineer's approval of any change orders are to be provided to the Contract Administrator.

(i) The Property Owner shall provide proof to the Contract Administrator at such intervals and in such form as the Contract Administrator may require that the foregoing requirements have been satisfied as to any of the Flood Control Facility for which is to be financed with the proceeds of the Bonds.



## ARTICLE IV

### CONSTRUCTION OF THE FLOOD CONTROL FACILITIES

This Article IV sets forth the terms and conditions which the Property Owner shall follow to ensure acceptance of the Flood Control Facilities by the Flood Control District. Failure of the Property Owner to fully comply with the terms of this Article may result in the Flood Control District not accepting a Flood Control Facility into its maintained system, in which case the Property Owner may not receive reimbursement for any costs incurred in the design, engineering and construction of such Flood Control Facilities under this Joint Community Facilities Agreement. Compliance with this Article shall be determined separately for each Flood Control Facility or segment thereof.

**Section 4.1. Preparation and Approval of Plans.** . To the extent that the Property Owner has not already done so, it shall cause Plans to be prepared for the Flood Control Facilities. The Property Owner shall obtain the written approval of the Plans from the Flood Engineer and the County Engineer. The Property Owner shall provide a copy of all such Plans to the Flood Engineer and the County Engineer. Once the Plans have been approved, no changes are to be made thereto without prior written consent of the Flood Engineer and the County Engineer.

Prior to commencing construction of a Flood Control Facility, the Property Owner shall deliver the original Plans to the Flood Engineer and assign their ownership to the Flood Control District.

**Section 4.2. Duty of Property Owner to Construct.** The Property Owner shall construct or cause to be constructed the Flood Control Facilities in accordance with the Plans and Specifications approved by the Flood Engineer, the County Engineer, and the Contract Administrator. The Property Owner shall perform all of its obligations hereunder and shall conduct all operations with respect to the construction of the Flood Control Facilities in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Notwithstanding the foregoing, nothing set forth in this Joint Community Facilities Agreement shall be construed (i) to require the Property Owner to perform any work requiring a contractor's license, nor shall the Property Owner be deemed to be performing construction services pursuant to this Joint Community Facilities Agreement or (ii) require the Property Owner to cause the Plans to be prepared for the Flood Control Facilities at a specific time or in a manner other than as required by the approved conditions for the development of the Property.

**Section 4.3. Bonding Requirements.** The Property Owner shall post such subdivision bonds as are required by the County in connection with the recording of all subdivision maps for the Property. All such bonds shall be in a form as shown in Exhibit E. The bonds tendered pursuant to this sub-section are to be accepted and held by the

County Engineer. The Property Owner's obligations pursuant to this Section may be considered satisfied, in part, through the contract performance bonds to be provided by the Property Owner's contractors.

In the event suit is brought upon this Joint Community Facilities Agreement or any bond guaranteeing the completion of the Flood Control Facilities, Property Owner shall pay all costs, reasonable expenses and fees, including reasonable attorney's fees, and hereby acknowledges and agrees that, upon entry of judgment, all such costs, expenses and fees shall be computed as costs and included in any judgment rendered.

**Section 4.4. Right of Way Requirements.**

(a) Acceptable Title to all property not presently held by the Flood Control District on, in or over which a Flood Control Facility will be located shall be deeded over to Flood Control District by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such easement is approved by Flood Control District as being a sufficient interest therein to permit Flood Control District to properly own, operate and maintain such Flood Control Facility located therein, thereon or thereover, and to permit the Developer to perform its obligations as set forth in this Joint Community Facilities Agreement. The requirement to convey Acceptable Title to the Flood Control District shall not apply to any Flood Control Facility, or segment thereof, that is located within a dedicated public road or other easement held by the County.

(b) Prior to commencing construction of a Flood Control Facility, the Property Owner shall provide to the Flood Control District duly executed Irrevocable Offer(s) of Dedication to the public for flood control purposes, including ingress and egress, for all rights of way deemed necessary by the Flood Control District for the construction, inspection, operation and maintenance of said Flood Control Facility. The necessary rights of way for the Flood Control Facilities are shown in concept on Exhibit C which is attached hereto and by this referenced incorporated herein.

The Irrevocable Offer(s) of Dedication shall be in a form approved by the Flood Control District and shall be executed by all legal and equitable owners described in the offer and shall be accompanied by Preliminary Reports on Title dated not more than thirty (30) days prior to the date of submission for all property described in the Irrevocable Offer(s) of Dedication.

(c) Upon completion of construction of a Flood Control Facility but prior to the Flood Control District's acceptance of a Flood Control Facility for ownership, operation and maintenance, the Property Owner shall convey or cause to be conveyed:

(i) Fee simple title for each basin or open channel segment; and

(ii) Flood Control easements for each underground storm drain facility or segment thereof.

At the time of recordation of the conveyance document(s) set forth in this Section 4.4., the Property Owner shall furnish Flood Control District with policies of title insurance guaranteeing Flood Control District's interest in said property as being free and clear of Riverside Unified School District CFD No. 23  
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all liens, encumbrances, assessments, easements, taxes and leases (recorded or unrecorded), except those which, in the sole discretion of Flood Control District, are deemed acceptable.

For each fee parcel that is to be conveyed to Flood Control District, the amount of title insurance shall be no less than one hundred percent (100%) of the estimated fee value, as determined by Flood Control District. For each easement parcel that is to be conveyed to Flood Control District, the amount of title insurance shall be no less than fifty percent (50%) of the estimated fee value, as determined by Flood Control District.

**Section 4.5. Licenses and Regulatory Permits.** Prior to commencing construction of a Flood Control Facility, the Property Owner shall secure all necessary licenses, agreements, encroachment permits, rights of entry and temporary construction easements (collectively "Licenses") that may be needed for the construction, inspection, operation and maintenance of the Flood Control Facility. The Property Owner shall also secure, prior to commencing construction of a Flood Control Facility, all permits approvals or agreements (collectively, "Regulatory Permits"), as may be required by the various Federal and State resource and/or regulatory agencies, for the construction, operation and maintenance of a Flood Control Facility. The Regulatory Permits include, but are not limited to, those permits issued by the U.S. Army Corps of Engineers, the State Water Resources Control Board ("SWRCB"), California State Department of Fish and Game and the Regional Water Quality Control Board. Prior to execution or acceptance by the Property Owner, all Licenses and Regulatory Permits shall be reviewed by the Flood Engineer to determine whether the conditions specified therein are satisfactory to the Flood Control District.

**Section 4.6 Insurance Requirements.** Without limiting or diminishing the Property Owner's obligation to indemnify or hold harmless the Flood Control District, the County, the Community Facilities District, when formed, and the School District pursuant to Section 5.6., hereof, the Property Owner shall procure and maintain or cause to be procured and maintained, at its sole cost and expense the following insurance coverages, or alternate coverages acceptable to the County's Risk Manager, during the term of this Joint Community Facilities Agreement:

(a) *Commercial General Liability:* Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations, explosion, collapse, use of cranes, and other heavy equipment and underground hazards, personal and advertising injury covering claims which may arise from or out of the Property Owner's performance of its obligations hereunder. The policy shall name by endorsement the Flood Control District, the County, the School District and the Community Facilities District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit.

(b) *Vehicle Liability:* The Property Owner shall maintain liability insurance for all owned, non-owned or hired vehicles 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 Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit. Policy shall name by endorsement the Flood Control District, the County, the School District, the Community Facilities District, their respective directors, officers, Board of Supervisors, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds."

(c) *Worker's Compensation Insurance:* The Property Owner shall maintain Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupation Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of the Flood Control District, the County, the School District, the Community Facilities District, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

General Insurance Provisions - all lines:

(i) 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 an A:VIII (A:8) unless such requirements are waived, in writing, by the County's Risk Manager.

(ii) The Property Owner'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's Risk Manager before the commencement of operations under this Joint Community Facilities Agreement. Upon notification of deductibles or self-insured retentions which are deemed unacceptable to the Flood Control District at the election of the County's Risk Manager, the Property Owner's carriers shall either: (i) reduce or eliminate such deductibles or self-insured retentions as respects this Joint Community Facilities Agreement with the Flood Control District and the County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

(iii) The Property Owner shall cause its insurance carrier(s) to furnish the Flood Control District and the County with (i) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; or (ii) evidence of coverage acceptable to the County's Risk Manager that may include original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect.

(iv) Further, said certificate(s) and endorsements to policies of insurance shall contain the covenant of the insurance carrier(s) that it shall provide no less than sixty (60) days written notice be given to the Flood Control District, the Community



Facilities District, the School District and the County prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, this Joint Community Facilities Agreement shall terminate forthwith, unless the Flood Control District, the Community Facilities District, the County and the School District receive, prior to the effective date of such material modification or cancellation of coverage, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages and the insurance required herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

(v) The Property Owner shall not commence construction of the Flood Control Facilities until the Flood Control District has been furnished either original certificate(s) of insurance and certified original copies of endorsement, policies of insurance including all endorsements and any and all other attachments as required in this Section, or other evidence of coverage acceptable to County's Risk Manager.

(vi) It is understood and agreed by the parties hereto and the Property Owner's insurance company(s) that the certificate(s) of insurance and policies shall so covenant and shall be construed as primary insurance, and the Flood Control District's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(vii) The Property Owner may pass down to its principal contractors the insurance obligations contained herein and will require its principal contractors to name on their insurance policies by endorsement the Flood Control District, the County, the School District, the Community Facilities District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Copies of such certificates and endorsements shall be provided to the Flood Control District.

**Section 4.7. NPDES Compliance.** The Property Owner shall prepare and implement, or cause to be prepared and implemented, a Stormwater Pollution Prevention Plan (SWPPP) in accordance with the requirement of the State's National Pollutant Discharge Elimination System (NPDES) General Permit for Stormwater Discharges Associated with Construction Activity (SWRCB Order No. 99-08 DWQ) and any amendments thereto (the "General Permit"). The General Permit regulates both stormwater and non-stormwater discharges associated with construction activities required by this Joint Community Facilities Agreement.

The SWPPP shall identify site specific "Best Management Practices" ("BMP's") to be implemented during and after construction to control pollution of stormwater runoff and receiving waters. The identified BMP's shall include, but not be limited to, "good housekeeping" practices for the Construction Site such as establishing stabilized construction access points, providing adequate sanitary/septic waste management, designating vehicle and equipment cleaning/maintenance areas, employing proper material handling and storage practices, maintaining adequate soil stabilization and erosion control practices to control the discharge of pollutants from the Construction Site

and any activities thereon. The SWPPP shall also stipulate to an ongoing program for monitoring and maintenance of all BMP's.

The Property Owner shall be solely responsible throughout the duration of constructing the Flood Control Facilities for placing, installing, constructing, inspecting and maintaining all BMP's identified in the SWPPP and amendments thereto and for removing and disposing of temporary BMP's.

The Property Owner shall become fully informed of and comply with the applicable provisions of the General Permit, Federal, State and local regulations that govern the Property Owner's activities and operation pertaining to both stormwater and non-stormwater discharges from the Construction Site of the Flood Control Facilities and any area of disturbance outside said Construction Site relating to the Flood Control Facilities. The Property Owner shall, at all times, keep copies of the General Permit, approved SWPPP and all amendments at the Construction Site. The SWPPP shall be made available upon request of a representative of the SWRCB, Santa Ana Regional Water Quality Control Board, or the United States Environmental Protection Agency. The Property Owner shall, at reasonable times, allow authorized agents of the above sited agencies, upon the presentation of credentials to: (i) enter upon the Construction Site; (ii) have access to and copy any records required to be kept as specified in the General Permit, (iii) inspect the Construction Site and determine whether related soil stabilization and sediment control BMP's have been implemented and maintained, and (iv) sample or monitor stormwater or non-stormwater runoff for purposes of ensuring compliance with the General Permit.

The Property Owner shall be solely and exclusively responsible for any arrangements made between it and other property owners or entities that result in disturbance of land at the Construction Site.

The Property Owner shall be responsible for all costs and for any liability imposed by law as a result of its failure to comply with the requirements set forth in this Section, including but not limited to, compliance with the applicable provisions of the General Permit and Federal, State and local regulations. For the purpose of this Section, costs and liabilities include, but are not limited to, fines, penalties and damages whether assessed against the Flood Control District, the County, the School District, the Community Facilities District or the Property Owner, including those levied under the Federal Clean Water Act and the State's Porter-Cologne Water Quality Act.

**Section 4.8. Cal/OSHA; Confined Space Entry.** At all times during the construction of the Flood Control Facilities, the Property Owner shall require all contractors to comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintenance of a safe working environment for the Flood Control District, the County, the School District and their respective employees on the site. This will include the preparation of a confined space procedure specific for all storm drain facilities. The procedure shall comply with requirements contained in Sections 5157 and 5158 of Title 8 of the California Code of Regulations and the Flood Control District's "Confined Space Procedure, SOM-18." The confined space procedure is to be



review and approved by the Flood Engineer before proceeding with construction of the Flood Control Facilities.

**Section 4.9. Notice of Intent to Commence Construction.** Not less than twenty (20) calendar days prior to the date on which it intends to commence construction of a Flood Control Facility, the Property Owner is to provide a written "Notice of Intent to Commence Construction" to the Flood Engineer. Construction on the Flood Control Facility may not proceed until the Flood Engineer issues Property Owner a written "Notice to Proceed" to the Property Owner. The Property Owner's "Notice of Intent" shall include all of the following:

- (a) Contractor Identification - A complete list of all contractors and subcontractors to be performing work on the Flood Control Facilities, including the corresponding license number and license classification of each. The Property Owner shall also identify its designated superintendent for construction of the Flood Control Facilities.
- (b) Construction Schedule - A construction schedule which shall show the order and dates in which the Property Owner and the Property Owner's contractor proposes to carry on the various parts of work, including estimated start and completion dates. As construction of the Flood Control Facility progresses the Property Owner shall update said construction schedule upon request.
- (c) Construction Inspection Deposit - Deposit with Flood Control District (Attention: Business Office - Accounts Receivable) the estimated cost of providing construction inspection for the Flood Control Facilities, in an amount as determined and approved by Flood Control District in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County, based upon the bonded value of the Flood Control Facilities to be inspected, operated and maintained by Flood Control District.

The Flood Control District's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability. In the event the Property Owner wishes to expedite issuance of the Notice to Proceed, the Property Owner may elect to furnish an independent qualified construction inspector. The Property Owner shall furnish appropriate documentation of the individual's credentials and experience to the Flood Engineer for review and approval. The Flood Engineer shall review the individual's qualifications and experience and, upon approval, said individual shall be "deputized" and authorized to act on the Flood Control District's behalf on all construction inspection and quality control matters. If the Property Owner's initial construction inspection deposit exceeds the amount of \$10,000, the Flood Control District shall refund to the Property Owner up to eighty percent (80%) of the Property Owner's initial inspection deposit within forty (45) days of

Flood Engineer's approval of the "deputized" inspector; however, a minimum balance of \$10,000 shall be retained in the account.

- (d) Subdivision Bonds - Approved copies of the bonds required by Section 4.3., above.
- (e) Irrevocable Offer(s) of Dedication - The duly executed irrevocable offer(s) of dedication to the public for flood control purposes, including ingress and egress, for the rights of way deemed necessary by the Flood Control District for the construction, inspection, operation and maintenance of the Flood Control Facilities as required by Section 4.4.(b), above. Preliminary reports of title dated not more than thirty (30) days prior to date of submission for all property described in the irrevocable offer(s) of dedication.
- (f) Licenses and Regulatory Permits - Copies of all Licenses and Regulatory Permits secured pursuant to Sections 4.5 and 4.7, above, including a copy of the Notice of Intent ("NOI") and waste discharge identification number ("WDID No.") received from the SWRCB pursuant to Section 4.7, above.
- (g) Certificates of Insurance/Endorsements - Certificates of insurance and the applicable endorsements as required by Section 4.6.
- (h) Contractor's Confined Space Entry Procedure - The confined space procedure as required by Section 4.8.

**Section 4.10. Conditions to be Satisfied During Construction.**

(a) The Property Owner shall make a good faith effort to complete construction of the Flood Control Facilities within eighteen (18) consecutive months after the Flood Control District issues Property Owner a written Notice to Proceed or the date of issuance of the series of Bonds to finance said Flood Control Facilities, whichever comes first. It is expressly understood that since time is of the essence in this Joint Community Facilities Agreement, failure of the Property Owner to perform the work within the agreed upon time shall constitute authority for the Flood Control District to cause the remaining work to be performed and require the Property Owner's surety to pay to the Flood Control District the penal sum of any and all bonds.

(b) Construction of the Flood Control Facilities shall be on a five (5) day, forty (40) hour workweek with no work on Saturday, Sundays or days designated by the Flood Control District as legal holidays, unless otherwise approved by the Flood Control District. If the Property Owner feels it is necessary to work more than normal forty (40) hour workweek or on holidays, the Property Owner shall make a written request for permission from the Flood Control District to work the additional hours (with a copy to the County Engineer). The request shall be submitted to the Flood Control District at least 72 hours prior to the request date for additional work hours and state the reasons for the overtime and the specific time frames required. The decision granting permission for



overtime work shall be made by the Flood Control District at its sole discretion and shall be final. If permission is granted, the Property Owner will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinances Nos. 671 and 749 of the County, including any amendments thereto.

(c) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the Flood Control Facilities, to comply, with such other requirements relating to the construction of the Flood Control Facilities as the Flood Control District may impose by written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State or County laws, rules or procedures.

(d) All change orders shall be reviewed and, if appropriate, approved by the Flood Engineer for the purpose of ensuring that they comply with Flood Control District's engineering standards for the work represented by the change order.

(e) The Property Owner has deposited with the Flood Control District funds presently estimated to cover the anticipated costs associated with the review and approval of the Plans, the review and approval of right of way and conveyance documents and with the processing and administration of this Joint Community Facilities Agreement. The Property Owner shall, within thirty (30) days after receipt of an additional billing(s) for such costs, as deemed necessary and reasonable, shall forward the billed amount to the Flood Control District.

(f) The Property Owner shall ensure that all work performed pursuant to this Joint Community Facilities Agreement, whether by Property Owner, its agents or contractors, is done in accordance with all applicable laws and regulations, including but not limited to all applicable provisions of the Labor Code, Public Contract Code, Business and Professions Code and Water Code. Property Owner shall be solely responsible for all costs associated with compliance with applicable laws and regulations.

**Section 4.11. Inspection; Completion of Construction.** The Flood Engineer shall have primary responsibility for providing inspection of the work of construction of the Flood Control Facilities to ensure that the work of construction is accomplished in accordance with the Plans approved by the Flood Control District. Flood Control District staff shall have access to the Construction Site at all reasonable times for the purpose of accomplishing such inspection and shall have final authority pertaining to any matters involving the Flood Control Facilities. Further, Property Owner agrees that Flood Control District inspection staff shall at all times have the authority to communicate any quality control concerns directly to Property Owner's contractor(s).

Upon completion of construction of a Flood Control Facility, the Property Owner shall notify the Flood Control District in writing that it considers the Flood Control Facility to be completed consistent with the Plans and, upon receipt of said notice, the Flood Control District's staff shall provide the property owner with a "punch list" of outstanding construction items that must be addressed prior to acceptance of the Flood

Control Facility or written confirmation that construction of the Flood Control Facility is complete consistent with the approved Plans and the provisions of this Joint Community Facilities Agreement.

Once construction of a Flood Control Facility is deemed complete, the Flood Engineer shall in a timely manner notify the Property Owner and the Administrator that construction of the Flood Control Facility has been satisfactorily completed and that the Property Owner may proceed with the recording of a Notice of Completion with respect to such construction pursuant to Section 3093 of the California Civil Code. The Property Owner shall provide a duplicate copy of the recorded Notice of Completion to the Administrator and the Flood Control District.

Once construction of a Flood Control Facility is deemed complete, the Flood Engineer shall in a timely manner notify the County Engineer to accept any flood control easements, offered as dedications on the subdivision maps for associated Tracts, and convey said easements to the Flood Control District.

Once construction of a Flood Control Facility is deemed complete, the Property Owner's civil engineer of record or construction civil engineer of record duly registered in the State shall provide to the Flood Control District redlined "as-built" plans and profile sheets for the Flood Control Facility. After the Flood Control District's approval of the redlined "as-built" drawings, the Developer's engineer shall schedule with the Flood Engineer a time to transfer the redlines onto the Flood Control District's original mylars at the Flood Control District's office, after which, said engineer shall review, stamp and sign the original mylars "As-Built."

**Section 4.12. Maintenance of Facilities; Warranties.**

(a) The Property Owner shall maintain the Flood Control Facilities in good and safe condition until the Acceptance Date of the Flood Control Facilities. Prior to the Acceptance Date, the Property Owner shall be solely responsible for maintaining the Flood Control Facilities in proper operating condition, and shall perform such maintenance on the Flood Control Facilities as the Flood Engineer reasonably determines to be necessary.

(b) As of the Acceptance Date, the performance bond provided by the Property Owner for the Flood Control Facilities pursuant to Section 4.3 shall be reduced to an amount equal to 10% of the original amount thereof and shall serve as a warranty bond to guarantee that the Flood Control Facilities will be free from defects due to faulty workmanship or materials for a period of 12 months from the Acceptance Date. Alternatively, the Property Owner may elect to provide a new warranty bond or cash in an equivalent amount.

(c) As of the Acceptance Date, the Property Owner shall assign to Flood Control District all of the Property Owner's rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to the Flood Control Facilities.



**Section 4.13. Acceptance of Facilities; Acceptance Date.**

Notwithstanding any other provision of this Joint Community Facilities Agreement, neither the Flood Control District nor the County shall be required to accept responsibility for the ownership, operation and maintenance of a Flood Control Facility, or any segment thereof, unless or until such Flood Control Facility is deemed to be Functional or a Functioning Segment as determined by the Flood Engineer.

Prior to the Flood Control District's acceptance of a Flood Control Facility for ownership, operation and maintenance, each of the following shall be furnished by the Property Owner or completed to the satisfaction of the Flood Engineer:

- (a) Satisfactory completion of the Flood Control Facility's construction;
- (b) Acceptance by County of all dedicated rights of way deemed necessary by the Flood Control District and County for the operation and maintenance of said Flood Control Facility;
- (c) Conveyance of Acceptable Title by Property Owner to the Flood Control District as set forth in Section 4.4. above;
- (d) Delivery of a duplicate copy of the Property Owner's recorded Notice of Completion for the Flood Control Facility.

Within a reasonable time following the Flood Control District's acceptance of a Flood Control Facility, the Flood Engineer shall provide written notice to the Administrator and County Engineer that the Flood Control District has accepted ownership of the Flood Control Facility and responsibility for the operation and maintenance thereof. The date of the Flood Control District's notice shall serve as the Acceptance Date.

**Section 4.14 Ownership of the Flood Control Facilities.**

(a) Notwithstanding the fact that some or all of the Flood Control Facilities may be constructed within dedicated street rights-of-way or on property which is owned by or has been or will be dedicated to the Flood Control District or the County, a Flood Control Facility shall be and remain the property of the Property Owner until Acceptable Title to parcels not owned by the Flood Control District or the County with respect to such Flood Control Facility is conveyed to the Flood Control District or the County, as appropriate, as provided herein, and such Flood Control Facility has been formally accepted by the Flood Control District for ownership, operation and maintenance. Ownership of said parcels by the Property Owner or other third parties shall likewise not be affected by any agreement that the Property Owner may have entered into or may enter into with the County pursuant to the provisions of the Subdivision Map Act, Section 66410 *et seq.* of the Code, and the provisions of this Section shall control.

(b) The County is to inspect, own, operate and maintain those portions of the Flood Control Facilities which are identified on the approved drainage plans as County maintained drainage facilities. The County, by execution of this Joint Community

Facilities Agreement, grants to the Property Owner the right to construct the Flood Control Facilities and to the Flood Control District the right to inspect, operate and maintain the Flood Control Facilities located within those County rights-of-way in which the Flood Control Facilities are located.



## ARTICLE V

### REPRESENTATIONS, WARRANTIES, COVENANTS,

### INDEMNIFICATION

**Section 5.1. Representations, Warranties and Covenants of the Property Owner.** The Property Owner, as the owner of the Tracts encompassed within the proposed boundaries of the Community Facilities District, makes the following representations, warranties and covenants for the benefit of the Flood Control District, the County, the School District, and the Community Facilities District, when formed, as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is in good standing under the laws of the State, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) Authority. Property Owner represents and warrants that it has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the Property Owner and is enforceable against Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Completion of Facilities. The Property Owner covenants that it will use its commercially reasonable and diligent efforts to do all things that may be lawfully required of it in order to cause the Flood Control Facilities the construction of which have been made a condition for the development of the Tracts to be completed in accordance with this Joint Community Facilities Agreement.

(e) Compliance with Laws. The Property Owner covenants that, while the Flood Control Facilities are owned by the Property Owner or required pursuant to this Joint Community Facilities Agreement to be maintained by it, the Property Owner will not commit, suffer or permit any of its agents, employees or contractors to commit any act to be done in, upon or to the Flood Control Facilities in violation in any material respect of any law, ordinance, rule,

regulation or order of any governmental entity or any covenant, condition or restriction now or hereafter affecting the Flood Control Facilities.

(f) Hazardous Materials. The Property Owner represents and warrants that neither the Property Owner, nor its principal contractors or any subcontractor, agent or employee thereof will use, generate, manufacture, procure, store, release, discharge or dispose of any Hazardous Material on, under or about the Construction Site or the Flood Control Facilities or transport any Hazardous Material to or from the Construction Site or the Flood Control Facilities in violation of any federal, state or local law, ordinance, regulation, rule, decision or policy statement regulating Hazardous Material.

(g) Permits. The Property Owner covenants that it will pursue in a commercially reasonable manner all governmental or other permits or licenses required to proceed with the construction of the Flood Control Facilities and that it will pay all fees relating thereto. The Property Owner represents and warrants that to the best of the Property Owner's knowledge, as of the date hereof, there is no material legal impediment to the Property Owner's proceeding with and completing the construction of the Flood Control Facilities or to the development of the Construction Site as contemplated by the Property Owner, except for government or other permits to be obtained.

(h) Payment Requests. The Property Owner represents and warrants that (i) it will not request payment from the Community Facilities District under this Joint Community Facilities Agreement for the acquisition of any improvements that are not part of a Flood Control Facility, and (ii) it will diligently follow all procedures set forth in this Joint Community Facilities Agreement.

(i) Financial Records. Until the determination of the Purchase Price of all Flood Control Facilities to be financed by the Community Facilities District, the Property Owner covenants to maintain proper books of record and account for the Flood Control Facilities and all costs related thereto. The Property Owner covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the Community Facilities District, the School District, the Flood Control District, and the County and their respective agents, at any reasonable time during regular business hours on two (2) Business Days' prior written notice, subject to mutually acceptable arrangements regarding the confidentiality of proprietary data.

(j) Property Owner's Responsibilities. The Property Owner accepts responsibility for and shall be responsible for identification and compliance with all applicable laws pertaining to constructing and installing the Flood Control Facilities and the contract or contracts pertaining thereto, including the laws that would apply to the Flood Control District if it were constructing the Flood Control Facilities itself. Notwithstanding the requirements of this Joint Community Facilities Agreement the Flood Control District, the County, the School District and the Community Facilities District make no representation as to the



applicability or inapplicability of any laws regarding contracts, including contracts related to the construction and installation of the Flood Control Facilities, and especially the matters of competitive bidding and payment of prevailing wages. Any of the Flood Control District, the County, the School District or the Community Facilities District may, in its sole discretion, supply guidance to the Property Owner with respect to laws governing the construction of the Flood Control Facilities if requested to do so by the Property Owner. Whether or not any or all of them have done so, the Property Owner will neither seek to hold or hold them liable for any consequences of any failure by the Property Owner to correctly determine applicability of any such requirements to any contract it enters into, irrespective of whether the Flood Control District, the County, the School District, or the Community Facilities District, as the case may be, knew or should have known about applicability of any such requirement.

**Section 5.2. Representations, Warranties and Covenants of the School District.** The School District makes the following representations, warranties and covenants for the benefit of the Flood Control District, the County, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The School District represents and warrants that the School District has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the School District.

(b) Binding Obligation. The School District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the School District and is enforceable against the School District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The School District represents and warrants that the School District will, in a timely manner, process all completed and approved Payment Requests submitted to it by the Contract Administrator and follow all procedures applicable to it as set forth in this Joint Community Facilities Agreement and the Mitigation Agreement.

(d) Financial Records. The School District covenants to maintain, or cause to be maintained, books of record and account for the proceeds of the Bonds, levy and collection of special taxes and the payment of principal of and interest on the Bonds in accordance with the requirements of the Indentures and the Act.

**Section 5.3. Representations, Warranties and Covenants of the Flood Control District.** The Flood Control District makes the following representations, warranties and covenants for the benefit of the School District, the Community Facilities District, when formed, the County and the Property Owner as of the date hereof:

(a) Authority. The Flood Control District represents and warrants that the Flood Control District has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the Flood Control District.

(b) Binding Obligation. The Flood Control District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the Flood Control District and is enforceable against the Flood Control District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Completion of Flood Control Facilities. The Flood Control District covenants that it will use its reasonable and diligent efforts to take expeditiously all actions that may be lawfully required of it in processing and approving Plans and Specifications in accordance with this Joint Community Facilities Agreement.

**Section 5.4. Representations, Warranties and Covenants of the County.** The County makes the following representations, warranties and covenants for the benefit of the Flood Control District, the School District, the Community Facilities District, when formed, and the Property Owner as of the date hereof:

(a) Authority. The County represents and warrants that the County has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the County.

(b) Binding Obligation. The County represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the County and is enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The County represents and warrants that it will cause the Contract Administrator to process all complete Payment Requests it receives in a timely manner consistent with the procedures set forth in this Joint Community Facilities Agreement.



(d) CEQA Compliance. For the sole and exclusive benefit of the Flood Control District, the County represents and warrants that it has taken all actions necessary under CEQA to allow for the construction of the Flood Control Facilities.

**Section 5.5. The Property Owner Indemnification.** The Property Owner, with regard to its respective responsibilities under this Joint Community Facilities Agreement, agrees to protect, indemnify, defend and hold the School District, the Community Facilities District, when formed, the Flood Control District, the County and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents (the "Indemnified Parties"), and each of them, harmless from and against any and all claims, liabilities, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees, and court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of, or by reason of, or arising out of, or in consequence of (a) the approval of this Joint Community Facilities Agreement, (b) the acquisition, construction, or installation of the Flood Control Facilities, (c) the design, construction, or failure of the Flood Control Facilities or an assertion, pursuant to Article I, Section 19 of the California Constitution, the Fifth or Fourteenth Amendments of the United States Constitution, or any other law or ordinance which seek to impose any other liability or damage whatsoever, from the diversion of the waters from their natural drainage patterns, or from the discharge of drainage from the Flood Control Facilities, (d) the untruth or inaccuracy of any representation or warranty made by the Property Owner in this Joint Community Facilities Agreement or in any certifications delivered by the Property Owner hereunder, or (e) any act or omission of the Property Owner or any of its contractors, subcontractors, or their respective officers, employees or agents, in connection with the Flood Control Facilities or its responsibilities or obligations under this Joint Community Facilities Agreement. If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorneys' fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner as to an Indemnified Party for any claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs (a) arising directly from the willful misconduct or sole or active negligence of that Indemnified Parties or (b) arising from the use or operation of a Flood Control Facility after the Acceptance Date of the Flood Control Facility, unless such claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs results from the defective or improper design, construction or installation of such Flood Control Facility by the Property Owner or its contractors, subcontractors, or respective officers, employees or agents.

The provisions of this Section shall survive the termination of this Joint Community Facilities Agreement.

## ARTICLE VI

### MISCELLANEOUS

**Section 6.1. Property Owner as Independent Contractor.** In performing under this Joint Community Facilities Agreement, it is mutually understood that the Property Owner is acting as an independent contractor, and not as an agent of the School District, the Community Facilities District, the Flood Control District, or the County. None of the School District, the Flood Control District, or the County shall have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. The Community Facilities District shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner unless such entity or individual is specifically listed as a payee on the Payment Request submitted by said Property Owner pursuant to this Joint Community Facilities Agreement in which case the Community Facilities District shall be responsible for making such payment only if such Payment Request is approved pursuant to the provisions of this Joint Community Facilities Agreement and the Mitigation Agreement and only from funds available in the applicable Flood Control Facilities Accounts.

It is not intended by the parties that this Joint Community Facilities Agreement create a partnership or joint venture among them and this Joint Community Facilities Agreement shall not otherwise be construed.

**Section 6.2. Other Agreements.** Nothing contained herein shall be construed as affecting the School District's, the County's, the Flood Control District's, or the Property Owner's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Tracts, which obligations are and shall remain independent of the Property Owner's rights and obligations, the School District's rights and obligations, the Flood Control District's rights and obligations, and the County's rights and obligations, under this Joint Community Facilities Agreement; provided, however, that the Property Owner shall use its commercially reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the acquisition, construction and installation of the Flood Control Facilities.

**Section 6.3. Binding on Successors and Assigns.** The Property Owner may assign its duties and obligations pursuant to this Joint Community Facilities Agreement to one or more purchasers of its property, except the purchaser of a single-family residential unit, the owner of a multi-family residential complex or the end user of a non-residential parcel, and to whom said Property Owner shall assign the right to receive payment of the Purchase Price for the Flood Control Facilities. Such a purchaser and assignee shall enter into an assignment agreement with the County, the Flood Control District, the School District and the Community Facilities District, in a form acceptable to the County, the Flood Control District, the School District and the Community Facilities District,



whereby such purchaser agrees, except as may be otherwise specifically provided therein, to assume the duties and obligations of the Property Owner pursuant to this Joint Community Facilities Agreement and to be bound thereby. Neither this Joint Community Facilities Agreement nor the duties and obligations of the Flood Control District, the County, the School District or the Community Facilities District hereunder may be assigned to any person or legal entity, without the written consent of the Property Owner, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted assigns, and successors-in-interest of the parties hereto.

**Section 6.4. Amendments.** This Joint Community Facilities Agreement can only be amended by an instrument in writing executed and delivered by the School District, the Community Facilities District, once formed, the Flood Control District, the County and the Property Owner or successor thereto.

**Section 6.5. Waivers.** No waiver of, or consent with respect to, any provision of this Joint Community Facilities Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

**Section 6.6. No Third Party Beneficiaries.** Other than the Community Facilities District, when formed, no person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Joint Community Facilities Agreement (either expressed or implied) is intended to confer upon any person or entity, other than the School District, the Community Facilities District, when formed, the Flood Control District, the County, and the Property Owner (and its respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Joint Community Facilities Agreement.

**Section 6.7. Notices.** Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

Flood Control District:	Riverside County Flood Control and Water Conservation District Attn: Administrative Services 1995 Market Street Riverside, California 92501 Telephone: (951) 955-1200 Fax: (951) 955-788-9965
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County/Contract Administrator:	County of Riverside Engineering Division Manager Attn: Glenn Higa 3525 14th Street
--------------------------------	---

Riverside, California 92501  
Telephone: (951) 955-0043  
Fax: (951) 955-3164

School District:

Riverside Unified School District  
3070 Washington Street  
Riverside, California 92504  
Attention: Director of Planning and  
Development  
Telephone: (951) 788-7554  
Fax: (951) 275-9349

Property Owner:

SMR Ventures, LLC  
c/o Troxler Residential Ventures XII, LLC  
2053 North Parkway Calabasas  
Calabasas, California 91302  
Attention: Nicholas Biro  
Telephone: (818) 876-9651  
Fax: (818) 876-9751

With a copy to:

RWR Homes, Inc.  
2710 Locker Avenue West, Suite 350  
Carlsbad, California 92010  
Attention: Bob Turi  
Telephone: (760) 918-6797  
Fax: (760) 918-6798

With a copy to:

RWR Homes, Inc.  
575 Anton Blvd., Suite 820  
Costa Mesa, California 92626  
Attention: Ryan Ellis  
Telephone: (714) 852-5656 ext. 201  
Fax: (714) 852-5650

With a copy to:

Goodwin Procter LLP  
10250 Constellation Blvd., 21<sup>st</sup> Floor  
Los Angeles, California 90067-6221  
Attention: Robert M. Haight, Jr., Esq.  
Telephone: (310) 788-5150  
Fax: (310) 286-0992

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of a document confirming satisfactory transmission, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail



postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

**Section 6.8. Jurisdiction and Venue.** Each of the Community Facilities District, the School District, the Flood Control District, the County, and the Property Owner (a) agrees that any suit action or other legal proceeding arising out of or relating to this Joint Community Facilities Agreement shall be brought in state or local court in the County of Riverside or in the Courts of the United States of America in the district in which said County is located, (b) consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) waives any objection that it may have to the laying of venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the Community Facilities District, the School District, the Flood Control District, the County and the Property Owner agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**Section 6.9. Entire Agreement.** This Joint Community Facilities Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Joint Community Facilities Agreement except for such matters that are the subject of the Mitigation Agreement.

**Section 6.10. Attorneys' Fees.** If any action is instituted to interpret or enforce any of the provisions of this Joint Community Facilities Agreement, the party prevailing in such action shall be entitled to recover from the other parties thereto reasonable attorney's fees and costs of such suit (including both prejudgment and postjudgment fees and costs) as determined by the court as part of the judgment.

**Section 6.11. Governing Law.** This Joint Community Facilities Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State applicable to contracts made and performed in the State.

**Section 6.12. Severability.** If any part of this Joint Community Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Joint Community Facilities Agreement shall be given effect to the fullest extent reasonably possible.

**Section 6.13. Usage of Words.** As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

**Section 6.14. Counterparts.** This Joint Community Facilities Agreement may be executed in counterparts, each of which shall be deemed an original.

**Section 6.15. Interpretation.** The parties to this Joint Community Facilities Agreement and their counsel have reviewed and revised this Joint Community Facilities

Agreement, and the normal rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting parties shall not be employed in the interpretation of this Joint Community Facilities Agreement.

**Section 6.16. Designation of Party's Representative.** Each party is to prepare a certificate designating the person or persons that are to serve as the liaison between the Flood Control District, the County, and the Community Facilities District, the Contract Administrator regarding design, engineering and construction of the Flood Control Facilities. The certificates are to contain an original and specimen signature of each designated person. The certificates are to be provided to the Flood Control District, the County, and the Community Facilities District at the time the Bonds are issued.

**Section 6.17. Nature of Agreement; Allocation of Special Taxes.** This Joint Community Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code. The entire amount of the proceeds of the special taxes levied pursuant to each Rate and Method shall be allocated and distributed to the Community Facilities District.

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IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

**RECOMMENDED FOR APPROVAL:**

**RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT:**

By: \_\_\_\_\_  
WARREN D. WILLIAMS  
General Manager-Chief Engineer

By: Marion Ashley  
MARION ASHLEY  
Chairman, Board of Supervisors of the Flood Control and Water Conservation District

**ATTEST:**  
NANCY ROMERO, Clerk to the Riverside County Flood Control and Water Conservation District Board of Supervisors

By: [Signature]  
Deputy Clerk

**APPROVED AS TO FORM:**  
JOE S. RANK  
County Counsel

By: [Signature]  
Deputy County Counsel  
Joe A. Gardner

**RECOMMENDED FOR APPROVAL:**

**COUNTY OF RIVERSIDE:**

By: [Signature]  
GEORGE A. JOHNSON  
Director of Transportation

By: [Signature]  
JOHN TAVAGLIONE  
Chairman, Board of Supervisors

**ATTEST:**  
NANCY ROMERO, Clerk to the Board of Supervisors

By: [Signature]  
Deputy Clerk

[Signatures continued on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

**RECOMMENDED FOR APPROVAL:**

By: Michael D. Rawson  
WARREN D. WILLIAMS  
General Manager-Chief Engineer

**RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT:**

By: Marion Ashley  
MARION ASHLEY  
Chairman, Board of Supervisors of the Flood Control and Water Conservation District

**ATTEST:**  
NANCY ROMERO, Clerk to the Riverside County Flood Control and Water Conservation District Board of Supervisors

By: [Signature]  
Deputy Clerk

**APPROVED AS TO FORM:**  
JOE S. RANK  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

**RECOMMENDED FOR APPROVAL:**

By: \_\_\_\_\_  
GEORGE A. JOHNSON  
Director of Transportation

**COUNTY OF RIVERSIDE:**

By: [Signature]  
JOHN TAVAGLIONE  
Chairman, Board of Supervisors

**ATTEST:**  
NANCY ROMERO, Clerk to the Board of Supervisors

By: [Signature]  
Deputy Clerk

[Signatures continued on next page.]



RIVERSIDE UNIFIED SCHOOL DISTRICT

By: Kathy Allaire  
President of the Board of Education

ATTEST:

By: [Signature]  
Clerk of the Board of Education

SMR VENTURES, LLC,  
a Delaware limited liability company

By: SMR Mezzanine, LLC,  
a Delaware limited liability company,  
its sole member

By: Troxler Residential Ventures XII, LLC,  
a Delaware limited liability company,  
its Managing Member

By: Troxler Ventures Partners, Inc.,  
a California corporation  
its Operating Member

By: [Signature]  
Bryan P. Troxler  
President

**EXHIBIT A**

**Map of Area Proposed to be Included Within  
Community Facilities District No. 23  
of Riverside Unified School District**

[See Attached Map]





**EXHIBIT B**

**FLOOD CONTROL FACILITIES**

**Community Facilities District No. 23  
of Riverside Unified School District**

FACILITY	SEGMENT	DESCRIPTION
1.	2A	<p>Springbrook Wash Channel - Stage 2A From Station 63+50 to 91+85</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 84" in Diameter and all associated Laterals, Installation of the Springbrook Wash Channel – Stage 2A and all associated Laterals, Installation of a 7' x 7' Single Reinforced Concrete Box Culvert and Installation of a Double 10' x 8' Reinforced Concrete Box Culvert. All Storm Drain Lines, Channel Construction and Reinforced Concrete Box Culverts including but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
	2B	<p>Springbrook Wash Channel - Stage 2B From Station 91+85.00 to 113+50.10; Line S From Station 10+25.00 to 10+80.75; Line T From Station 10+31.00 to 12+00.00; Line U From Station 10+10.49 to 10+74.29; Line Y From Station 9+37.37 to 12+85.16</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 54" in Diameter and all associated Laterals, Installation of the Springbrook Wash Channel - Stage 2B and all associated Laterals. All Storm Drain Lines and Channel Construction include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
	3	<p>Springbrook Wash Channel / Pigeon Pass Storm Drain - Stage 3 From Station 130+47.93 to 134+75.51.</p>
	3A	<p>Springbrook Wash Cannel / Pigeon Pass Road Basin – Stage 3 at Station 134+75.51.</p>
	4	<p>Springbrook Wash Storm Drain – Stage 3 From Station 22+33.30 to 23+05.03.</p>
	4A	<p>Springbrook Wash Basin - Stage 3 From Station 113+50.00 to 130+48.00, Including Laterals and Channel Lines S &amp; U</p>

FACILITY	SEGMENT	DESCRIPTION
		<p>Installation of Reinforced Pipe (RCP) ranging from 18" to 96" in Diameter and all associated Lines and Laterals, Installation of the Springbrook Wash Channel - Stage 3 and all associated Laterals, Installation of a 14' x 7' Single Reinforced Concrete Box Culvert and Installation of a Double 10' x 8' Reinforced Concrete Box. All Storm Drain Lines and Reinforced Concrete Box Culverts include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>
	E-1	Pigeon Pass Road Lateral From Station 11+60.32 to 14+39.37.
	S-1	Line S From Station 10+87.96 to 11+94.26.
	U-1	Line U From Station 10+82.01 to 11+44.29, Including Laterals E-6, E-9, L-1, L-2, L-3, S-1, S-2, U-1
		<p>Installation of Reinforced Pipe (RCP) ranging from 18" to 84" in Diameter and all associated Lines and Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Emergency Overflow Structures, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
	C	<p>Springbrook Channel Wash / Mount Vernon Storm Drain Stage 1 Reinforced Concrete Box Culvert From Station 56+5 to 63+50 and Mount Vernon Storm Drain Line Stage 1 From Station 10+52 to 22+24.</p>
		<p>Installation of Reinforced Pipe (RCP) ranging from 18" to 60" in Diameter and all associated Lines and Laterals, Installation of the Springbrook Wash Channel Wash Mount Vernon Storm Drain Reinforced Concrete Box (RCB) - Stage 1 and all associated Laterals. All Storm Drain Lines and Reinforced Concrete Box Culverts include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>



FACILITY	SEGMENT	DESCRIPTION
2.	E-2	Pigeon Pass Road Lateral From Station 10+00.00 to 16+5.00.
	H	Lyon Road Storm Drain Line H From 10+00.00 to 13+80.55 including Lateral H-2.
	I	Mount Vernon Storm Drain Line I From Station 23+12.63 to 33+74.04 including Lateral I-5.
	I-1	Springbrook Wash / Mount Vernon Avenue Debris Basin 3200.
	J	Line J From Station 10+00.00 to 17+66.53 and Laterals J-1, J-2.
	L-1	Spring Mountain Road North Storm Drain From Station 10+27.35 to 12+70.14.
	L-2	Spring Mountain Road South Storm Drain From Station 14+01.33 to 13+32.41; including Laterals E-10, E-11, G-1, Q-1, Q-2.
	X	Line X From Station 10+04.82 to Station 21+33.33; including Laterals X-1, X-2, X-3, F-600, G-600.
		Installation of Reinforced Pipe (RCP) ranging from 18" to 84" in Diameter and all associated Laterals, Installation of the Springbrook Wash Channel – Stage 2A and all associated Laterals, Installation of a 7' x 7' Single Reinforced Concrete Box Culvert and Installation of a Double 10' x 8' Reinforced Concrete Box Culvert. All Storm Drain Lines, Channel Construction and Reinforced Concrete Box Culverts include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, any and all necessary Basin Grading, Backfill, Basin Slopes, Debris Storage Area, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.
3.	D	Spring Street Storm Drain Line D From Station 3+50.00 to 27+19.45, Including Laterals D-1, D-5, D-6, D-7, D-8, D-9
		Installation of Reinforced Pipe (RCP) ranging from 18" to 54" in Diameter and all associated Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Slope Drainage Devices, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.

FACILITY	SEGMENT	DESCRIPTION
4.	A	Highgrove - Center Street Storm Drain Stage 4 - Line A From Station 20+05.61 to 40+54.71 with Line Laterals A-1, A-2.
	A-1	Highgrove - Center Street Storm Drain Debris Basin 5000 Station 130+47.93.
	A-4	Line A-4 From Station 10+00.00 to 19+66.73 with Line Laterals A4-1, A4-2.
	B	Spring Street Storm Drain Stage 4 - Line B From Station 26+62.80 to 67+45.32; including Line Laterals B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12; Line C From Station 10+00.00 to 10+47.67 and Line Z From Station 10+04.51 to 10+42.45.  Installation of Reinforced Pipe (RCP) ranging from 18" to 60" in Diameter and all associated Lines and Laterals, Installation of the Highgrove - Center Street Debris Basin 5000. All Storm Drain Lines and Debris Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.
	A-2	Highgrove - Center Street Storm Drain - Stage 2 From Station 10+00.00 to 30+02.33.
	B-1	Spring Street Storm Drain - Stage 2 From Station 17+80.46 to 26+62.54, including Laterals J-2, J-3, J-4.
	M	Line M From Station 10+15.00 to 11+99.18.
	M-1	Center Street Offsite Sports Park Detention Basin.  Installation of Reinforced Pipe (RCP) ranging from 18" to 66" in Diameter and all associated Lines and Laterals, Installation of 6' x 4' Reinforced Concrete Box Culvert, Installation of 6' x 5.5' Reinforced Box Culvert, Installation of the Center Street Offsite Sports Park Detention Basin. All Storm Drain Lines, Reinforced Concrete Box Culverts and Detention Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.



FACILITY	SEGMENT	DESCRIPTION
5.	AA	<p>Iron Rail Drive From Station 48+56.92 to 53+61.50 and Station 10+00.00 to 12+52.43; Stockyard Road From Station 24+31.53 to 35+00.66</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 24" in Diameter and all associated Lines and Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Demolition and Removals, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Water Quality Drainage Devices, Erosion Control and all other appurtenances.</p>
6.	BB	<p>Grazing Lane From Station 12+02.30 to 32+31.37; Grazing Lane Debris Basin</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 96" in Diameter and all associated Lines and Laterals, Installation of the Grazing Lane Debris Basin. All Storm Drain Lines and Debris Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Channel Bottom Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>
7.	CC	<p>Spring Mountain Road From Station 13+08.94 to 27+37.11; Mountain Gate Drive From Station 10+00.00 to 15+36.04; Lost Creek Road From Station 26+11.13 to 44+93.25; Booker Road From Station 10+32.79 to 17+37.20; Debris Basin 2400</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 60" in Diameter and all associated Lines and Laterals, Installation of the Lost Creek Debris Basin. All Storm Drain Lines and Debris Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Channel Bottom Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>
8.	DD	<p>Lost Creek Road From Station 44+93.25 to 49+22.48 and Station 10+00.00 to 16+46.97</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 48" in Diameter and all associated Lines and Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch</p>



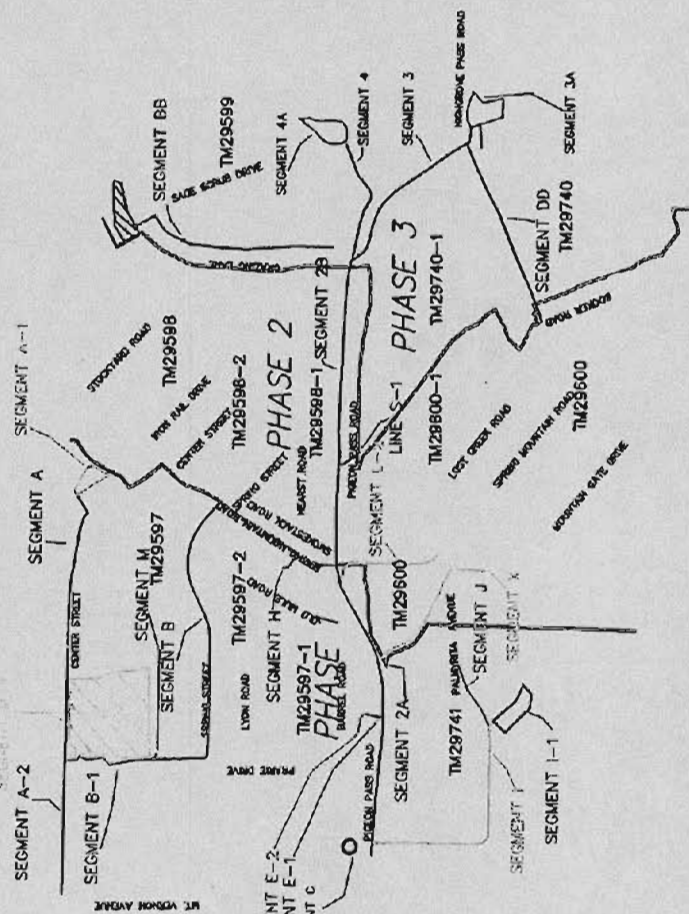
FACILITY	SEGMENT	DESCRIPTION
		Basins, Drop Structures, Inlet/Outlet Structures, Wingwall/Headwall Structures, Slope Drainage Devices, Drainage Crossings, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.



# SPRING MOUNTAIN RANCH

## LEGEND

SEGMENT	Description
2A	SPRINGBROOK WASH CHANNEL STAGE 2A
2B	SPRINGBROOK WASH CHANNEL STAGE 2B
3	PIGEON PASS ROAD STORM DRAIN STAGE 3
3A	PIGEON PASS ROAD BASIN STAGE 3
4	SPRINGBROOK WASH STORM DRAIN STAGE 3
4A	SPRINGBROOK WASH BASIN STAGE 3
C	SPRINGBROOK CHANNEL WASH/ MOUNT VERNON STORM DRAIN ROB
E-1	PIGEON PASS ROAD LATERAL
S-1	LINE S-1
U-1	PIGEON PASS ROAD LATERAL
E-2	LINE H
H	MOUNT VERNON STORM DRAIN
I	SPRINGBROOK WASH/ MOUNT VERNON AVENUE DEBRIS BASIN 3200
L-1	LINE J
L-2	SPRING MOUNTAIN ROAD SOUTH STORM DRAIN
X	LINE X-7, 7' 800' DEBRIS
D	LINE D
A	HIGHGROVE-CENTER STREET STORM DRAIN STAGE 4
A-1	HIGHGROVE-CENTER STREET STORM DRAIN DEBRIS BASIN 5000
A-2	HIGHGROVE-CENTER STREET STORM DRAIN STAGE 2
B	SPRING STREET STORM DRAIN STAGE 4
B-1	SPRING STREET STORM DRAIN STAGE 2
A-4	LINE M
M	LINE M
M-1	LINE M
BB	LINE M
CC	LINE M
DD	LINE M



SPRING MOUNTAIN RANCH  
EXHIBIT B

CFD - STORM DRAIN/FLOOD CONTROL



06.19.07



# SPRING MOUNTAIN RANCH

## LEGEND

SEGMENT	
2A	SPRINGBROOK WASH CHANNEL STAGE 2A
2B	SPRINGBROOK WASH CHANNEL STAGE 2B
3	PIGEON PASS ROAD STORM DRAIN STAGE 3
3A	PIGEON PASS ROAD BASIN STAGE 3
4	SPRINGBROOK WASH STORM DRAIN STAGE 3
4A	SPRINGBROOK WASH BASIN STAGE 3
C	SPRINGBROOK CHANNEL WASH/ MOUNT VERNON STORM DRAIN RCB
E-1	PIGEON PASS ROAD LATERAL
S-1	LINE S-1
U-1	
E-2	PIGEON PASS ROAD LATERAL
H	LINE H
I	MOUNT VERNON STORM DRAIN
I-1	SPRINGBROOK WASH/ MOUNT VERNON AVENUE DEBRIS BASIN 3200
J	LINE J
L-1	
L-2	SPRING MOUNTAIN ROAD SOUTH STORM DRAIN
X	LINE X-7-7 BOX CULVERT
D	
A	HIGHGROVE-CENTER STREET STORM DRAIN STAGE 4
A-1	HIGHGROVE-CENTER STREET STORM DRAIN DEBRIS BASIN 5000
A-2	HIGHGROVE-CENTER STREET STORM DRAIN STAGE 2
B	SPRING STREET STORM DRAIN STAGE 4
B-1	SPRING STREET STORM DRAIN STAGE 2
A-4	
M	LINE M
M-1	
BB	
CC	
DD	

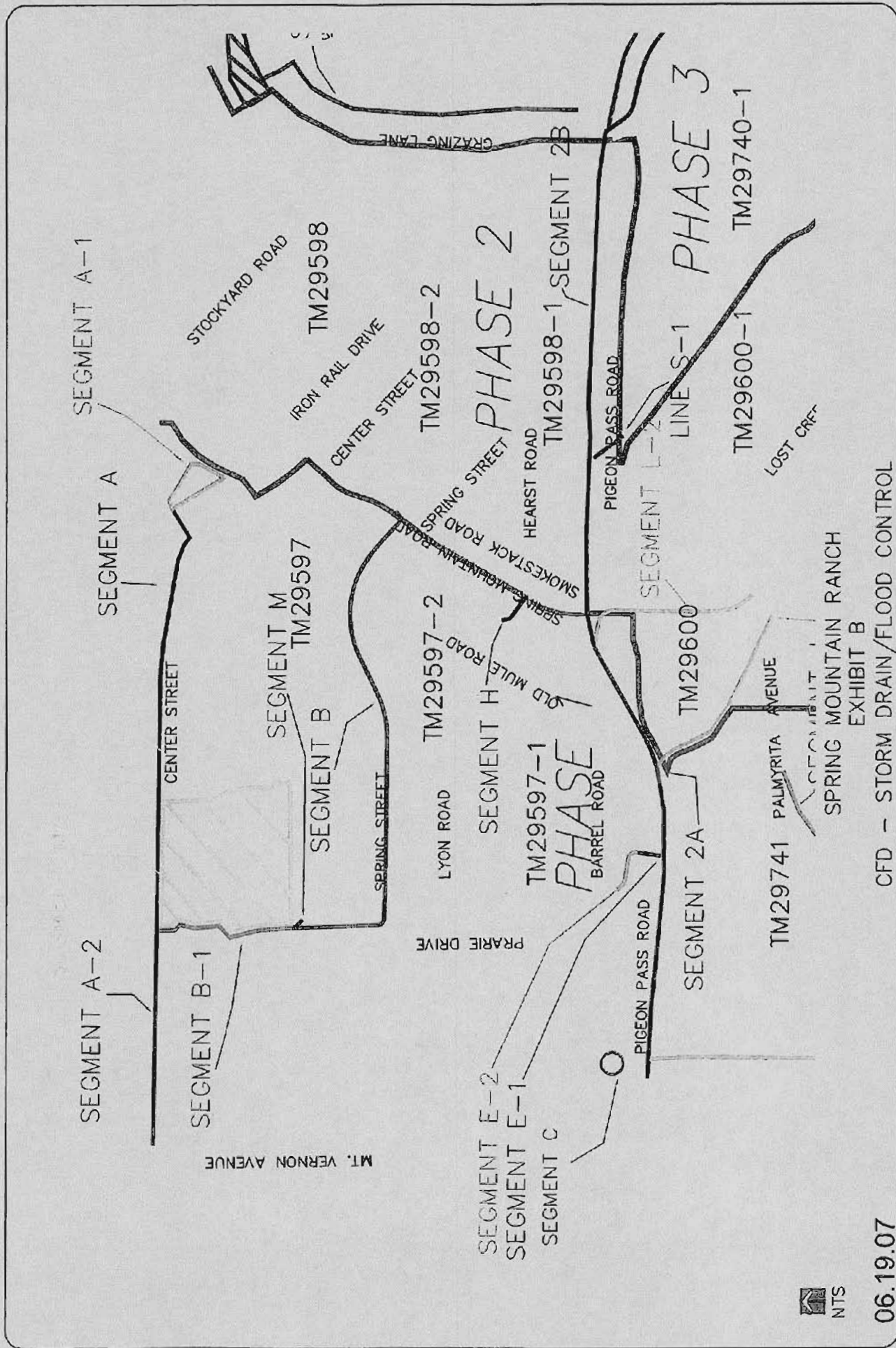


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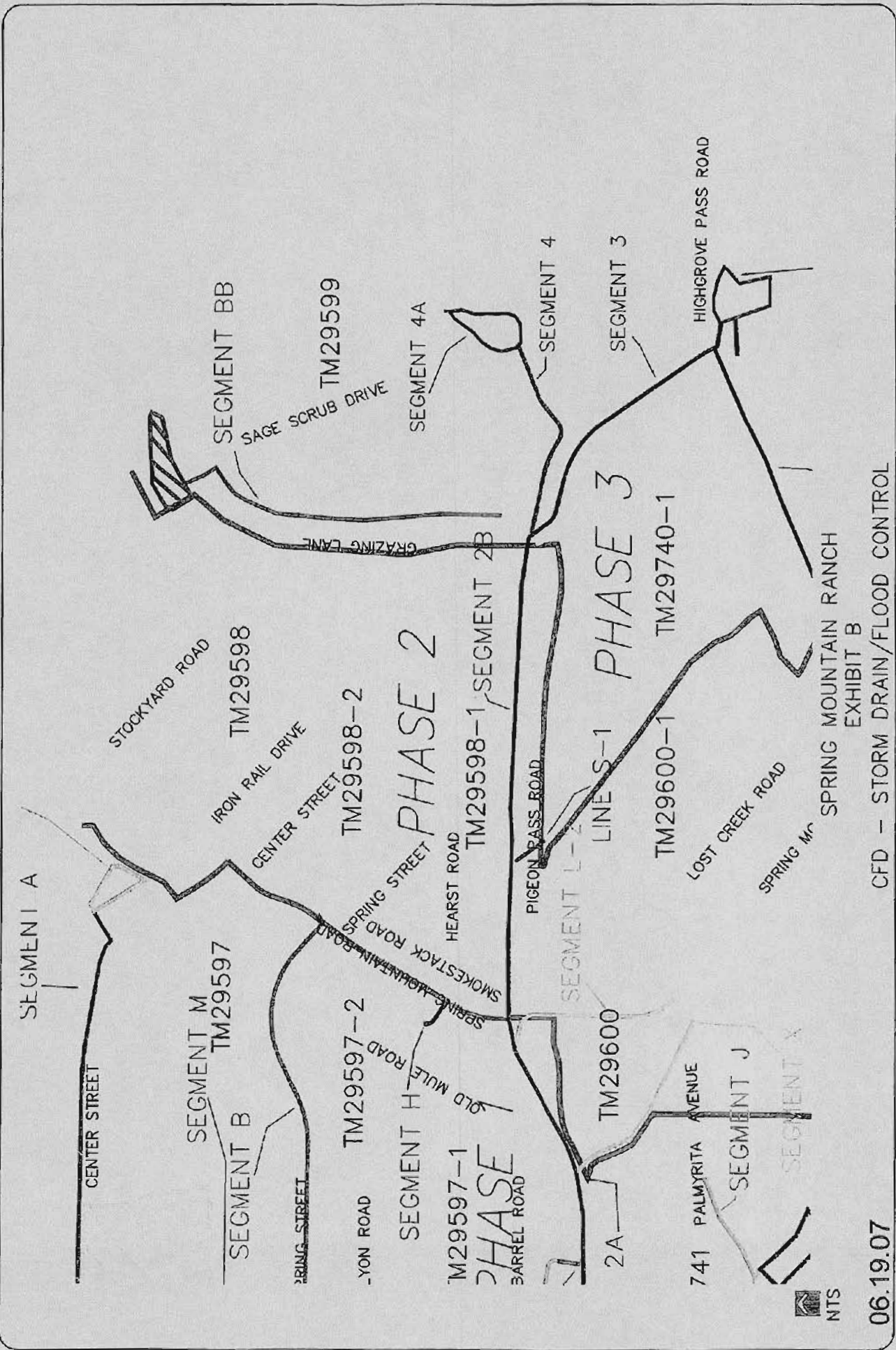
SPRING MOUNTAIN RANCH  
EXHIBIT B

CFD - STORM DRAIN/FLOOD CONTROL

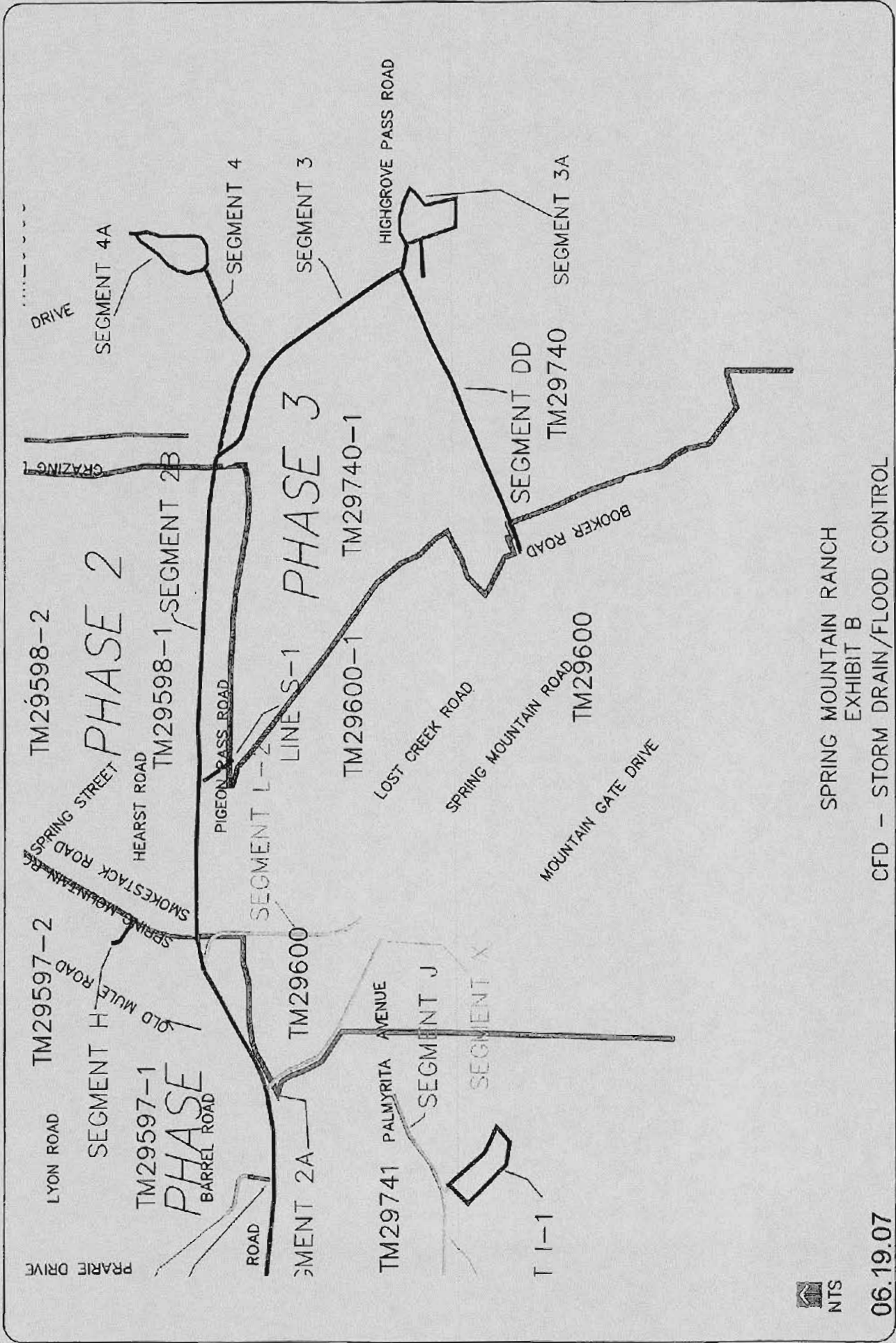




06.19.07



06.19.07

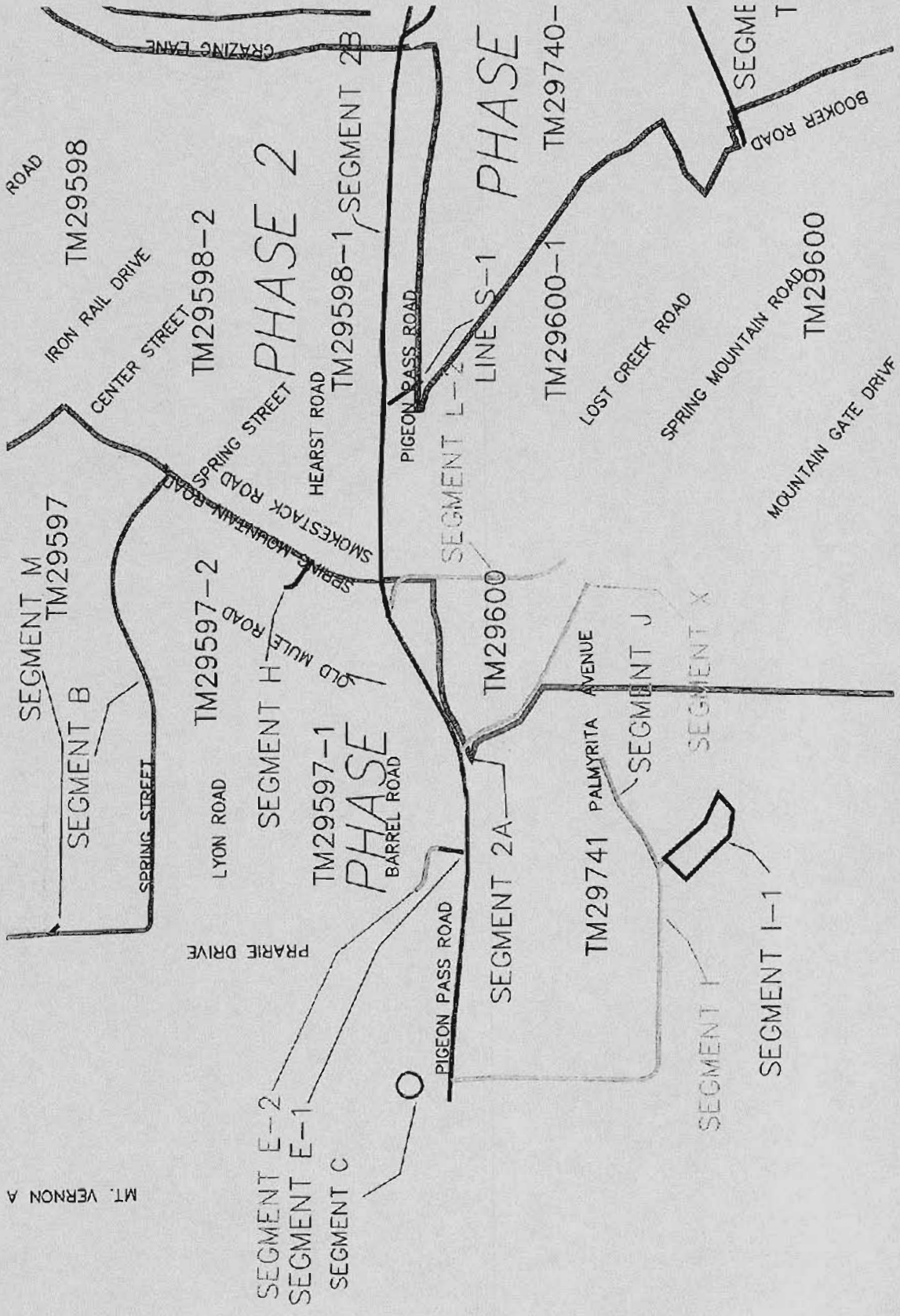


06.19.07

SPRING MOUNTAIN RANCH  
 EXHIBIT B  
 CFD - STORM DRAIN/FLOOD CONTROL



MT. VERNON A



SPRING MOUNTAIN RANCH  
EXHIBIT B

CFD - STORM DRAIN/FLOOD CONTROL





**EXHIBIT C**  
**FORM OF BID SUMMARY**

**CFD No. 23 of Riverside Unified School District  
Improvement Area --  
Summary of Bids**

Advertised:

Bids Open:

PROJECT:

PROJECT NO.

Contractor #1 (Low Bidder)  
City, State

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00

**CFD No. 23 of Riverside Unified School District  
Improvement Area  
Summary of Bids**

Advertised:

Bids Open:

PROJECT:

PROJECT NO.

Contractor #1 (Low Bidder)  
City, State

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00

**CFD No. 23 of Riverside Unified School District  
Improvement Area --  
Summary of Bids**

Advertised:

Bids Open:

PROJECT:

PROJECT NO.

Contractor #1 (Low Bidder)  
City, State

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00



**EXHIBIT D**  
**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 as of July 1, 200\_, between Principal, \_\_\_\_\_, 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 those certain Flood Control Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company," dated as of June 26, 2007.

The beneficiaries of this Bond are as is stated in Section 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 \_\_\_\_\_ 200\_\_

\_\_\_\_\_  
(Firm Name - Principal)

\_\_\_\_\_  
(Business Address)

By: \_\_\_\_\_  
(Signature - Attach Notary's Acknowledgment)

\_\_\_\_\_  
(Title)

Affix Seal  
if  
Corporation

\_\_\_\_\_  
(Corporation Name - Surety)

\_\_\_\_\_  
(Business Address)

By: \_\_\_\_\_  
(Signature - Attached Notary's Acknowledgment)

ATTORNEY-IN-FACT  
(Title-Attach Power of Attorney)

Affix  
Corporate  
Seal

**PERFORMANCE BOND**

The makers of this Bond, \_\_\_\_\_ as Principal, and \_\_\_\_\_ as Surety, are held and firmly bound unto \_\_\_\_\_, hereinafter called the Owner, and unto the County of Riverside, the Riverside County Flood Control Water Conservation District, and Community Facilities District No.23 of the Riverside Unified School District as additional obligees, 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 as of \_\_\_\_\_, 200\_ for those certain Flood Control Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company," dated as of June 26, 2007.

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 \_\_\_\_\_, 200\_

\_\_\_\_\_  
(Firm Name - Principal)

\_\_\_\_\_  
(Business Address)

By: \_\_\_\_\_  
(Signature - Attach Notary's Acknowledgment)

\_\_\_\_\_  
(Title)

---

Affix Seal  
if Corporation

\_\_\_\_\_  
(Corporation Name - Surety)

\_\_\_\_\_  
(Business Address)

By: \_\_\_\_\_  
(Signature - Attach Notary's Acknowledgment)

Affix  
Corporate  
Seal

ATTORNEY-IN-FACT  
(Title-Attach Power of Attorney)



## EXHIBIT E

### FORM OF PAYMENT REQUEST

#### Community Facilities District No. 23 of Riverside Unified School District

\_\_\_\_\_, hereby requests payment of the Purchase Price for the Flood Control Facility described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Joint Communities Facilities Agreement, dated as of June 26, 2007 (the "Joint Community Facilities Agreement"), by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code (the "Flood Control District"), the County of Riverside, a political subdivision of the State of California (the "County") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner"). In connection with this Payment Request, the undersigned hereby represents and warrants to the Contract Administrator as follows:

1. The undersigned has been authorized by the Property Owner and is qualified to execute this request for payment on behalf of the Property Owner and is knowledgeable as to the matters set forth herein.

2. The Property Owner has submitted or submits herewith to the Contract Administrator, Flood Control Engineer and the County Engineer as-built drawings or similar Plans and Specifications for the Flood Control Facility for which payment is requested, and such drawings or plans and specifications, as applicable, are true, correct and complete.

3. The Flood Control Facility has been constructed in accordance with the Plans and Specifications therefor, and in accordance with all applicable Flood Control District standards and the requirements of the Joint Community Facilities Agreement, and the as-built drawings or similar Plans and Specifications referenced in paragraph 2 above.

4. There has not been filed with or served upon the Property Owner notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than material men's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

5. The representations and warranties of the Property Owner set forth in Section 5.1 of the Joint Community Facilities Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Date: \_\_\_\_\_

Property Owner

By: \_\_\_\_\_  
Authorized Representative



**ATTACHMENT A  
PAYMENT REQUEST - ACTUAL COSTS**

Property Owner is to complete Columns 1 through 7

CFD/Improvement Area/Tract Number: \_\_\_\_\_  
Facility Description: \_\_\_\_\_

1 Bid Item No.	2 Bid Item Description	3 Unit of Measure	4 Unit Price	5 Original Contract Quantity	6 Quantity Invoiced	7 Amount Invoiced	8 Quantity Calculated By Flood District	9 Amount Calculated By Flood District	10 Difference	11 Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	

Total: 0.00      0.00      0.00

Amount Requested: \_\_\_\_\_

**APPROVAL BY THE CONTRACT ADMINISTRATOR**

The Contract Administrator confirms that the Flood Control Facility described in Attachment A-1 has been constructed in accordance with the Plans and Specifications therefor. The Actual Cost of each Flood Control Facility as described in Attachment A-1 has been reviewed, verified and approved by the Contract Administrator. The Purchase Price for said Flood Control Facility is established at \$\_\_\_\_\_. Payment of the Purchase Price for the Flood Control Facility is hereby approved.

Date: \_\_\_\_\_

CONTRACT ADMINISTRATOR

By: \_\_\_\_\_

**ATTACHMENT A-1  
PAYMENT REQUEST - ACTUAL COSTS**

Contract Administrator to complete Columns 8 through 11

CFD/Improvement Area/Tract Number: \_\_\_\_\_  
Facility Description: \_\_\_\_\_

1 Bid Item No.	2 Bid Item Description	3 Unit of Measure	4 Unit Price	5 Original Contract Quantity	6 Quantity Invoiced	7 Amount Invoiced	8 Quantity Calculated By Flood District	9 Amount Calculated By Flood District	10 Difference	11 Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	

Total: 0.00

Amount Requested: \_\_\_\_\_

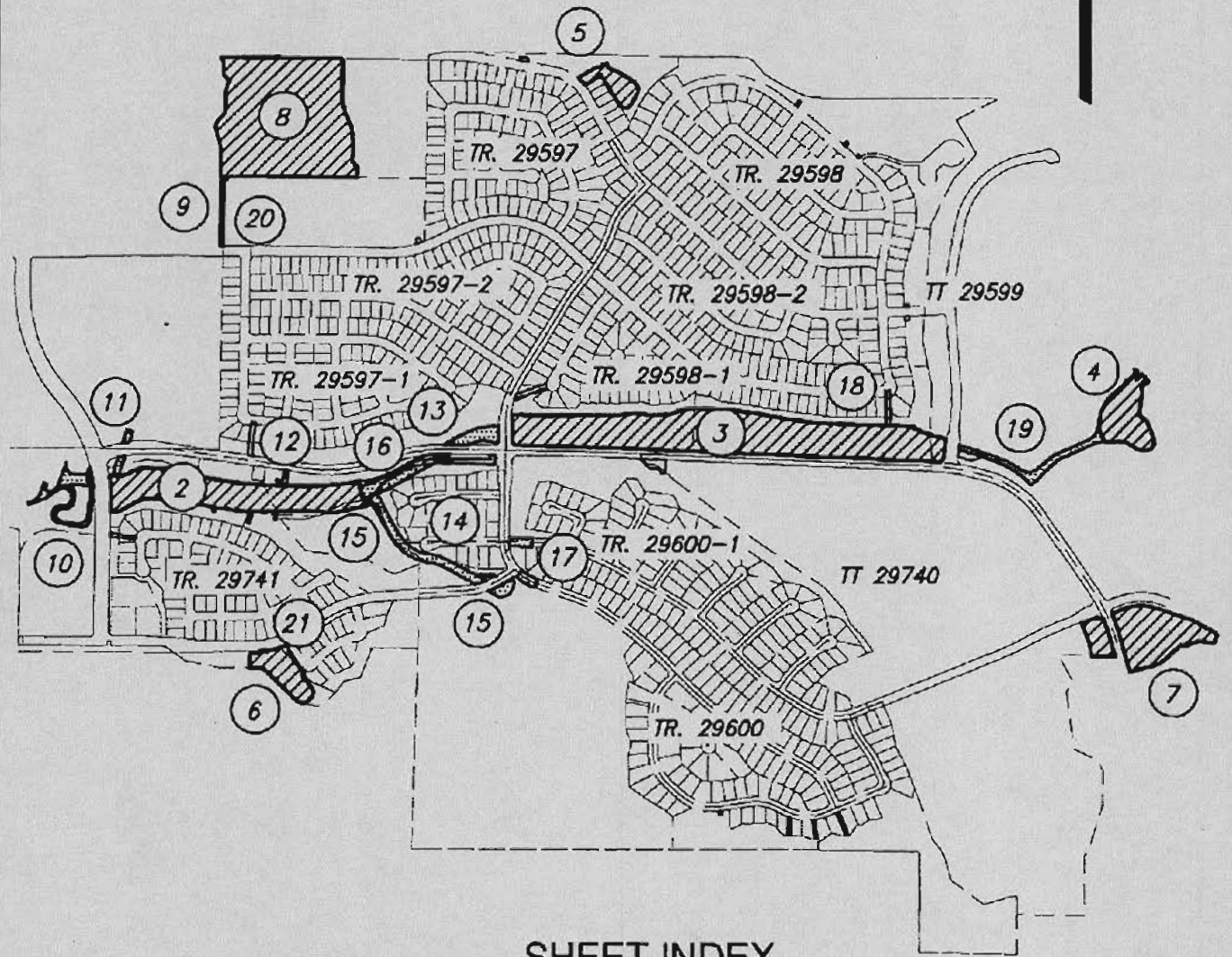


**EXHIBIT F**

**Map of Flood Control Right of Way Within  
Community Facilities District No. 23  
of Riverside Unified School District**

[See Attached Map]


SCALE NTS



### SHEET INDEX

○ INDICATES SHEET NUMBER

 INDICATES RCFC FEE PROPERTY

 INDICATES RCFC EASEMENT PROPERTY



Stantec

STANTEC CONSULTING INC.  
277 RANCHEROS DRIVE  
SUITE 300  
SAN MARCOS, CA 92069  
760.891.3200

stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA

## DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: NTS

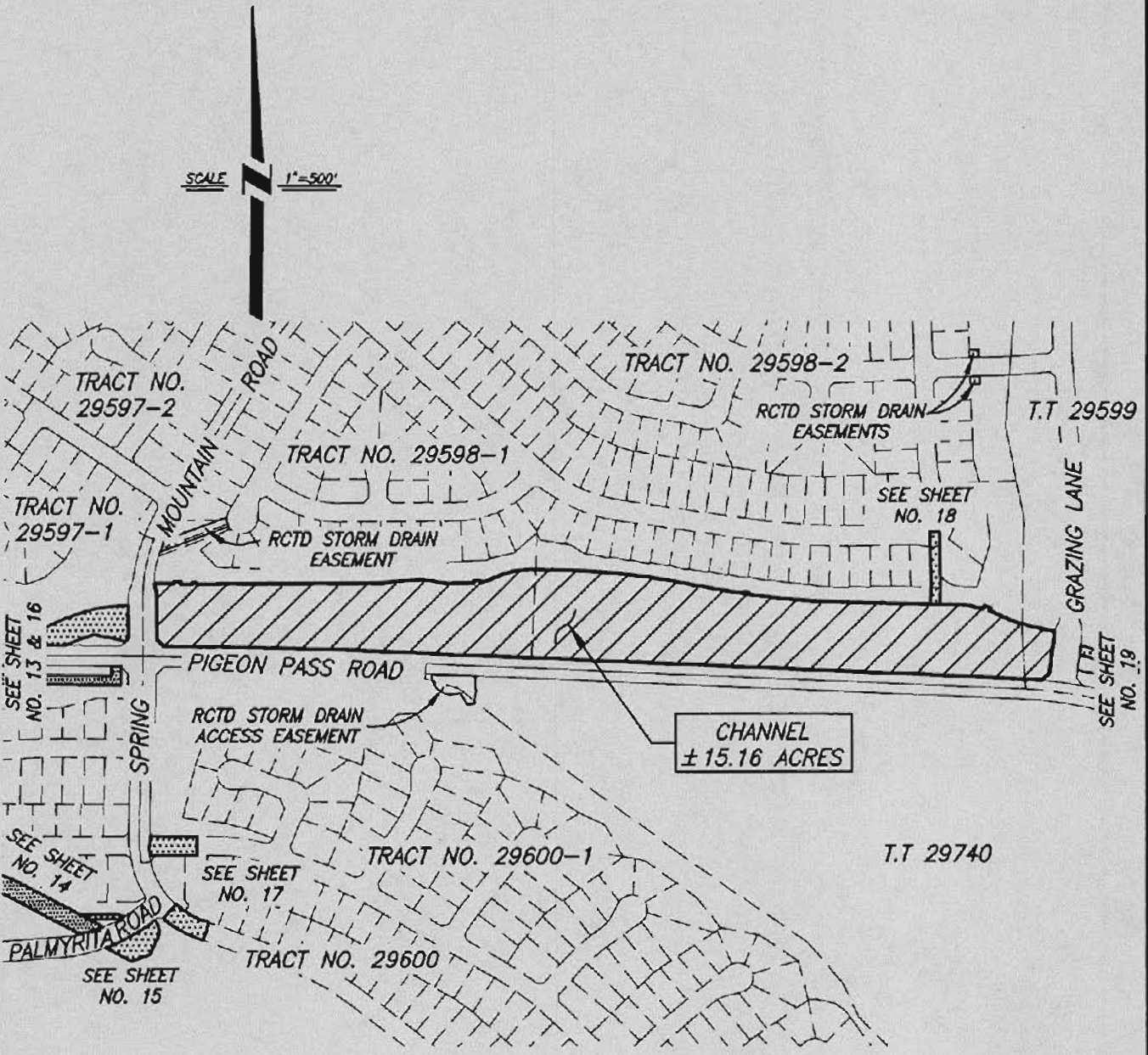
DATE: 6/04/07



BY: MLP

SHEET 1 OF 21



SCALE 1"=500'



-  INDICATES RGFC FEE PROPERTY
-  INDICATES RGFC EASEMENT PROPERTY



STANTEC CONSULTING INC.  
 277 RANCHEROS DRIVE  
 SUITE 300  
 SAN MARCOS, CA 92069  
 760.891.3200

stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA

**DEDICATION EXHIBIT**

SPRING MOUNTAIN RANCH - FLOOD CONTROL

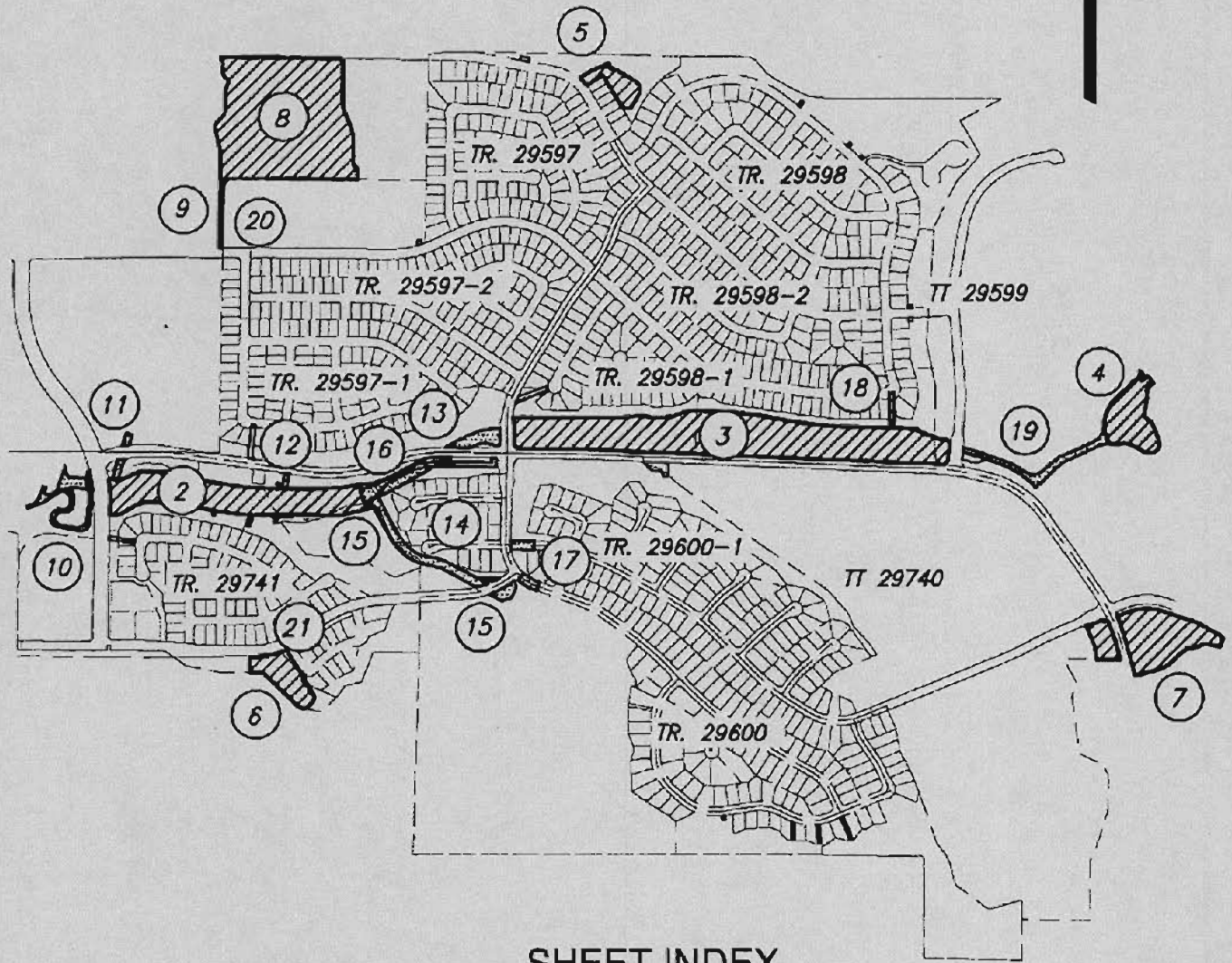
SCALE: 1"=500'

DATE: 6/04/07

BY: MLP


SHEET 3 OF 21


SCALE NTS



### SHEET INDEX

○ INDICATES SHEET NUMBER

 INDICATES RCFC FEE PROPERTY

 INDICATES RCFC EASEMENT PROPERTY



Stantec

STANTEC CONSULTING INC.  
277 RANCHEROS DRIVE  
SUITE 300  
SAN MARCOS, CA 92069  
760.891.3200

stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA

## DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

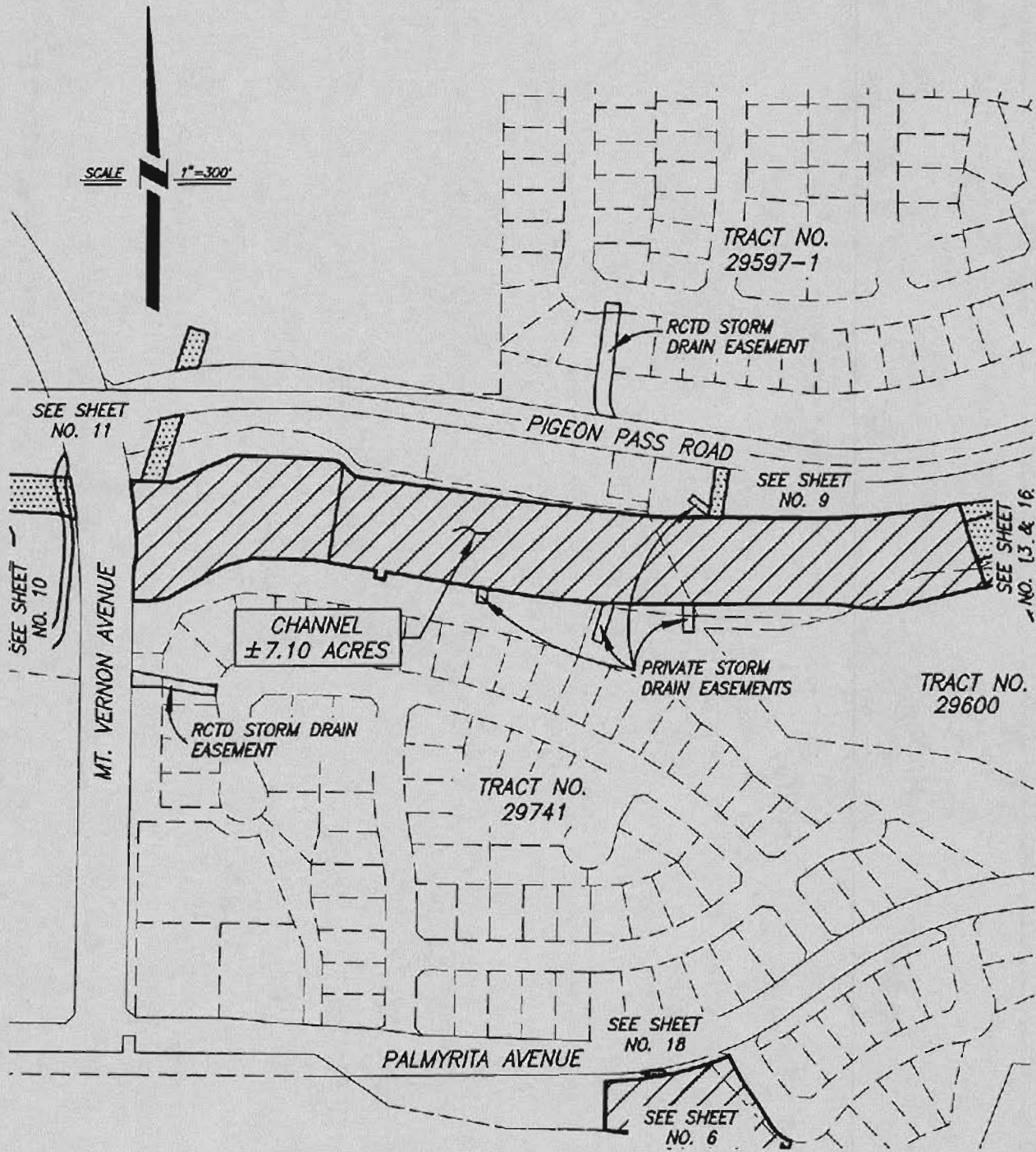
SCALE: NTS



DATE: 6/04/07

BY: MLP

SHEET 1 OF 21





 INDICATES RCFC FEE PROPERTY  
 INDICATES RCFC EASEMENT PROPERTY



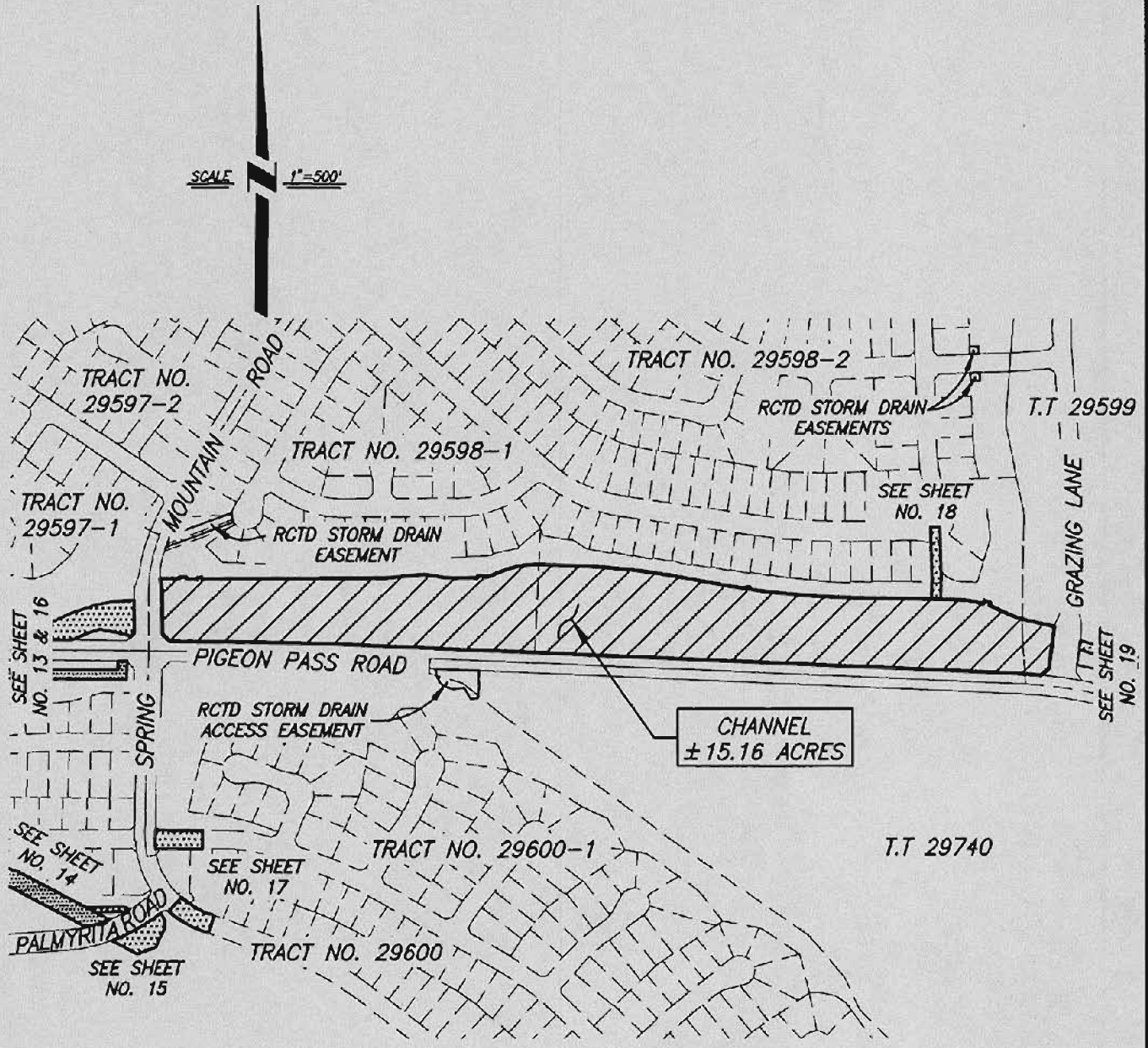
**STANTEC CONSULTING INC.**  
 277 RANCHEROS DRIVE  
 SUITE 300  
 SAN MARCOS, CA 92069  
 760.891.3200



STANTEC.COM

COUNTY OF RIVERSIDE, CALIFORNIA  
**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=300'  
 DATE: 6/04/07  
 BY: MLP  
 SHEET 2 OF 21

SCALE 1"=500'



-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY

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 SUITE 300  
 SAN MARCOS, CA 92069  
 760.891.3200

COUNTY OF RIVERSIDE, CALIFORNIA  
**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=500'  
 DATE: 6/04/07  
 BY: MLP  
 SHEET 3 OF 21





SCALE 1" = 100'

T.T. 29599

T.T. 29599

BASIN 2000  
± 2.69 ACRES

SEE SHEET NO. 19

-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY



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277 RANCHEROS DRIVE  
SUITE 300  
SAN MARCOS, CA 92069  
760.891.3200

COUNTY OF RIVERSIDE, CALIFORNIA

# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

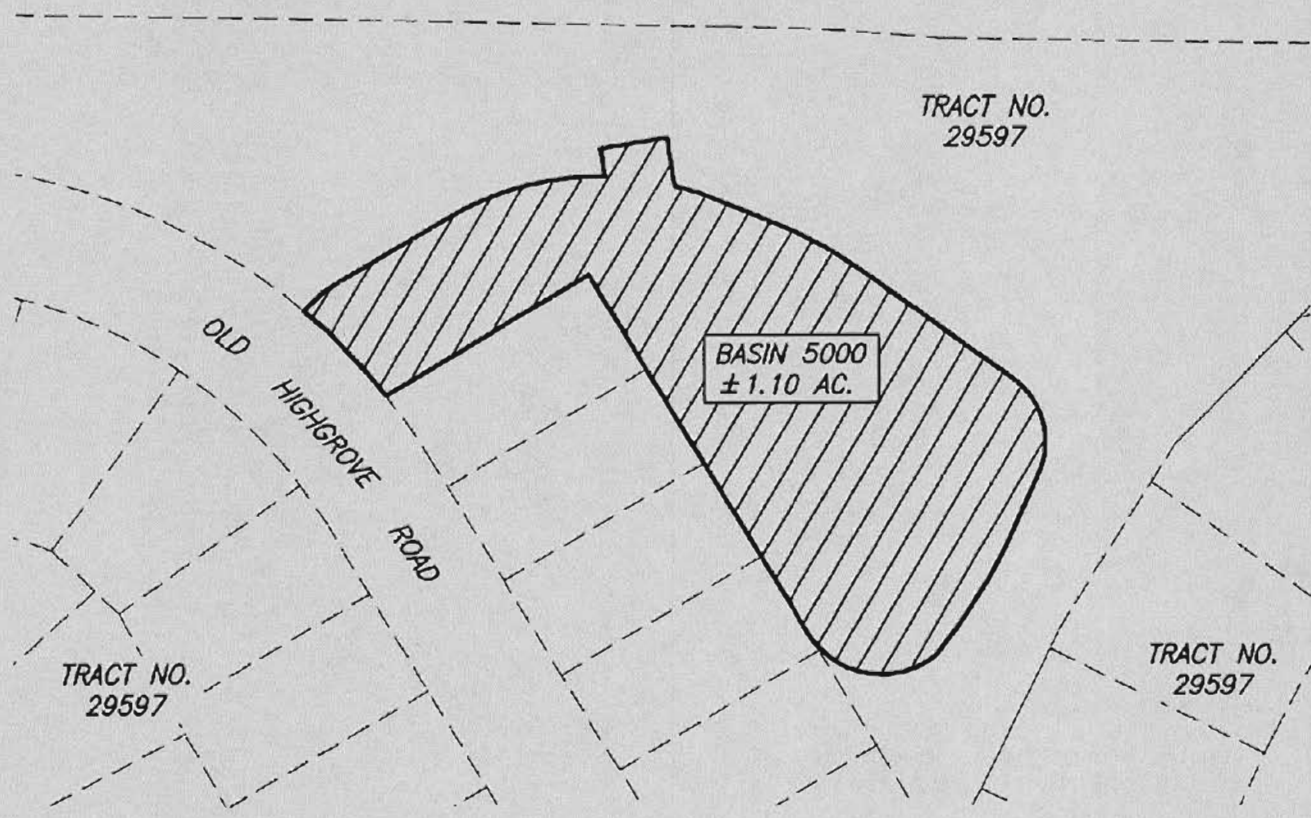
SCALE: 1" = 100'

DATE: 6/04/07

BY: MLP

SHEET 4 OF 21

SCALE 1"=100'



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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760.891.3200

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COUNTY OF RIVERSIDE, CALIFORNIA

**DEDICATION EXHIBIT**

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 5 OF 21

SCALE 1" = 100'



SEE SHEET NO. 21

TRACT NO. 29741

PALMYRITA AVENUE

BASIN 3200 ± 1.71 AC.

EASEMENT IN FAVOR OF MRF GROVES DEVELOPMENT II, L.P. FOR GRADING AND DRAINAGE PURPOSES PER DOCUMENT RECORDED 12/30/2003, AS INSTRUMENT NO. 2003-1010725, O.R.

-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY



STANTEC CONSULTING INC.  
277 RANCHEROS DRIVE  
SUITE 300  
SAN MARCOS, CA 92069  
760.891.3200

stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA

# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1" = 100'

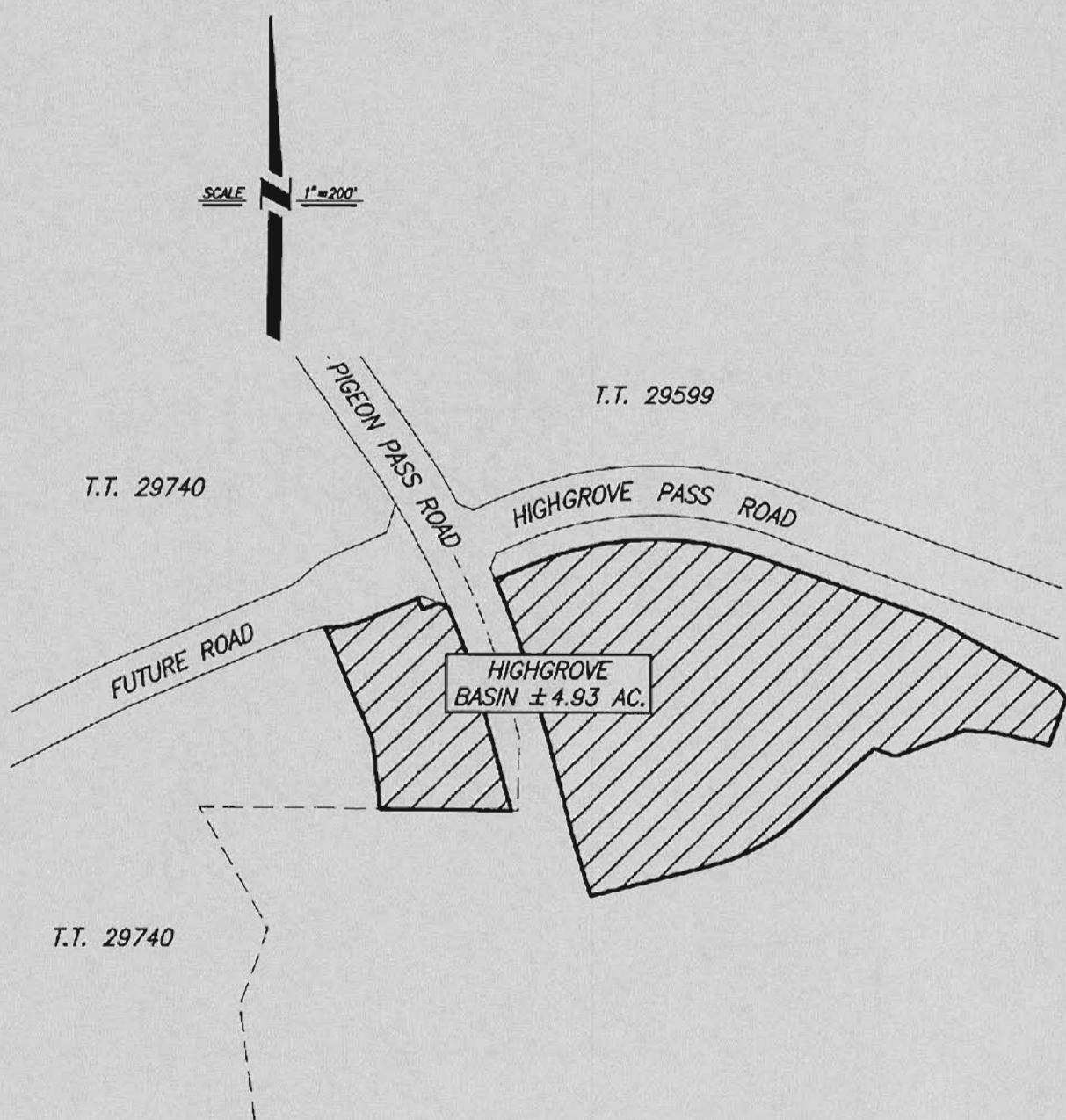
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
BY: MLP

SHEET 6 OF 21



SCALE 1"=200'



-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY



**STANTEC CONSULTING INC.**  
 277 RANCHEROS DRIVE  
 SUITE 300  
 SAN MARCOS, CA 92069  
 760.891.3200

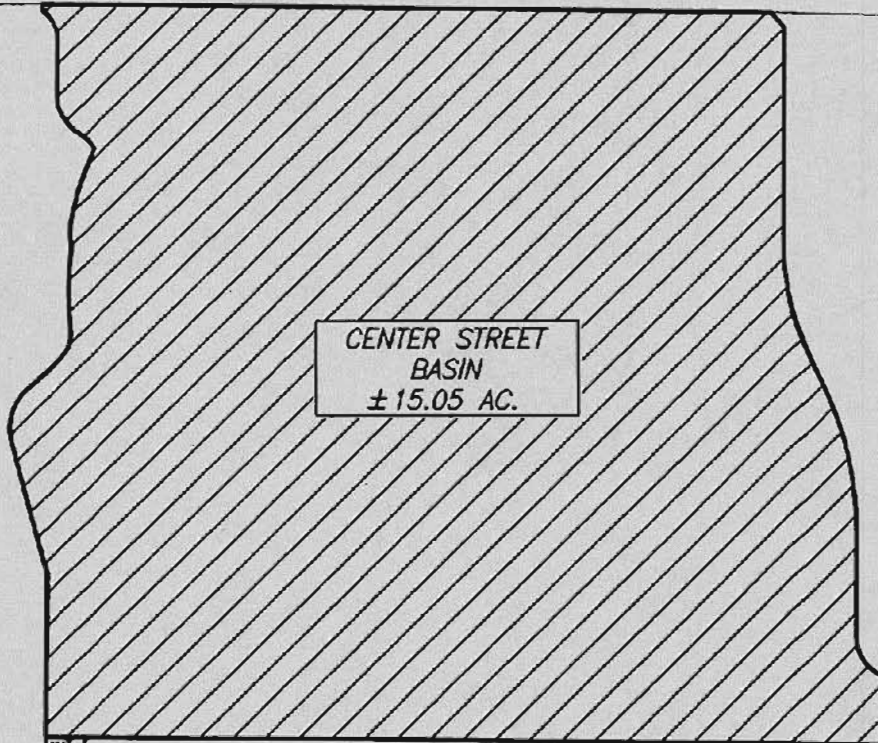
stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA  
**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=200'  
 DATE: 6/04/07  
 BY: MLP  
 SHEET 7 OF 21

SCALE 1"=200'

OLD HIGHGROVE ROAD (FORMERLY CENTRAL STREET)



CENTER STREET  
BASIN  
± 15.05 AC.

RCTD STORM  
DRAIN EASEMENT

SEE SHEET  
NO. 9



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



Stantec

STANTEC CONSULTING INC.  
277 RANCHEROS DRIVE  
SUITE 300  
SAN MARCOS, CA 92069  
760.891.3200

stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA

## DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=200'

DATE: 6/04/07

BY: MLP

SHEET 8 OF 21



SCALE 1"=100'

SEE SHEET NO. 8

RCTD STORM DRAIN EASEMENT

STORM DRAIN EASEMENT 24' WIDE

TRACT NO. 29597

SEE SHEET NO. 20

BLUE MOUNTAIN DRIVE (FORMERLY SPRING STREET)



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY

TRACT NO. 29597-1

TRACT NO. 29597-2



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COUNTY OF RIVERSIDE, CALIFORNIA

# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 9 OF 21

SCALE 1"=100'

STORM DRAIN EASEMENT ± 0.62 AC.

SEE SHEET NO. 11

TRACT NO. 29741

MT. VERNON AVENUE

SEE SHEET NO. 11

SEE SHEET NO. 2

RCTD STORM DRAIN EASEMENT



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

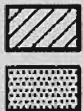
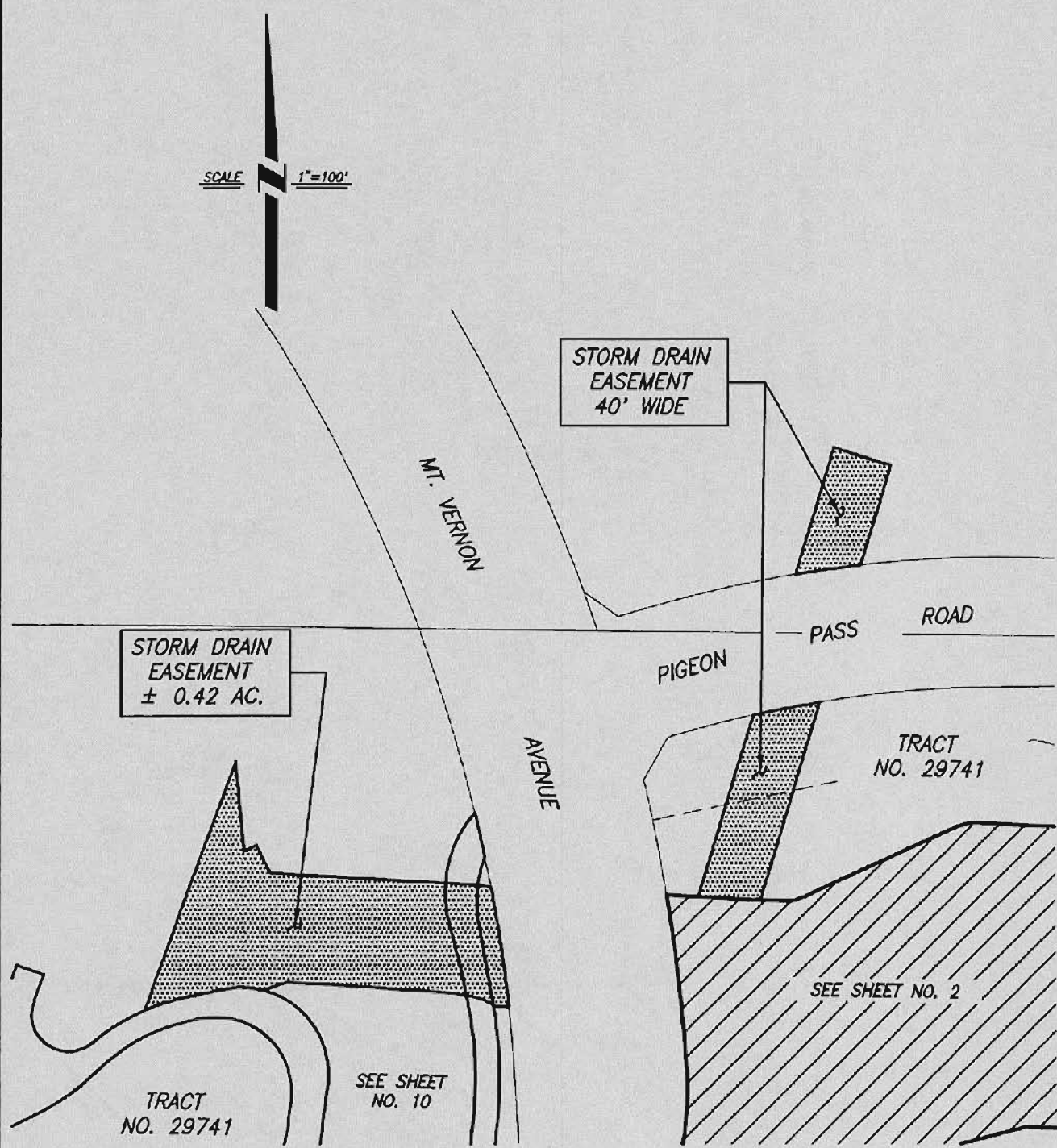
DATE: 6/04/07

BY: MLP

SHEET 10 OF 21



SCALE 1"=100'



INDICATES RCFC FEE PROPERTY

INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

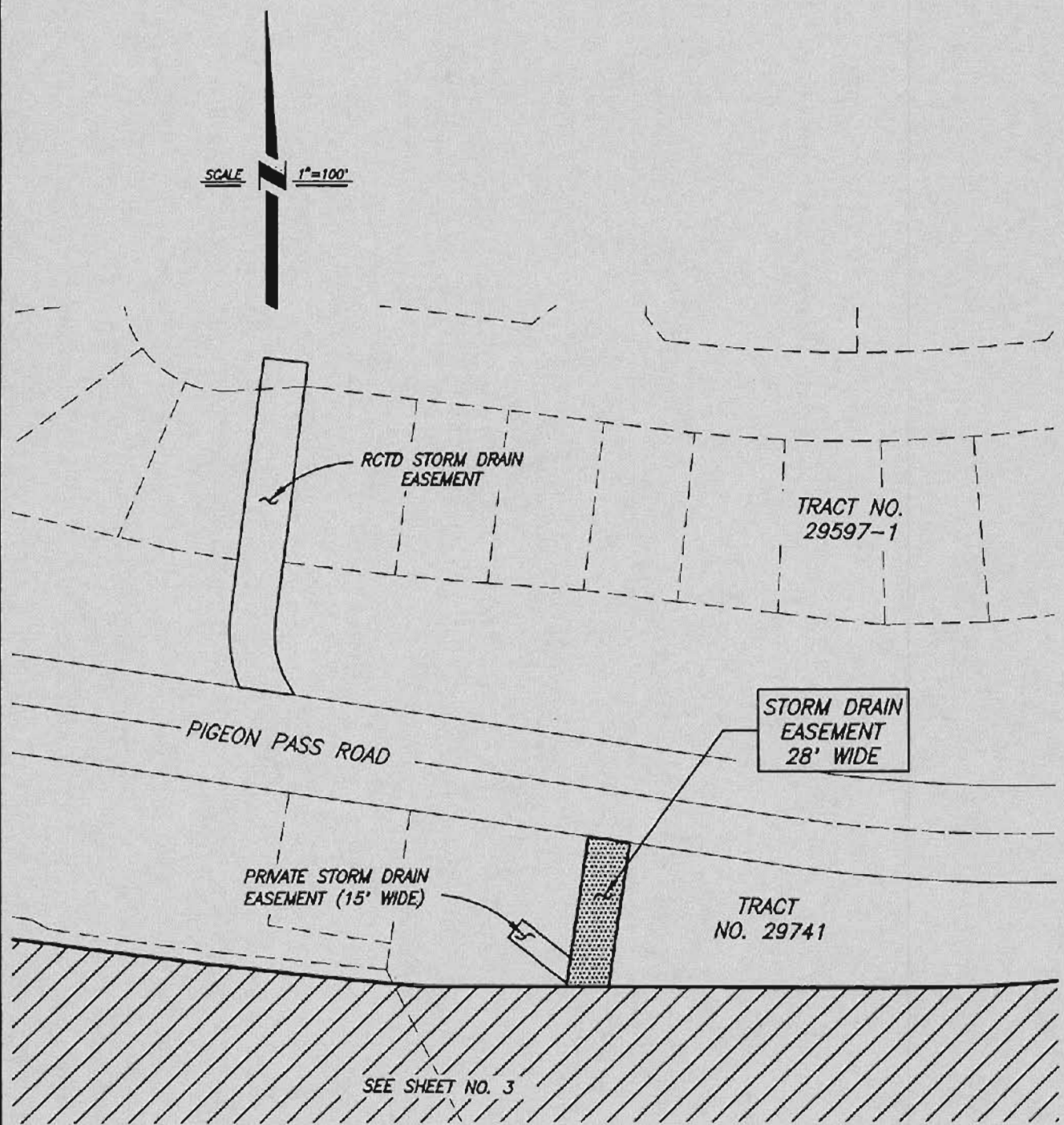
SCALE: 1"=100'



DATE: 6/04/07

BY: MLP

SHEET 11 OF 21

SCALE 1"=100'



-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY



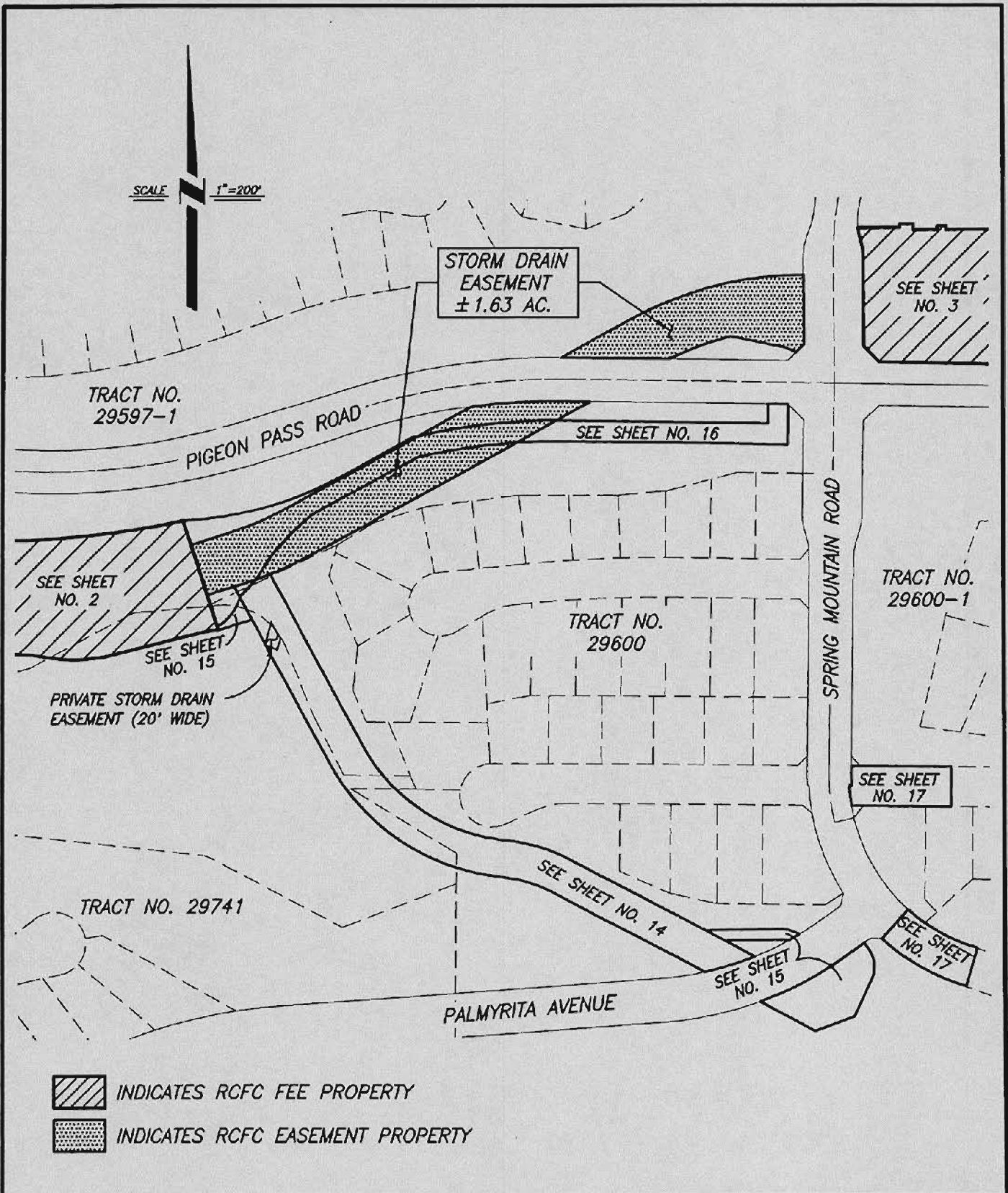
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**DEDICATION EXHIBIT**  
SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'  
DATE: 6/04/07  
BY: MLP  
SHEET 12 OF 21





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**DEDICATION EXHIBIT**

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 13 OF 21

SCALE 1"=200'

TRACT NO. 29597-1

SEE SHEET NO. 3

SEE SHEET NO. 13

TRACT NO. 29597-1

PIGEON PASS ROAD

SEE SHEET NO. 16

SEE SHEET NO. 13

SEE SHEET NO. 2

SEE SHEET NO. 15

PRIVATE STORM DRAIN EASEMENT (20' WIDE)

TRACT NO. 29600

TRACT NO. 29600-1

SPRING MOUNTAIN ROAD

SEE SHEET NO. 17

STORM DRAIN EASEMENT 56' WIDE

TRACT NO. 29741

SEE SHEET NO. 17

SEE SHEET NO. 15

PALMYRITA AVENUE



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

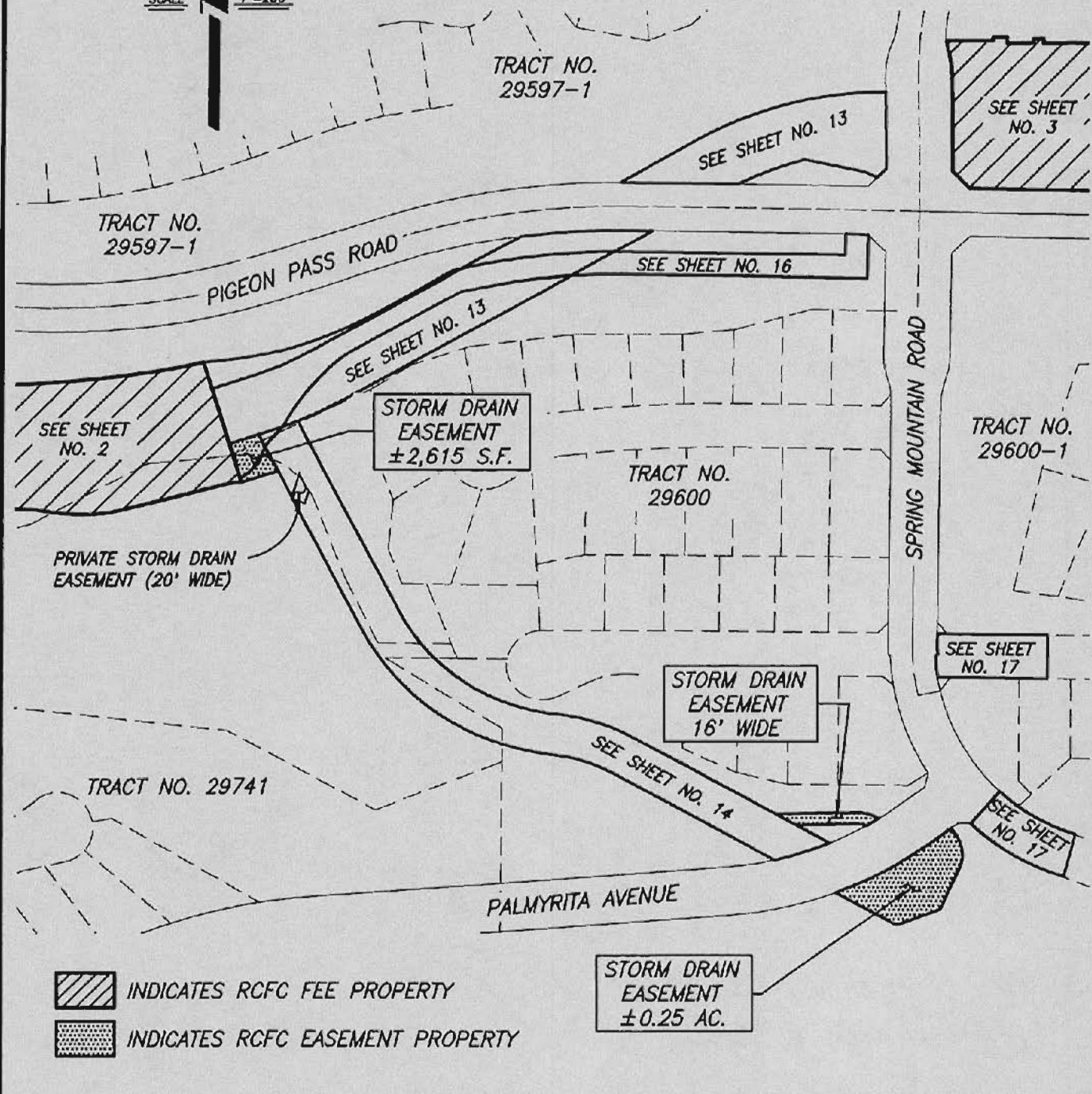
DATE: 6/04/07



BY: MLP

SHEET 14 OF 21



SCALE 1"=200'



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**DEDICATION EXHIBIT**

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

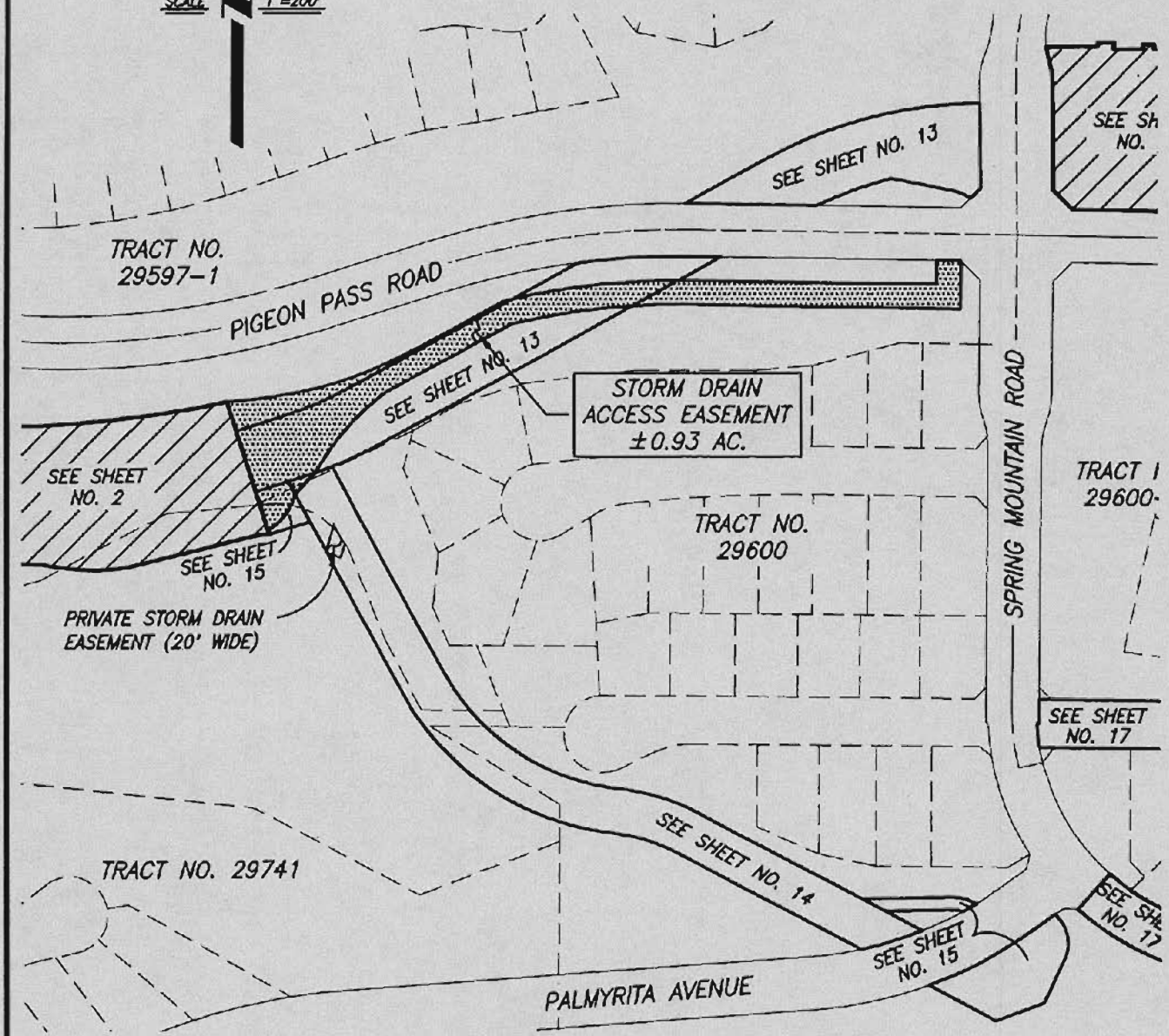
DATE: 6/04/07

BY: MLP

SHEET 15 OF 21



SCALE 1"=200'



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

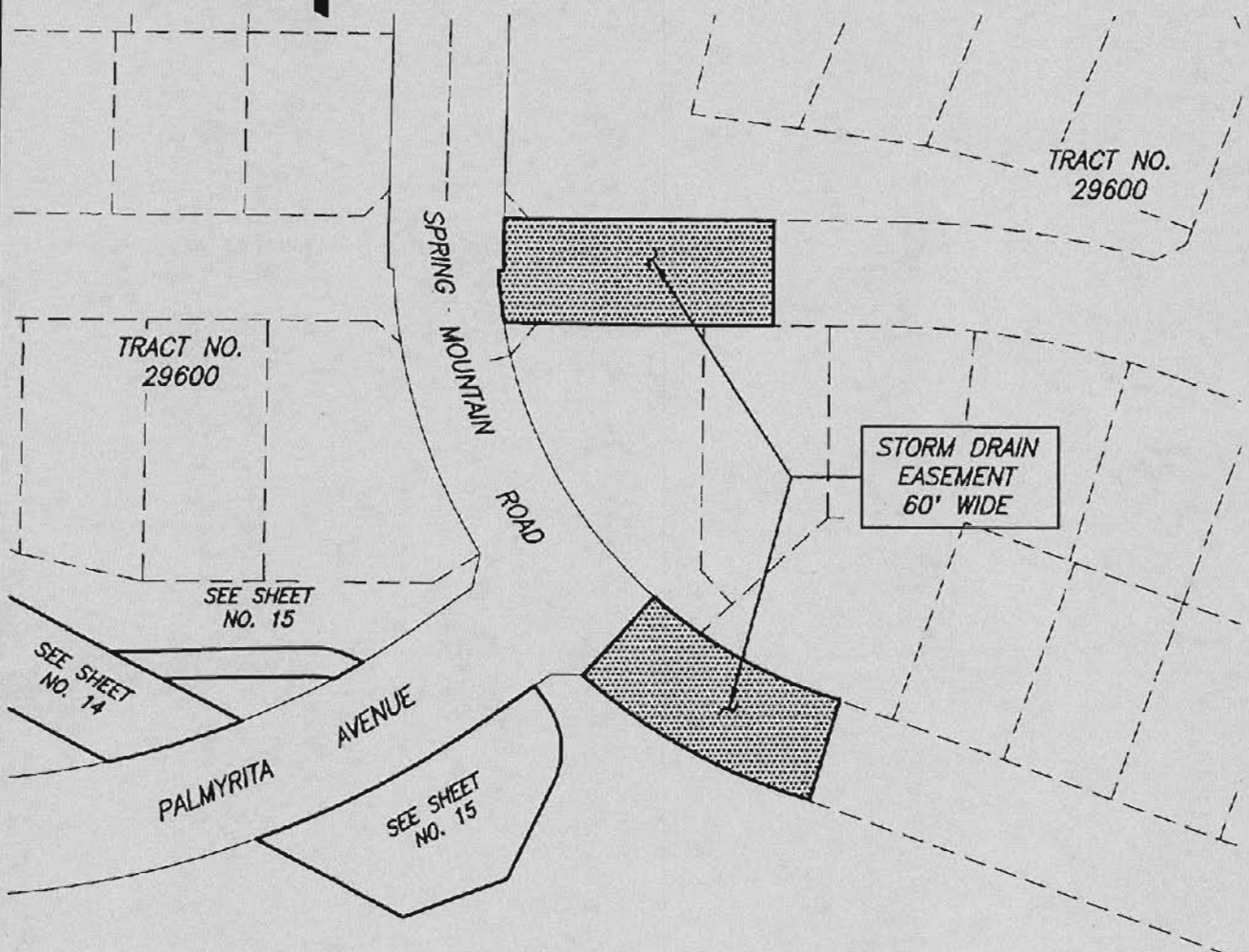
SCALE: 1"=100'



DATE: 6/04/07

BY: MLP

SHEET 16 OF 21

SCALE 1"=100'



 INDICATES RCFC FEE PROPERTY  
 INDICATES RCFC EASEMENT PROPERTY



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**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'  
 DATE: 6/04/07  
 BY: MLP  
 SHEET 17 OF 21

SCALE 1"=200'

TRACT NO.  
29598-1

STORM DRAIN  
EASEMENT  
30' WIDE

GRAZING LANE

T.T. 29599

SEE SHEET  
NO. 3

PIGEON PASS ROAD

T.T. 29740

RCTD STORM DRAIN  
ACCESS EASEMENT

SEE SHEET  
NO. 19



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 18 OF 21



SCALE 1"=200'

T.T. 29599

TRACT NO.  
29598-1

GRAZING LANE

RCTD STORM DRAIN  
ACCESS EASEMENT

STORM DRAIN  
ACCESS EASEMENT  
± 1.02 AC.

SEE SHEET  
NO. 3

SEE SHEET  
NO. 4

PIGEON PASS ROAD

T.T. 29740



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 19 OF 21

SCALE 1"=10'

TRACT NO. 29597

STORM DRAIN  
EASEMENT  
± 29 S.F.

BLUE MOUNTAIN DRIVE  
(FORMERLY SPRING STREET)



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=10'

DATE: 6/04/07

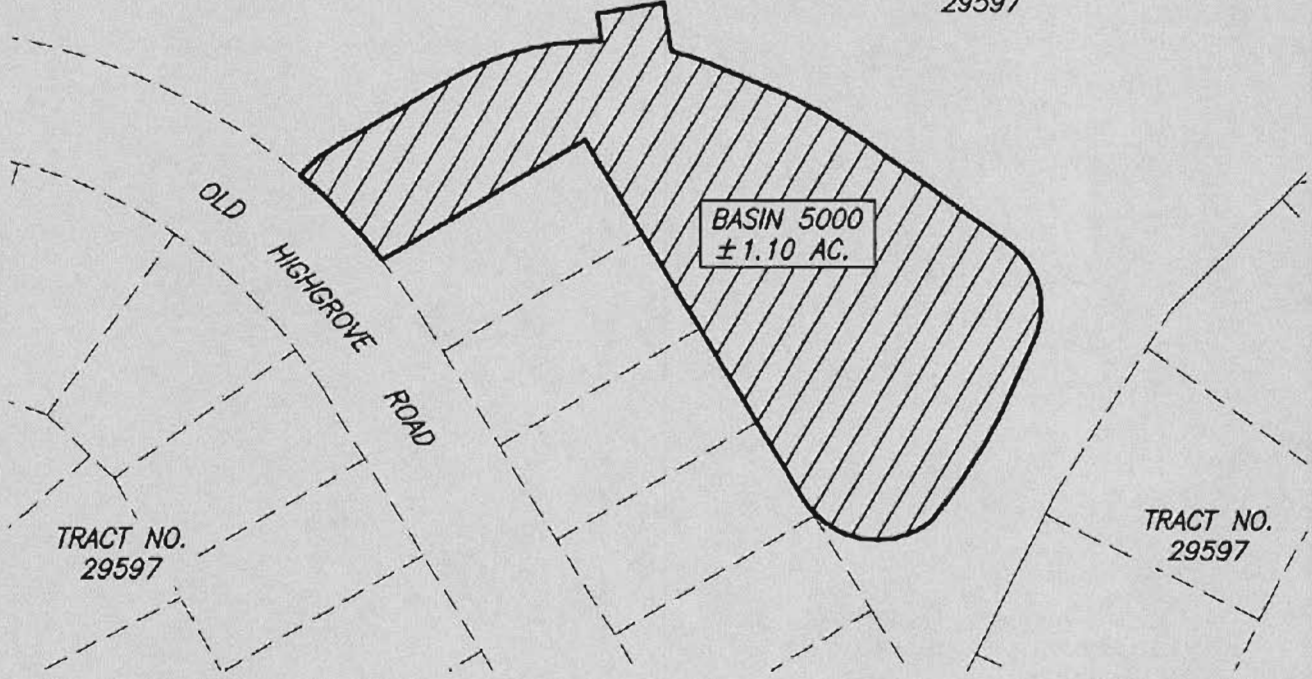
BY: MLP

SHEET 20 OF 21

SCALE 1"=100'



TRACT NO.  
29597



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

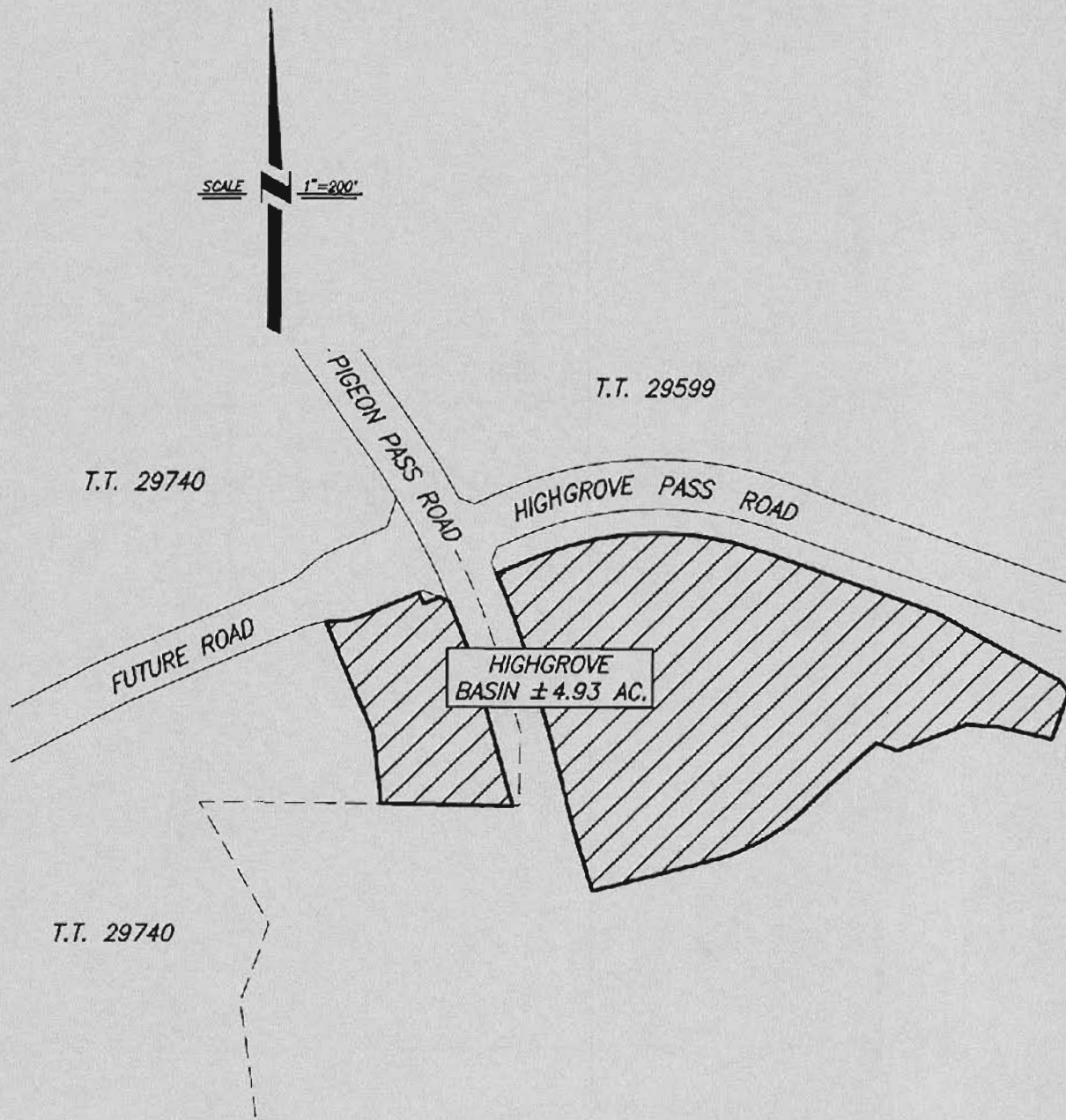
DATE: 6/04/07

BY: MLP

SHEET 5 OF 21



SCALE 1"=200'



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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## DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=200'

DATE: 6/04/07

BY: MLP

SHEET 7 OF 21



SCALE 1"=100'

SEE SHEET NO. 8

RCFD STORM DRAIN EASEMENT

STORM DRAIN EASEMENT 24' WIDE

TRACT NO. 29597

SEE SHEET NO. 20

BLUE MOUNTAIN DRIVE (FORMERLY SPRING STREET)

TRACT NO. 29597-2

TRACT NO. 29597-1



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

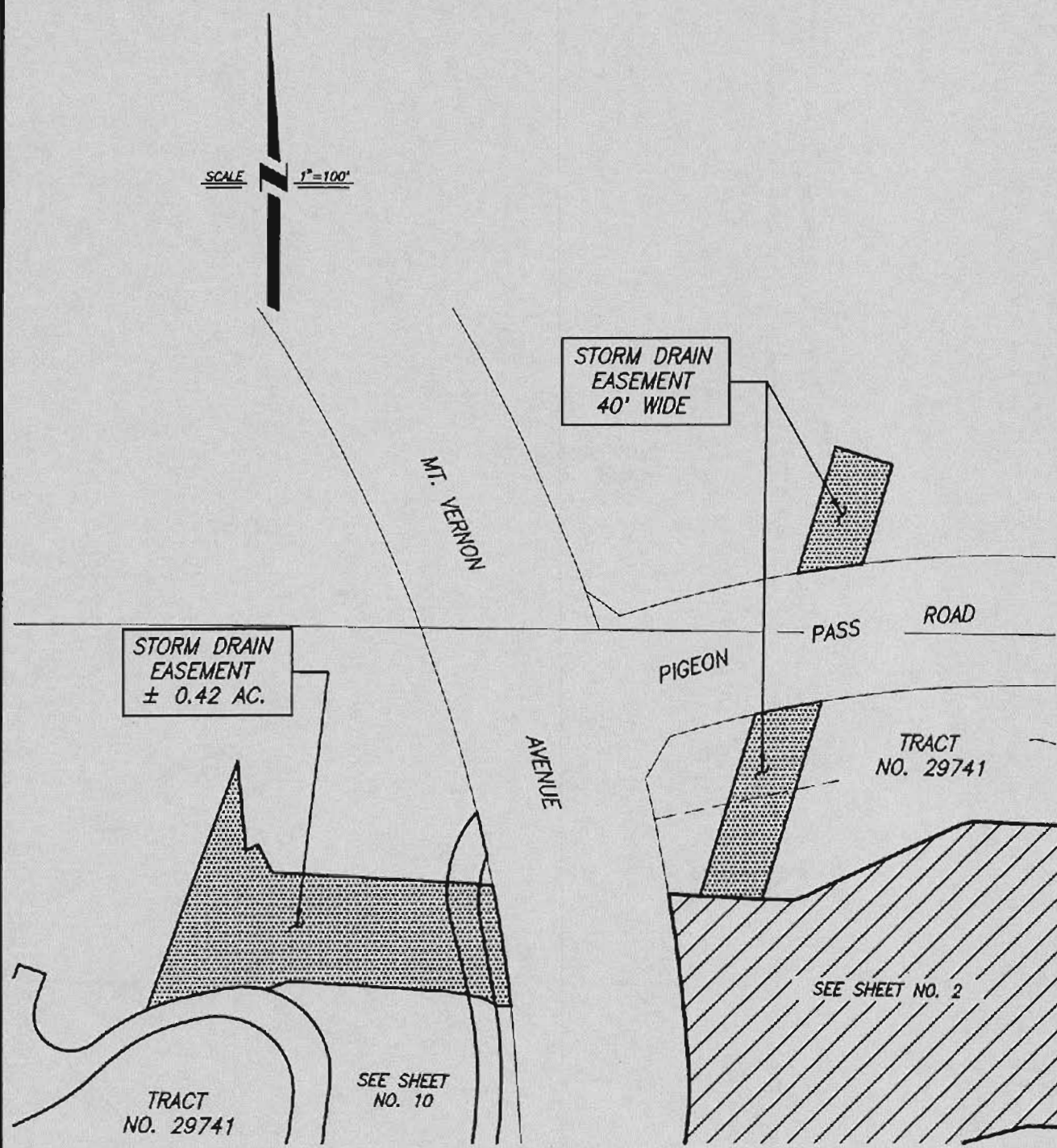
SCALE: 1"=100'



DATE: 6/04/07

BY: MLP

SHEET 9 OF 21

SCALE 1"=100'



 INDICATES RCFC FEE PROPERTY  
 INDICATES RCFC EASEMENT PROPERTY

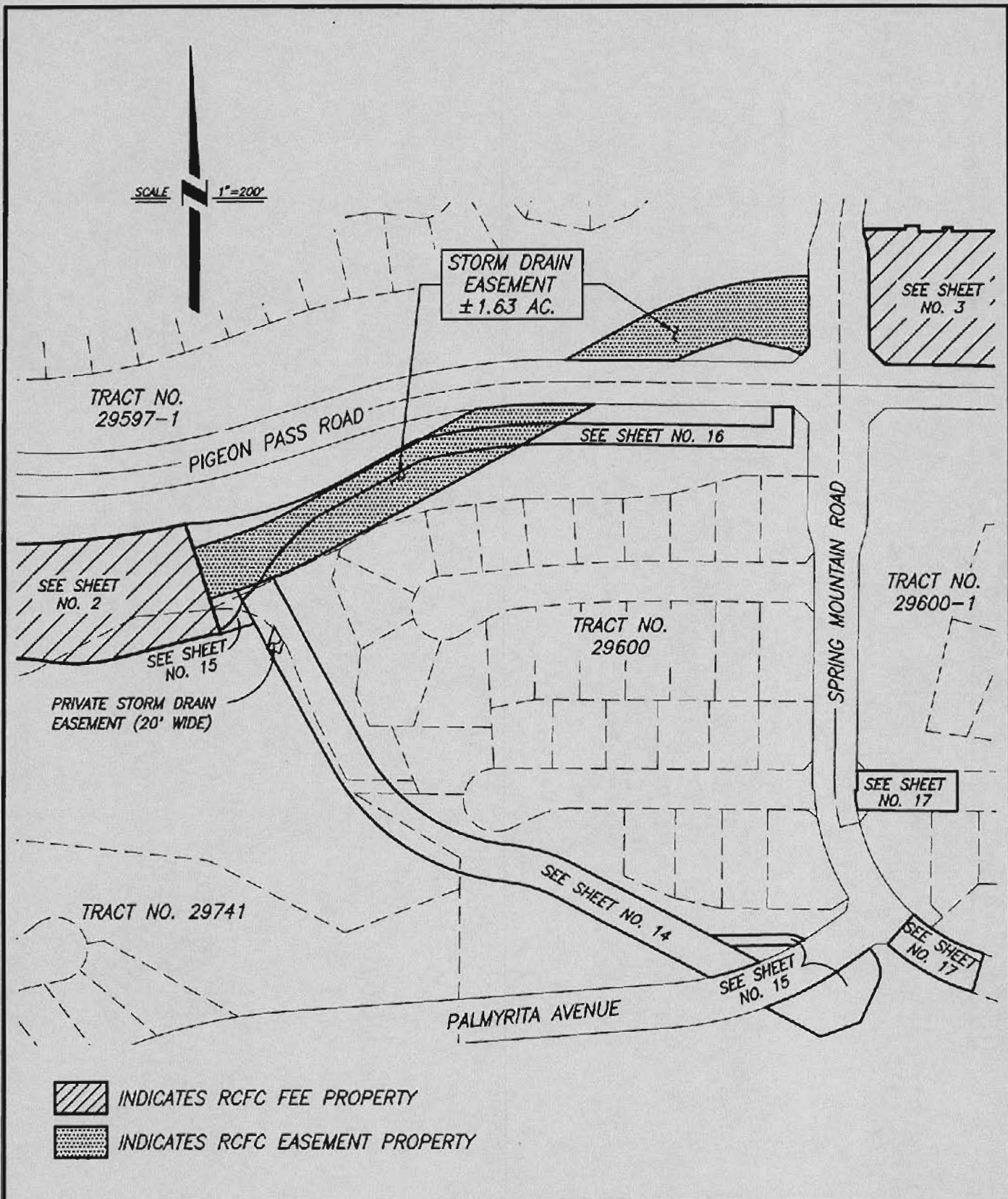




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**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'  
 DATE: 6/04/07  
 BY: MLP  
 SHEET 11 OF 21





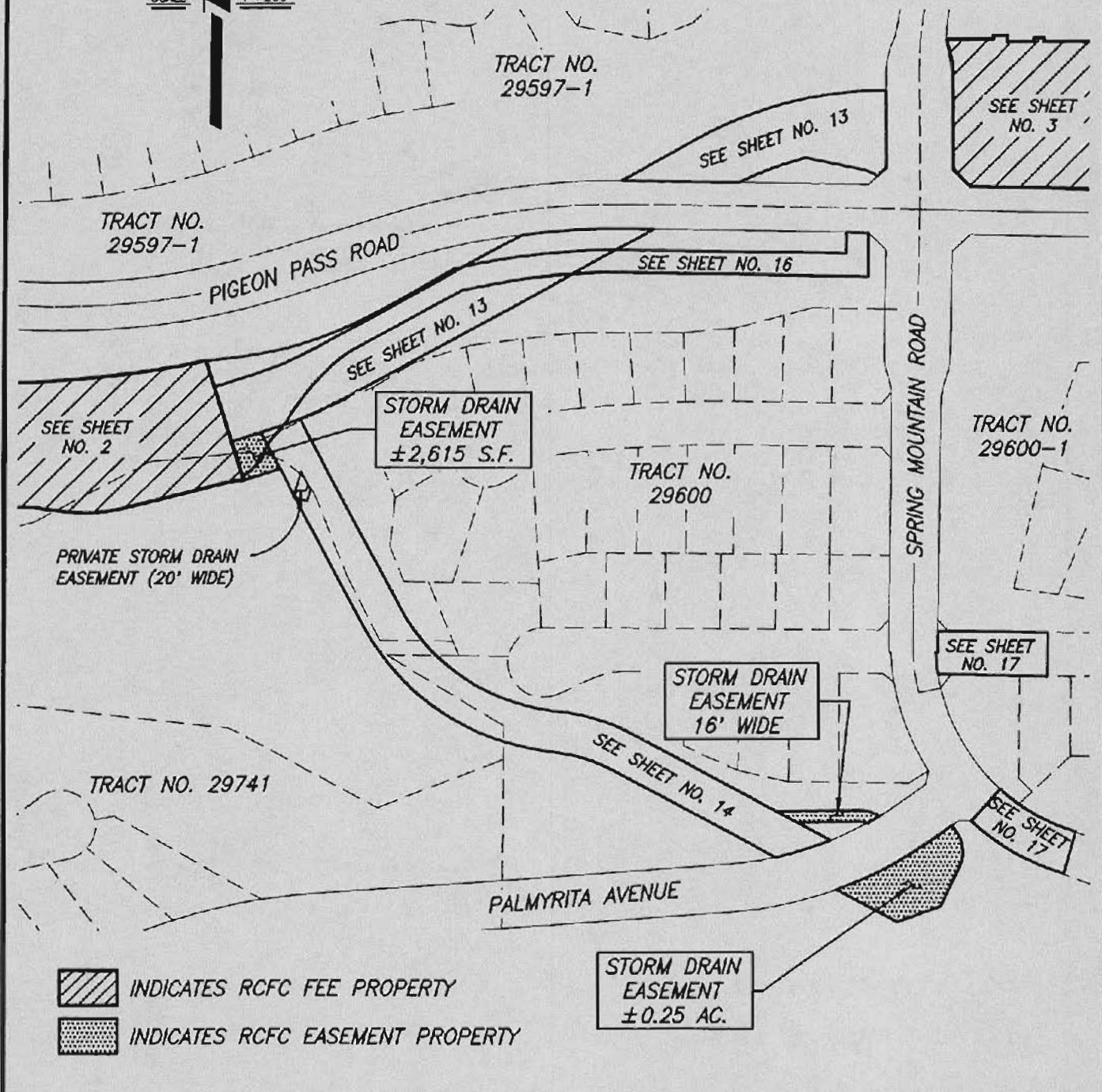
-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY




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**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE:	1"=100'
DATE:	6/04/07
BY:	MLP
SHEET 13 OF 21	

SCALE 1"=200'



 INDICATES RCFC FEE PROPERTY  
 INDICATES RCFC EASEMENT PROPERTY



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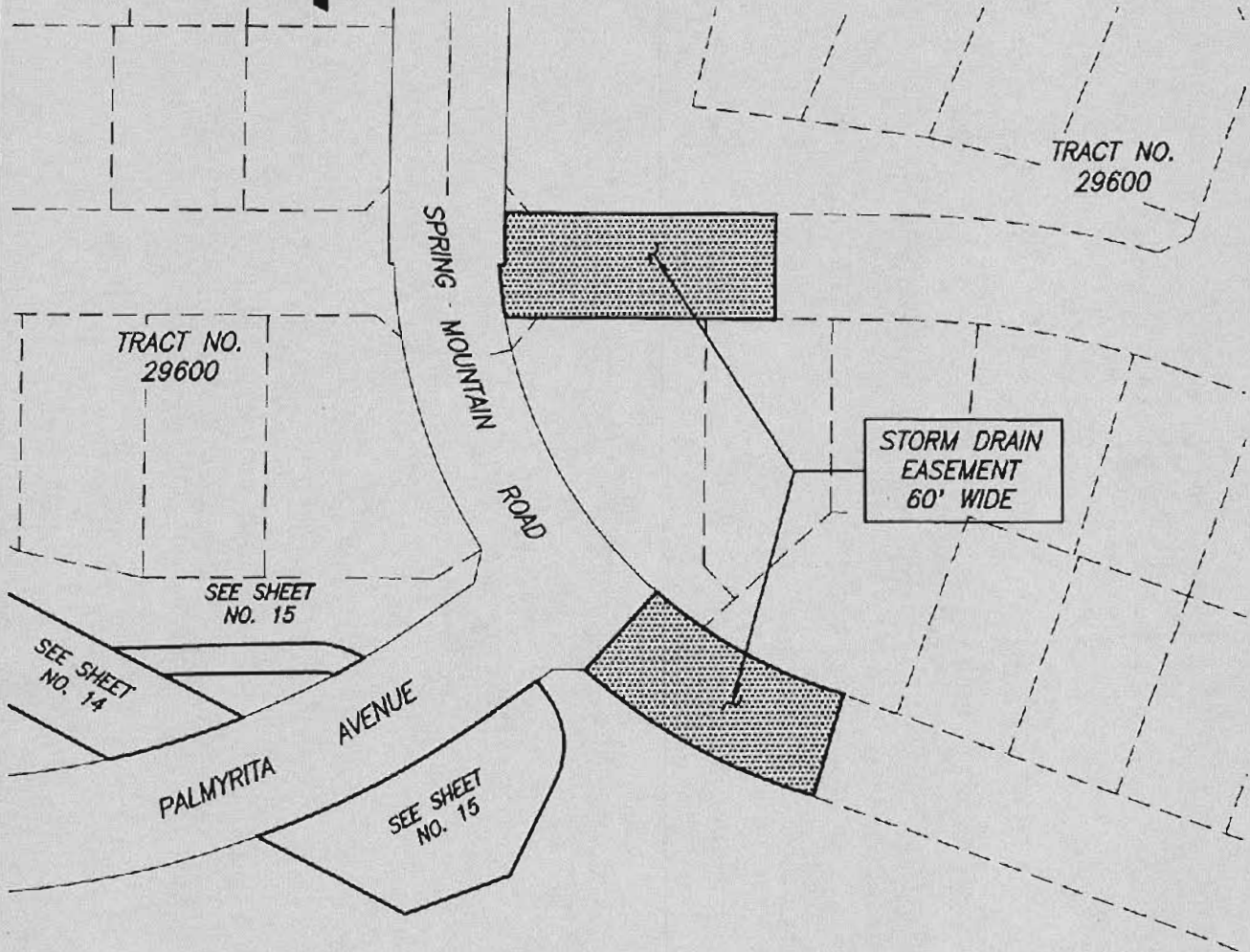
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COUNTY OF RIVERSIDE, CALIFORNIA  
**DEDICATION EXHIBIT**  
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'  
 DATE: 6/04/07  
 BY: MLP  
 SHEET 15 OF 21



SCALE 1"=100'



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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## DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 17 OF 21

SCALE 1"=200'

T.T. 29599

TRACT NO.  
29598-1

GRAZING LANE

RCTD STORM DRAIN  
ACCESS EASEMENT

SEE SHEET  
NO. 3

STORM DRAIN  
ACCESS EASEMENT  
± 1.02 AC.

SEE SHEET  
NO. 4

PIGEON PASS ROAD

T.T. 29740



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

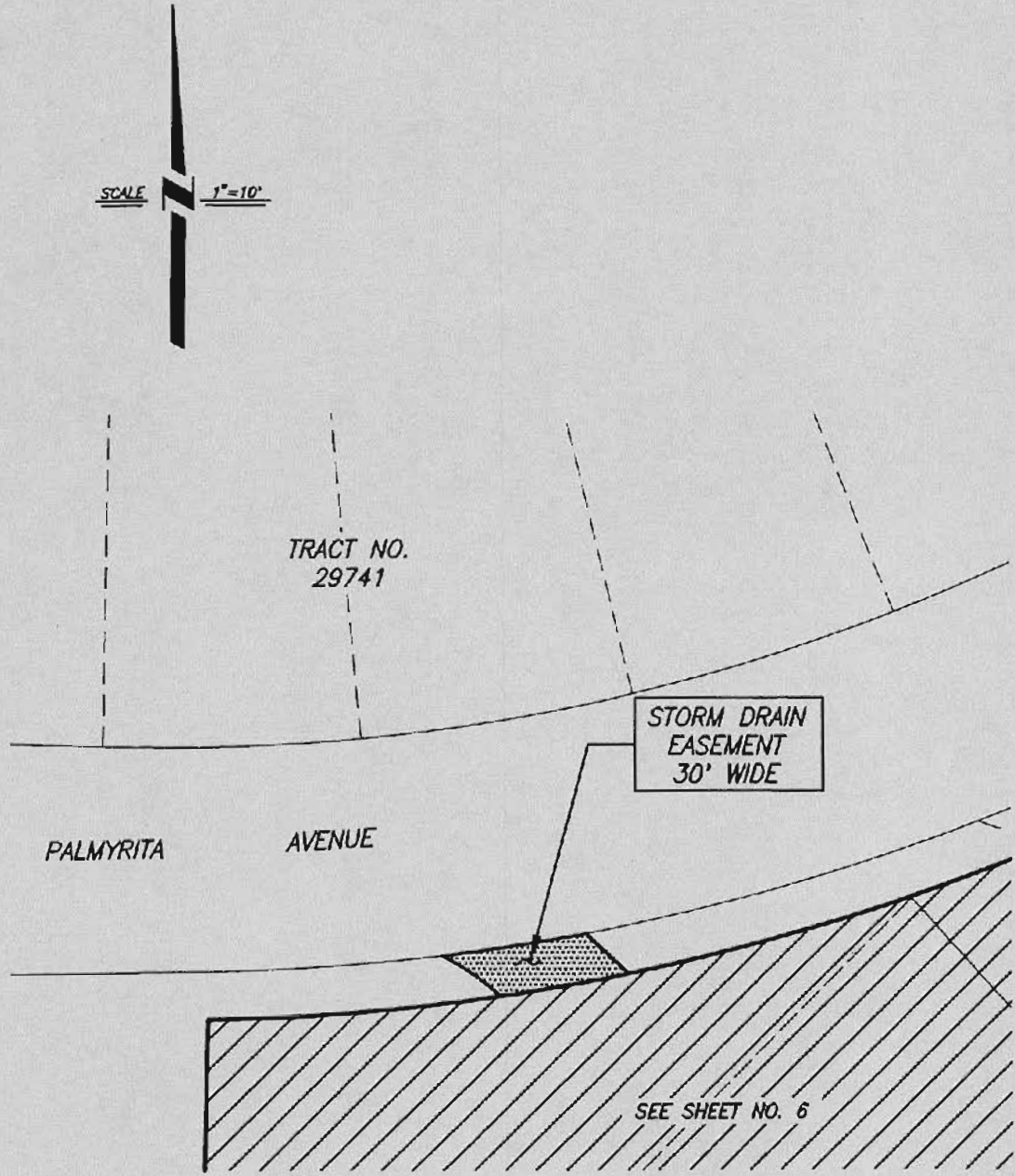
DATE: 6/04/07

BY: MLP

SHEET 19 OF 21



SCALE 1"=10'



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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# DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=10'

DATE: 6/04/07

BY: MLP

SHEET 21 OF 21

EXHIBIT B

ASSIGNMENT OF CONTRACTS

[See Attachment]

ASSIGNMENT OF CONTRACTS

THIS ASSIGNMENT OF CONTRACTS ("Assignment") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between SMR VENTURES, LLC, a Delaware limited liability company ("Assignor"), and SFI SMR LLC, a Delaware limited liability company ("Assignee").

RECITALS

A. Assignor is or was the owner of the property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 ("Property"), providing for the development of approximately 1,461 proposed single family residential lots ("Spring Mountain Ranch").

B. Concurrently herewith, the Property is being transferred to Assignee by First American Title Insurance Company pursuant to that certain Trustee's Sale No. 08-24758 ("Transfer").

C. In connection with the Transfer, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor all of Assignor's rights and obligations under each of the contracts identified on Exhibit A attached hereto (the "Contracts"), in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns, sells and transfers to Assignee, all of Assignor's right, title and interest in the Contracts.

2. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Assignee that as of the date of this Assignment:

A. The Contracts are assigned to Assignee free and clear of all liens, claims or encumbrances;

B. Assignor is a party to the Contracts, and Assignor has the full power and authority to execute, deliver and perform its obligations under this Assignment; and

C. To Assignor's knowledge, neither the execution and delivery of this Assignment and the instruments to be executed or delivered by Assignor pursuant to this Assignment nor the consummation of the transaction contemplated herein conflict with or result in the material breach of the Contracts or any written agreement relating to the Contracts.

3. Acceptance of Contracts. Effective as of the date hereof, Assignee hereby accepts Assignor's assignment of the Contracts.

EXHIBIT 5 PAGE 53



4. **Indemnification.** Assignor shall protect, indemnify, defend and hold Assignee free and harmless from and against any and all claims, damages, liens, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Liabilities**"), resulting from or arising out of the inaccuracy of the foregoing representations and/or warranties of Assignor. Assignor's indemnification obligations set forth herein shall survive the transfer of the Contracts pursuant to this Assignment.

5. **Further Assurances.** Each of Assignor and Assignee agree to execute such further documents as the other may deem reasonably necessary or desirable to effectuate the purposes of this Assignment. Assignor and Assignee further hereby covenant and agree to reasonably cooperate with each other in order to effectuate the proposed transfer described herein.

6. **Miscellaneous.** There are no agreements, understandings, commitments, representations or warranties with respect to the subject matter hereof except as expressly set forth in this Assignment and the Contracts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Assignment shall be binding upon the parties and their heirs, representatives, executors, administrators, successors and assigns and shall inure to the benefit of the parties and to their respective heirs, representatives, executors, administrators, successors and assigns. This Assignment shall be governed by and construed in accordance with California law.

[Signatures on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee do hereby execute this Assignment as of the date first written above.

**ASSIGNOR:**

**SMR VENTURES, LLC**, a Delaware limited liability company

**ASSIGNEE:**

**SFI SMR LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

*[Handwritten Signature]*  
*RECEIVED, SOLELY  
IN THAT CAPACITY*

EXHIBIT A

LIST OF CONTRACTS

1. Joint Community Facilities Agreement- Flood Control, dated June 26, 2007, by and between SMR Ventures, LLC, the Riverside Unified School District, Riverside County Flood Control and the County of Riverside.
2. Joint Community Facilities Agreement - Street Improvements, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
3. Joint Community Facilities Agreement- Sewer Collection Facilities, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
4. Water and Sewer Backbone Improvement and Tri-party Reimbursement Agreement, dated January 8, 2004, and amended December 1, 2005, by and between SMR Ventures, LLC, MFR-Groves Development, L.P., a Texas limited partnership, and Springbrook Investments, L.P., a California limited partnership.
5. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (sewer facilities reimbursement fee), dated October 1, 2006, by and between SMR Ventures, LLC, and the Riverside Unified School District.
6. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (traffic mitigation fee), dated February 1, 2006, by and between SMR Ventures, LLC, and the City of Grand Terrace.
7. Amended Sanitation System and Installation Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the County of Riverside.
8. City of Riverside Development Indemnification Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the City of Riverside.
9. Agreement Between Riverside Highland Water Company and Eastbridge Partners L.P. for the Construction of Water Related Facilities and Furnishing of Domestic and Irrigation Water, dated April 26, 2002, by and between Riverside Highland Water Company and Eastbridge Partners L.P (the "RHWC Agreement"), and Addendum I to the RHWC Agreement, dated May 10, 2004, as assigned to SMR Ventures, LLC, on May 10, 2004.
10. Department of the Army Permit Authorization No. 200400186-RRS (404 Permit), dated December 19, 2003, issued by the Army Corps of Engineers to Eastbridge, L.P, as predecessor in interest to SMR Ventures, LLC.



11. Clean Water Act Section 401 Water Quality Certifications for Spring Mountain Ranch - CRWQCB No. 200100542-RRS, dated October 21, 2003, issued by the California Regional Water Quality Control Board to Eastbridge, L.P., as predecessor in interest to SMR Ventures, LLC.
12. Agreement Regarding Proposed Activities Subject to California Fish and Game Code Section 1603, 6-2001-141, dated December 10, 2002, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.
13. Agreement Regarding Proposed Stream or Lake Alteration, 6-2003-035, dated March 20, 2003, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.
14. Contract for Extension of Electric Distribution Line Rule No. 15 (Work Order No. 6531-1988/51916) dated as of June 30, 2006, (Work Order No. 6531-1990/51918) dated as of July 6, 2006, and (Work Order No. 6531-1990/51918) dated as of July 6, 2006, by and between Southern California Edison Company and SMR Ventures, LLC.
15. Line Extension Contract (Project No. 93976), dated September 25, 2007, by and between the Southern California Gas Company and SMR Ventures, LLC, for residential single family project at Spring Mountain Ranch (Tract Nos. 29597, 29598, 29599, 29600).
16. Application and Letter of Agency for Custom Work (Work Order LB-29, 5563373), dated April 26, 2005, by and between SBC and SMR Ventures, LLC.
17. Right of Entry Agreement for Pigeon Pass Road Corridor Project, dated April, 2009, by and between SMR Ventures, LLC and the County of Riverside.
18. Right of Entry and Construction License Agreement, dated March 17, 2009, by and between SMR Ventures, LLC and the County of Riverside on behalf of the Waste Management Department.
19. All of Assignor's right, title, and interest, in and to all unexpired claims, warranties, and guarantees received in connection with the construction and equipping of the Property, including, without limitation, the right to sue any obligor thereto for any breach of any covenant, agreement, representation, warranty, or guarantee contained therein.
20. All of Assignor's right, title, and interest, in and to all licenses, permits, opinions, agreements, resolutions, certifications, approvals, certificates of occupancy, entitlements, tract maps, tentative tract maps and franchises issued by any federal, state, county, regional or other governmental authority in any way relating to the development, construction, subdivision, use, occupancy, maintenance, or operation of the Property (collectively, the "Licenses and Permits"), running to, or in favor of, Assignor and/or the Property and Assignor's interest in any performance or payment bonds issued in favor of Assignor pursuant to such Licenses and Permits.
21. All of Assignor's right, title and interest, in and to any plans and specifications, studies, drawings and other technical descriptions prepared for construction, repair or alteration of the

EXHIBIT

5

PAGE

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Property, in both hard copy and original computer aided design or similar electronic formats, and all amendments and modifications thereof.

22. All of Assignor's right, title, and interest in, the engineers' contracts, utility contracts, maintenance agreements, management agreements, marketing agreements, any Joint Community Facility Agreements related to reimbursement of the cost of the infrastructure construction for the Property, listing agreements, reciprocal easement or operating agreements, equipment leases, declarations, any purchase agreements, any sale contracts, all earnest money sales deposits, development agreements, service contracts, in any way relating to the development, use, occupancy, operating, maintenance, enjoyment, acquisition or ownership of the Property or services produced in or relating to the Property, or the proceeds (as defined in the California Uniform Commercial Code) and any refunds or reimbursements derived therefrom.

EXHIBIT 5 PAGE 58



ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT  
(SPRING MOUNTAIN RANCH – SEWER COLLECTION FACILITIES)

This Assumption Agreement (this “**Agreement**”) is made and entered into as of August 1, 2011, by and among the County of Riverside, a political subdivision of the State of California, acting by and through Riverside County Service Area 152-C, a county service area (respectively, the “**County**” and “**CSA 152-C**”), Riverside Unified School District (the “**District**”), and SFI SMR LLC, a Delaware limited liability company (the “**Property Owner**”).

**RECITALS**

A. The Property Owner is the owner of property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 (the “**Property**”), providing for the development of approximately 1,461 proposed single family residential lots (“**Spring Mountain Ranch**”). The Property Owner acquired the Property from SMR Ventures, LLC, a Delaware limited liability company (the “**Previous Owner**”), pursuant to Trustee’s Sale No. 08-24758 (the “**Transfer**”).

B. To finance various public facilities required in connection with the development of Spring Mountain Ranch, including the Sewer Collection Facilities described in Recital C, the District contemplates the formation of a community facilities district (anticipated to be designated Community Facilities District No. 23 of Riverside Unified School District, and referred to herein as the “**CFD**”) under the authority of the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”).

C. The Act provides that the CFD may finance the acquisition and construction of certain public improvements, including but not limited to the sewer collection facilities (the “**Sewer Collection Facilities**”), which are to be owned by the County, only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act.

D. As required by the Act, the District, the County, and the Previous Owner entered into and executed that certain Joint Community Facilities Agreement (Sewer Collection Facilities), dated as of June 26, 2007 (the “**Sewer Collection Facilities JCFA**”), a copy of which is attached hereto as Exhibit A.

E. In connection with the Transfer, the Previous Owner and the Property Owner entered into that certain Assignment of Contracts (the “**Assignment of Contracts**”), a copy of which is attached hereto as Exhibit B, whereby the Previous Owner assigned to the Property Owner, and the Property Owner assumed from the Previous Owner, all of the Previous Owner’s rights and obligations under certain contracts relating to Spring Mountain Ranch previously entered into by the Previous Owner, including, but not limited to, the Sewer Collection Facilities JCFA. Neither the County nor the District approved the Assignment of Contracts at the time of its

execution, and the Assignment of Contracts has not been subsequently ratified by the County or the District.

F. Section 6.3 of the Sewer Collection Facilities JCFA requires a purchaser or assignee of the Property, as a condition to receiving payment of the purchase price of the Sewer Collection Facilities, to enter into an assignment agreement with the County, the District, and the CFD, in a form acceptable to the County, the District and the CFD, to assume the duties and obligations of the Previous Owner under the Sewer Collection Facilities JCFA. Since the CFD has not yet been formed, it cannot enter into any such agreement.

G. In order to effectuate the assignment and assumption of the Sewer Collection Facilities JCFA and to receive and accept all of the corresponding benefits under the Sewer Collection Facilities JCFA, the Property Owner desires to enter into this Agreement to satisfy the conditions set forth under Section 6.3 of the Sewer Collection Facilities JCFA, and to assume the duties and obligations of the Previous Owner under the Sewer Collection Facilities JCFA.

H. Pursuant to California Civil Code Section 1589, a voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting. The Property Owner has read and understood the Sewer Collection Facilities JCFA and consents to all of its terms.

NOW THEREFORE for the mutual promises reflected herein and for other valuable consideration the receipt of which is hereby acknowledged by all of the signatory parties, the parties hereby agree as follows:

Section 1. Definitions. Except as expressly defined herein, all capitalized terms shall have the meaning afforded to those terms in the Sewer Collection Facilities JCFA.

Section 2. Recitals Correct. It is expressly agreed by the signatories that the recitals are true and correct.

Section 3. Assumption. The Property Owner hereby assumes and agrees to perform and faithfully discharge all of the duties and obligations of the property owner in the Sewer Collection Facilities JCFA. The other party signatories to this Agreement accept and consent to the assumption of those duties by the Property Owner. From and after the date hereof, the Property Owner agrees to perform all duties of the property owner reflected in the Sewer Collection Facilities JCFA including the duty of indemnification as set-forth therein. From and after the date hereof it is agreed that the Property Owner shall be entitled to enjoy all of the benefits that the Sewer Collection Facilities JCFA affords to the property owner. Notwithstanding the foregoing, it is the intent of the parties that this Agreement shall not effect a novation.

Section 4. Representations and Warranties of the Property Owner. The Property Owner, as the current owner of the Property, makes the following



representations and warranties for the benefit of the County and the District as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is validly existing as a limited liability company and in good standing under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Agreement is a valid and binding obligation of the Property Owner and is enforceable against the Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Ownership. The Property Owner represents and warrants that it has lawfully obtained fee title to the Property and that no other known entity has a superior claim of title.

Section 5. Indemnification. The Property Owner, with respect to the responsibilities of the property owner under the Sewer Collection Facilities JCFA, agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the County, and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents, and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs in accordance with and pursuant to the indemnification provisions set forth under Section 5.4 of the Sewer Collection Facilities JCFA.

Not as a limitation of, but in addition to the Property Owner's duty of indemnification reflected in Section 5.4 of the Sewer Collection Facilities JCFA, the Property Owner further agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the County, and their respective directors, officers, Board of Education, Board of Supervisors, Legislative Body, elected officials, employees, representatives and agents (the "**Indemnified Parties**"), and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs by reason of or arising out of or in consequence of this Agreement or the approval of this Agreement or the Indemnified Parties' good-faith performance under this Agreement, including, but not limited to, any and all claims and liabilities asserted by the Previous Owner against the Indemnified Parties under the Sewer Collection Facilities JCFA.

If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner for any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs arising directly from the willful misconduct or sole or active negligence of the Indemnified Parties.

The provisions of this Section 5 shall survive the termination of this Agreement.

Section 6. Amendments. This Agreement may only be amended by an instrument in writing executed and delivered by the District, the County, and the Property Owner.

Section 7. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County: County of Riverside  
C/O Economic Development Agency  
Attn: Suzanne Holland  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, California 92501  
Telephone: (951) 955-8916  
Fax: (951) 955-9505

District: Riverside Unified School District  
3070 Washington Street  
Riverside, California 92504  
Attention: Director Planning & Development  
Telephone: (951) 788-7554  
Fax: (951) 275-9349

Property Owner: SFI SMR, LLC  
c/o iStar Financial Inc.  
5 Park Plaza, Suite 1640  
Irvine, California 92614  
Attention: Steven Magee  
Telephone: (949) 567-8066  
Fax: (949) 567-2411



With a copy to: iStar Financial Inc.  
1114 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, New York 10036  
Attn: Chief Operating Officer  
Telephone: (212) 930-9400  
Fax: (212) 930-9494

With a copy to: iStar Financial Inc.  
1114 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, New York 10036  
Attn: Nina B. Matis, Esq./General Counsel  
Telephone: (212) 930-9400  
Fax: (212) 930-9492

With a copy to: iStar Asset Services Inc.  
180 Glastonbury Blvd., Suite 201  
Glastonbury, Connecticut 06033  
Attn: President  
Telephone: (860) 815-5900  
Fax: (860) 815-5901

With a copy to: Katten Muchin Rosenman LLP  
2029 Century Park East, Suite 2600  
Los Angeles, California 90067  
Attn: Benzion J. Westreich, Esq.  
Telephone: (310) 788-4409  
Fax: (310) 712-8228

Section 8. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

(b) Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of California applicable to contracts made and performed in the State.

(c) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

RECOMMENDED  
FOR APPROVAL:

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Robert Field  
Assistant County Executive Officer EDA

By: \_\_\_\_\_  
Bob Buster  
Chairman, Board of Supervisors

ATTEST:  
Kecia Harper-Ihem, Clerk of the  
Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

ATTEST:

By: \_\_\_\_\_  
Clerk of the Board of Education

PROPERTY OWNER

SFI SMR LLC,  
a Delaware limited liability company

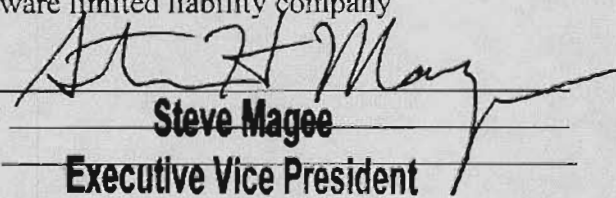
By:   
Name: **Steve Magee**  
Title: **Executive Vice President**

EXHIBIT A

JOINT COMMUNITY FACILITIES AGREEMENT  
(SEWER COLLECTION FACILITIES)

[See Attachment]

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**JOINT COMMUNITY FACILITIES AGREEMENT**  
**(Sewer Collection Facilities)**

by and among

**RIVERSIDE UNIFIED SCHOOL DISTRICT,**

**COUNTY OF RIVERSIDE,**

and,

**SMR VENTURES, LLC,**  
a Delaware limited liability company,

Dated as of June 26, 2007

Relating to:  
Community Facilities District No. 23  
of Riverside Unified School District



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## JOINT COMMUNITY FACILITIES AGREEMENT

**THIS JOINT COMMUNITY FACILITIES AGREEMENT** (this "Joint Community Facilities Agreement") is made and entered into as of June 26, 2007, by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), County of Riverside, a political subdivision of the State of California, acting by and through Riverside County Service Area 152-C, a county service areas (respectively, the "County" and "CSA 152-C") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner").

### RECITALS

A. The Board of Education of the School District (the "Board of Education") has been requested to initiate proceedings to form a community facilities district that is to be identified as "Community Facilities District No. 23 of Riverside Unified School District" (the "Community Facilities District") under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") (commencing with Section 53311 of the California Government Code (the "Code")) that is to be located in an unincorporated portion of the County known as "Highgrove."

B. The Property Owner is the owner of certain real property, as generally shown on Exhibit A, attached hereto, representing Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741 (each a "Tract," and collectively, the "Tracts"), that provide for the development of approximately 1,461 proposed single family residential lots; the boundaries of the Community Facilities District include all of the territory within the Tracts. The Property Owner has requested that in forming the Community Facilities District two or more improvement areas be designated therein (each an "Improvement Area," and collectively, the "Improvement Areas"). It is the intention of the parties hereto that each Improvement Area shall be authorized to finance all or any part of the Sewer Collection Facilities (as defined below) to the extent bond proceeds are available. The determination of which Tracts will be in which Improvement Area will be made by the School District and the Property Owner at the time the Community Facilities District is formed.

C. The Property Owner has requested and proposed that the Community Facilities District be formed for the purpose of providing the means of financing the acquisition and construction of certain public improvements, including but not limited to the sewer collection facilities listed in Exhibit B (each of the facilities described as Facilities 1 through 11 shall be referred to herein as a "Sewer Collection Facility" and, collectively, as the "Sewer Collection Facilities") to be constructed by the Property Owner with the purchase price therefor to be paid from the proceeds of bonds to be sold and issued by the Community Facilities District. The Sewer Collection Facilities are to be owned by the County, acting by and through CSA 152-C, and maintained and operated by the City of Riverside (the "City") upon the completion of the construction thereof by the Property Owner and the acceptance thereof by both the County and the City.

D. County Service Area 152-C has been formed pursuant to Chapter 2.2, Part 2, Division 2, Title 3 of the Code (commencing at Section 25210.1) and is authorized, among other things, to provide wastewater treatment and collection services.

E. The County and the Property Owner have entered into an agreement entitled "Amended and Restated Sanitation System Installation and Service Agreement," dated as of June 22, 2004 (the "Sewer Installation Agreement"), that provides for the terms under which the Property Owner agrees to design, engineer and construct or to cause the design, engineering and construction of the Sewer Collection Facilities and the terms under which this is to be accomplished.

F. In addition, the City and the County have entered into an agreement entitled "Operation and Maintenance Agreement," dated June 22, 2004, that provide the terms and conditions under which the City will operate and maintain the Sewer Collection Facilities (the "Operation and Maintenance Agreement").

G. Section 53313.5 of the Code provides that a community facilities district may only finance the purchase of facilities whose construction has been completed, as determined by the legislative body of the community facilities district, before the resolution of formation to establish the community facilities district is adopted pursuant to Section 53325.1 of the Code, except that a community facilities district may finance the purchase of facilities completed after the adoption of a resolution of formation if the facility is constructed as if it had been constructed under the direction and supervision, or under the authority of the local agency, in this instance either the County or the City.

H. Section 53314.9 of the Code provides that at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds or work in-kind from any source, including, but not limited to, private persons or entities, and may provide, by resolution, for the use of those funds or that work in-kind for any authorized purpose, under all of the following conditions: (a) the proposal to repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the resolution of intention to establish the community facilities district adopted pursuant to Section 53321 of the Code and in the resolution to establish the community facilities district pursuant to Section 53325.1 of the Code, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any work in-kind accepted pursuant to Section 53314.9 of the Code shall have been performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of either the County or the City.

I. Pursuant to the Act, the Board of Education, upon approval of this Joint Community Facilities Agreement by the School District, the County and the Property Owner, intends to consider a resolution of intention stating that it is the intention of the School District to cause the proposed Community Facilities District to be established and the Improvement Areas therein to be designated, and if established, the Community Facilities District will use its best efforts to sell and issue special tax bonds the proceeds of which will be used in part to pay the Property Owner the purchase price of the Sewer Collection Facilities, provided all of the conditions of Sections 53313.5 and 53314.9 of the Code are satisfied and that the purchase price shall only be paid from the proceeds of special tax bonds, if any are sold and issued by the proposed Community Facilities District and the Improvement Areas therein.



J. The Act provides that the proposed Community Facilities District may finance the Sewer Collection Facilities pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code.

K. The School District, the County and the Property Owner desire to enter into this Joint Community Facilities Agreement, as required by the aforementioned sections of the Code and prior to the adoption by the Board of Education of the resolution establishing the Community Facilities District and the designation of the Improvement Areas therein.

L. The School District and the County by entering into this Joint Community Facilities Agreement will enable the Community Facilities District to finance the acquisition and construction of some or all of the Sewer Collection Facilities, and, consistent with Section 53316.2 of the Code, the School District and the County have determined that executing this Joint Community Facilities Agreement will be beneficial to the residents of their respective jurisdictions and to the owners of the property within the Community Facilities District.

M. Notwithstanding anything in this Joint Community Facilities Agreement to the contrary, this Joint Community Facilities Agreement shall not obligate the Property Owner to construct a Sewer Collection Facility in the manner set forth in this Joint Community Facilities Agreement, or obligate the Property Owner to otherwise comply with any of the provisions of this Joint Community Facilities Agreement with respect to a Sewer Collection Facility concerning, among other things, bidding, financing, insuring, maintaining and constructing such Sewer Collection Facility, unless the Property Owner seeks reimbursement for such Sewer Collection Facility from the proceeds of the Bonds. In clarification of the foregoing, the parties agree that if the Property Owner wants to be paid or to be reimbursed for the costs of a Sewer Collection Facility from the proceeds of the Bonds (when and if issued), it must comply with the provisions of this Joint Community Facilities Agreement with respect to such Sewer Collection Facility. If the Property Owner chooses not to be paid or to seek reimbursement for a Sewer Collection Facility from the proceeds of the Bonds, or the proceeds of the Bonds are insufficient to finance a Sewer Collection Facility, then the Property Owner may construct such Sewer Collection Facility without complying with the provisions of this Joint Community Facilities Agreement. Instead, the construction of such Sewer Collection Facility will be dictated by the Sewer Agreements (as defined herein).

## AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual premises and covenants contained herein, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.1 Definitions.** Unless the context otherwise requires, the terms defined in this Article I shall have the meaning herein specified when used in this Joint Community Facilities Agreement:

"**Acceptable Title**" means title to land, or an easement therein, delivered free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether any such item is recorded or unrecorded, except those non-monetary items which are reasonably determined by the County and the City not to interfere with the intended use of such land or easement and therefore are not required to be cleared from title.

"**Acceptance Date**" means, with respect to a Sewer Collection Facility, the date that said Sewer Collection Facility is accepted by the County for ownership and the City as to operation and maintenance.

"**Act**" means the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the Code, as amended.

"**Actual Cost**" means, with respect to a Sewer Collection Facility, to the extent authorized by law, an amount equal to the sum of (a) the Property Owner's actual, reasonable cost of constructing the Sewer Collection Facility, including labor, material and equipment costs, (b) the Property Owner's actual reasonable cost of designing and preparing the Plans and Specifications for the Sewer Collection Facility, including engineering services provided in connection with designing and preparing such Plans and Specifications, (c) the Property Owner's actual, reasonable cost of environmental evaluations and any mitigation measures required by any governmental agency with jurisdiction with regard to such Sewer Collection Facility, or portions thereof, (d) the amount of any fees actually paid by the Property Owner to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Sewer Collection Facility including but not limited to plan check and inspection fees by the City and the County, (e) the Property Owner's actual reasonable cost for professional services directly related to the construction of such Sewer Collection Facility, including engineering, legal, inspection, construction staking, materials testing and similar professional services, (f) the Property Owner's actual, reasonable cost, as determined by the Contract Administrator, for construction management, bid administration and contract administration services which shall not exceed 2% of construction costs, (g) the costs incurred by the County acting as the Contract Administrator; (h) the Property Owner's actual reasonable cost of payment, performance or maintenance bonds and insurance including any title insurance required for such Sewer Collection Facility, (i) the actual, reasonable cost of easements or other real property or interest therein acquired from a party other than the Property Owner, which real property or interest therein is either necessary for the construction of such Sewer Collection Facility (e.g., temporary construction easements, haul roads, etc.) or is required to be conveyed with such Sewer Collection Facility in order to convey Acceptable Title thereto to the County and the City



and allow for operation and maintenance by the City, all as specified in a Payment Request that is to be reviewed and approved by the Contract Administrator; provided, however, that (x) no item of cost relating to a Sewer Collection Facility shall be included in more than one category of cost specified in clauses (a) through (i) of this definition, and (y) each item of cost shall include only amounts actually paid by the Property Owner to third parties and shall not include overhead or other internal expenses of the Property Owner, except that, if Property Owner employees perform construction management, bid administration or contract administration services with respect to a Sewer Collection Facility, the actual reasonable cost of the salaries and benefits paid by the Property Owner to such employees for performing such services may be included as an item of cost relating to such Sewer Collection Facility for the category of cost specified in clause (f) of this definition and subject to the 2% limitation specified in clause (f).

"**Administrator**" means the Director of Planning and Development of the School District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate required pursuant to Section 6.15., below.

"**Board of Education**" means the Board of Education of the School District.

"**Board of Supervisors**" means the Board of Supervisors of the County.

"**Bonds**" means the special tax bonds that the Community Facilities District may attempt to sell and issue in one or more series for each Improvement Area if the Proceedings are approved, a portion of the proceeds of which will be used to finance the acquisition and construction of all or a portion of the Sewer Collection Facilities.

"**Business Day**" means a day which is not a Saturday or Sunday or a day of the year on which the City or the County are not required or authorized to be open.

"**CEQA**" means the California Environmental Quality Act (CEQA), constituting Section 21000 *et seq.* of the California Public Resources Code, as amended.

"**City**" means the City of Riverside, a charter city and municipal corporation duly organized and existing under the laws of the State and its successors.

"**City Council**" means the City Council of the City.

"**City Engineer**" means the Public Works Director of the City who is the duly appointed and acting head of the Public Works Department or the authorized designee of the Public Works Director, as specified in the written certificate required pursuant to Section 6.15., below.

"**Code**" means the California Government Code.

"**Community Facilities District**" means "Community Facilities District No. 23 of Riverside Unified School District," a community facilities district to be organized and existing under the Act.

"**Construction Site**" means the site on which a Sewer Collection Facility is to be constructed, including off site staging areas and material storage areas.

"**Contract Administrator**" means the Assistant County Executive Officer/Economic Development Agency (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate required pursuant to Section 6.15., below.

"**County**" means the County of Riverside, a political subdivision of the State, and its successors.

"**County Engineer**" means that licensed civil engineer retained by CSA 152-C to fulfill the County's obligations under the Sewer Agreements to review and approve, in a timely manner, the Plans and Specifications to be prepared or caused to be prepared by the Property Owner by the Sewer Agreements and this Joint Community Facilities Agreement and as specified in the written certificate required pursuant to Section 6.15., below.

"**CSA 152-C**" means Community Service Area 152-C formed pursuant to Chapter 2.2, Part 2, Division 2, Title 3 of the Code (commencing at Section 25210.1)

"**General Prevailing Wage Rates**" means those rates as determined by the Director of the Department of Industrial Relations of the State pursuant to Sections 1770, *et seq.* of the Labor Code of the State that are applicable to public works construction activity within the County.

"**Hazardous Material**" means any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic substances, materials or waste which is or becomes regulated by any local governmental authority, the State or the federal government and specifically includes, without limitation, any material or substance which is (i) designated as "hazardous substance" pursuant to Section 3111 of the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 *et seq.* (33 U.S.C. Section 1321), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 USC Section 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, (iv) petroleum or petroleum products, (v) asbestos, (vi) hydrocarbons, or (vii) polychlorinated biphenyl ("PCB" or PCB containing materials)..

"**Improvement Area**" or "**Improvement Areas**" means, either individually or collectively, one or more of the Improvement Areas, as the context would indicate, that are to be designated within the Community Facilities District.

"**Indenture**" means each indenture, trust agreement, resolution, fiscal agent agreement or similar instrument, regardless of title, pursuant to which bonds, notes or other evidences of indebtedness of the Community Facilities District have been issued for an Improvement Area and are outstanding, as originally executed or as the same may from time to time be supplemented or amended pursuant to the provisions thereof.

"**Joint Community Facilities Agreement**" means this Joint Community Facilities Agreement, dated as of June 26, 2007, by and among the School District, the County and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.



**"Legislative Body"** means the Board of Education, acting *ex officio* as the legislative body of the Community Facilities District.

**"Mitigation Agreement"** means the Mitigation Agreement to be entered into by and between the School District and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

**"Operation and Maintenance Agreement"** means the Operation and Maintenance Agreement, dated June 22, 2004, that provides the terms and conditions under which the City will operate and maintain the Sewer Collection Facilities.

**"Payment Request"** means the document to be provided by the Property Owner to the Contract Administrator to substantiate the Purchase Price of a Sewer Collection Facility which shall be substantially in the form of Exhibit D attached hereto.

**"Plans and Specifications"** mean the plans and specifications for a Sewer Collection Facility prepared or to be prepared at the direction of the Property Owner pursuant to Section 4.2., hereof.

**"Proceedings"** means those proceedings to be undertaken by the Board of Education to consider the formation of the Community Facilities District and the designation of Improvement Areas therein and the approval by said Board of Education and the qualified electors of the Community Facilities District and each Improvement Area, of the authorization to levy special taxes therein pursuant to the Rate and Method and to incur bonded indebtedness to finance the construction and acquisition of certain public improvements and by the Legislative Body to sell and issue the Bonds.

**"Property Owner"** means SMR Ventures, LLC, a Delaware limited liability company, and its successors and assigns, acting as the master developer of infrastructure within the Community Facilities District, including but not limited to the Sewer Collection Facilities.

**"Property Owner's Representative"** means the person executing this Joint Community Facilities Agreement or the person or persons designated as such by the Property Owner in a certificate signed by the Property Owner and delivered to the School District, the Community Facilities District and the County consistent with Section 6.15., below,.

**"Public Contract Code"** means the Public Contract Code of the State.

**"Purchase Price"** means, subject to the provisions of Section 3.2., hereof, the Actual Cost of a Sewer Collection Facility as determined by the Contract Administrator.

**"Rate and Method"** means the rate and method of apportionment of special taxes for each Improvement Area authorized to be levied within the Community Facilities District pursuant to the Proceedings.

**"School District"** means the Riverside Unified School District, a school district organized and existing under the laws of the State of California.

**"Sewer Agreements"** means (i) the Sewer Installation Agreement, as originally executed or as the same may be amended from time to time in accordance with its terms, (ii) the Operation and Maintenance Agreement, as originally executed or as the same may  
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be amended from time to time in accordance with its terms, and (iii) any agreement between the Property Owner, the City and/or the County which is supplemental to or in lieu of the agreements described in (i) and (ii). Under no circumstances shall the amendment or restatement of the Sewer Installation Agreement or the Operation and Maintenance Agreement invalidate this Joint Community Facilities Agreement.

**"Sewer Collection Facilities"** shall have the meaning ascribed to the term "Collection System" in the Sewer Installation Agreement and the Operation and Maintenance Agreement and as described in Exhibit B hereto. The ownership of the Sewer Collection Facilities shall be in accordance with the provisions set forth in the Operation and Maintenance Agreement. Pursuant to the Operation and Maintenance Agreement, the City will operate the portions of the Sewer Collection Facilities owned by the County on behalf of the County. Lateral connections within the public right of way are not part of the Sewer Collection Facilities and shall be owned by the respective property owners connecting to the Sewer Collection Facilities.

**"Sewer Collection Facility"** means any individual facility described in Exhibit B as Facility 1 through 11.

**"Sewer Collection Facilities Account"** means the account (however denominated) established pursuant to an Indenture providing for the issuance of Bonds for an Improvement Area to hold that portion of Bond proceeds to be applied to pay all or a portion of the Purchase Price for a Sewer Collection Facility.

**"Sewer Installation Agreement"** means the Amended and Restated Sanitation System Installation and Service Agreement, dated as of June 22, 2004, by and between the County and the Property Owner that provides for the terms under which the Property Owner agrees to design, engineer and construct or to cause the design, engineering and construction of a sewer collection system, which includes the Sewer Collection Facilities, and the terms under which this is to be accomplished.

**"State"** means the State of California.

**"Tract" or "Tracts"** means, individually or collectively, Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741.



## ARTICLE II

### CONDITIONS PRECEDENT

**Section 2.1. Proceedings for the Formation of the Community Facilities District and the Improvement Areas therein; Costs of Formation.** The Property Owner has submitted to the School District an application requesting that the Proceedings be initiated by the School District to form the Community Facilities District and designate the Improvement Areas therein for the purpose of financing, and among other things, the acquisition and construction of certain public facilities, including the Sewer Collection Facilities, and to authorize the levy of special taxes within the Community Facilities District pursuant to the Rate and Method for each Improvement Area and the incurrence of bonded indebtedness to finance the construction and acquisition of said public facilities and for the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area pursuant to the Act and the applicable Indenture.

Should the formation of the Community Facilities District and the designation of the Improvement Areas be approved to finance the acquisition and construction of the Sewer Collection Facilities, the Legislative Body will use its best efforts to cause the Bonds to be sold and issued for each Improvement Area in one or more series, pursuant to the terms of the Act, the applicable Indenture and the applicable sections of the Mitigation Agreement. A portion of the proceeds of the Bonds are intended to provide funds that will allow the Community Facilities District to finance the costs of constructing and acquiring the Sewer Collection Facilities. Should the Board of Education not approve the formation of the Community Facilities District and/or the Legislative Body not sell and issue any Bonds, the School District, the County and the Property Owner will not be bound by the terms of this Joint Community Facilities Agreement and it shall be considered null and void by the parties to it. The School District will notify all parties to this Joint Community Facilities Agreement within fifteen (15) calendar days of either event occurring.

The Property Owner acknowledges that the decision of the Board of Education to approve the formation of the Community Facilities District and the designation of the Improvement Areas therein and of the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area is an exercise of legislative discretion by the Board of Education and Legislative Body, respectively, and the School District may not enter into a contract or obligate either the Board of Education or the Legislative Body to exercise its legislative discretion in a particular manner. This Joint Community Facilities Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the Board of Education to approve the formation of the Community Facilities District and the designation of Improvement Areas therein or the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area.

The Board of Education and the Legislative Body shall have the jurisdiction to and shall be solely responsible for undertaking the Proceedings consistent with the provisions of the Act, each Indenture and the Mitigation Agreement.

The County is not directly or indirectly approving or responsible in any way whatsoever for: (i) the levy of special taxes within the Community Facilities District or (ii) the issuance of the Bonds. The County shall not be responsible in any way whatsoever for the costs of formation of the Community Facilities District and the designation of the Improvement Areas therein.

**Section 2.2. CSA No. 152-C; Ownership of the Sewer Collection Facilities.**

The construction and development of the Sewer Collection Facilities is one of the conditions that have been placed on the development of the Tracts within the Community Facilities District. When the Sewer Collection Facilities are completed consistent with the terms of this Joint Community Services District they are to be owned by the County on behalf of CSA No. 152-C. Annexation of the tracts to CSA No. 152-C has been completed consistent with the procedures established by the Local Area Formation Commission ("LAFCO") and the administrator for CSA No. 152-C.

**Section 2.3. Addendum to Exhibit B of this Joint Community Facilities Agreement for Modification of the Sewer Collection Facility.**

It is the intent of both the Property Owner and the Community Facilities District to cause one or more series of Bonds to be issued for each Improvement Area. All of the Sewer Collection Facilities eligible to be financed by the Community Facilities District are identified in Exhibit B. Each Improvement Area shall be authorized to finance the Sewer Collection Facilities. The descriptions of the Sewer Collection Facilities are general and any minor differences between the Sewer Collection Facilities described in Exhibit B and those Sewer Collection Facilities actually acquired hereunder shall not prevent the financing of such Sewer Collection Facilities. Further refinement of the description of such Sewer Collection Facilities may be addressed through an addendum to Exhibit B that is to be prepared by the Contract Administrator and executed by the Contract Administrator, the County Engineer, the City Engineer and the Property Owner and that will not require further amendment to this Joint Community Facilities Agreement. Other than the modifications described in the previous sentence, should there be additional amendments deemed necessary by the County to be made to this Joint Community Facilities Agreement, any necessary amendments to this Joint Community Facilities Agreement be made pursuant to Section 6.4., hereof, and such amendments shall be made prior to the authorization by the Legislative Body to sell and issue any additional Bond series the proceeds of which will be used to finance all or a portion of the cost of the construction or acquisition of the Sewer Collection Facilities.

**Section 2.4. Fee Deposit with County for Preparation and Implementation of this Joint Community Facilities Agreement.**

The Property Owner is to cause to be deposited with the County Executive Officer, or his/her designee (the "Special Districts Administrator") an aggregate amount of \$12,000.00 for the three joint community facilities agreements that are to be prepared with regard to the Community Facilities District, of which \$4,000.00 has been deposited by the Property Owner, to be held in a trust account to cover all costs incurred in drafting, preparing and implementing this Joint Community Facilities Agreement and the other two such agreements. The Special Districts Administrator will prepare an accounting of the costs incurred and provide an accounting to the Property Owner. If the amount deposited is insufficient to cover such costs, the Property Owner will cause an additional amount to be deposited with the Special District Administrator within thirty (30) calendar days of being provided a written request for the additional funds. The amounts deposited with the Special District

Administrator that have not been used will be returned to the Property Owner. Any portion of the amounts deposited with the Special District Administrator that are used for the purposes identified above shall be reimbursable to the Property Owner from the proceeds of the Bonds.



## ARTICLE III

### ACQUISITION OF THE SEWER COLLECTION FACILITIES

**Section 3.1. Acquisition of the Sewer Collection Facilities.** This Article III applies only to Sewer Collection Facilities that the Property Owner elects to finance with a portion of the proceeds of the Bonds that will be deposited in the Sewer Collection Facilities Account for an Improvement Area. Notwithstanding that the Property Owner elects not to finance one or more Sewer Collection Facilities with the proceeds of the Bonds, the Property Owner shall not be relieved from its obligation with respect to such Sewer Collection Facilities consistent with the Sewer Agreements.

For such Sewer Collection Facilities, the Property Owner hereby agrees to transfer to the County, the Sewer Collection Facilities to be operated and maintained by the City and the Community Facilities District hereby agrees to pay the Purchase Price(s) therefor, subject to the terms and conditions hereof, the Sewer Agreements, and the Mitigation Agreement. Acceptable Title to any parcels on which such Sewer Collection Facilities are constructed and for which title is not presently held by the County as well as Acceptable Title to such Sewer Collection Facilities shall be transferred to the County as of the Acceptance Date; provided, however, that notwithstanding such transfer the Property Owner shall be solely responsible for the operation and maintenance of each such Sewer Collection Facility until the Acceptance Date of said Sewer Collection Facility.

The Purchase Price for each such Sewer Collection Facility will be paid solely from the amounts on deposit in the Sewer Collection Facilities Accounts established by the applicable Indentures for the issuance of Bonds for one or more Improvement Areas, and the Community Facilities District shall not be obligated to pay the Purchase Price for any Sewer Collection Facility except from the amounts on deposit in said Sewer Collection Facilities Accounts. None of the School District, the Community Facilities District, or the County makes any warranty, either expressed or implied, that the proceeds of the Bonds deposited in such Sewer Collection Facilities Accounts, and investment earnings, will be sufficient to pay the full amount of the Purchase Price for the Sewer Collection Facilities or any specific Sewer Collection Facility.

It is understood by the Property Owner that the net principal amount of the Bonds that will be deposited in each Sewer Collection Facilities Account, pursuant to the terms of the Mitigation Agreement and the applicable Indenture, and any investment earnings thereon, may not be sufficient to pay the full amount of the Purchase Prices for the Sewer Collection Facilities, or any Sewer Collection Facility, at the time a Payment Request is approved by the Contract Administrator. If the amounts on deposit in the applicable Sewer Collection Facilities Account, and any investment earnings thereon, at the time a Payment Request is approved by the Contract Administrator and submitted to the Administrator for payment, are not sufficient to pay the Purchase Price for any Sewer Collection Facility, the timing of the payment of the Purchase Price therefor and the proportionate amount of the Purchase Price to be paid will be determined consistent with the terms of the Mitigation Agreement. It is understood that, at all times for the purpose of this Joint Community Facilities Agreement, the construction of the Sewer Collection Facilities that the Property Owner elects to finance with the proceeds of the Bonds will



be accomplished by the Property Owner with the expectation that the Purchase Price for each such Sewer Collection Facility is to be paid by the Community Facilities District (but solely from the proceeds of the Bonds, if any, issued for and deposited in the Sewer Collection Facilities Account(s) for one or more of the Improvement Areas), and that the conveyance of any such Sewer Collection Facility to the County prior to the receipt of the Purchase Price, or any portion thereof, for the Sewer Collection Facility will not constitute or be construed as a dedication, gift, or waiver of the payment of the Purchase Price or any unpaid balance thereof.

Notwithstanding any other provision of this Joint Community Facilities Agreement, the fact that there may not be sufficient funds available in a Sewer Collection Facilities Account to pay the Purchase Price for any Sewer Collection Facility will not relieve the Property Owner from its obligation to construct such Sewer Collection Facility consistent with the Sewer Agreements.

Failure of the Property Owner to comply with the terms of Articles III and IV of this Joint Community Facilities Agreement may result in a Sewer Collection Facility that the Property Owner is responsible to construct not being accepted by the County and the City and/or the Property Owner receiving no reimbursement for any costs it incurs in the design, engineering and construction of said Sewer Collection Facility.

Each portion of the Sewer Collection Facilities listed as Facilities 1 through 11 in Exhibit B may be acquired by the County pursuant to the terms hereof without regard to any other portion of the Sewer Collection Facilities, and each such Sewer Collection Facility may be acquired by the County when such Sewer Collection Facility is accepted by the County and the City and otherwise meets the conditions specified in this Joint Community Facilities Agreement.

**Section 3.2. Determination of the Purchase Price; Processing Payment Requests.** The determination of the Purchase Price for a Sewer Collection Facility shall be made consistent with the provisions of this Section 3.2.

In order for the Contract Administrator to be able to determine the Purchase Price for a Sewer Collection Facility, the Property Owner shall deliver to the Contract Administrator:

- (a) A Payment Request for the Sewer Collection Facility, together with all attachments and exhibits to be included therewith;
- (b) A copy of the documents conveying or which previously conveyed to the County Acceptable Title to the real property on, in or over which such Sewer Collection Facility is located, as provided in Section 3.3 hereof, and Acceptable Title to the Sewer Collection Facility.
- (c) A copy of the Notice of Completion for said Sewer Collection Facility that will be filed in accordance with Section 3093 of the California Civil Code, if applicable. Final lien releases addressed to the County, the City, the School District and the Community Facilities District must be received by the Contract Administrator prior to the Contract Administrator executing the Payment Request

which determines the Purchase Price for said Sewer Collection Facility and authorizes payment;

(d) The Property Owner's civil engineer of record or construction civil engineer of record duly registered in the State shall provide to the County redlined "as-built" plans and profile sheets for the Sewer Collection Facility. After the County's and the City's approval of the redlined "as-built" drawings, the Property Owner's engineer shall schedule with the County a time to transfer the redlines onto the County's original mylars at the County's office, after which, said engineer shall review, stamp and sign the original mylars "As-Built."

Notwithstanding anything to the contrary contained herein, no payment of the Purchase Price for the Sewer Collection Facility shall be made unless the County has by written notice to the Administrator stated that the County is willing to accept ownership of the Sewer Collection Facility and the City has by written notice to the Contract Administrator stated that the City is willing to operate and maintain the Sewer Collection Facility as constructed as of the Acceptance Date.

When the Contract Administrator has been provided with a complete Payment Request and all other documents as required to determine the Purchase Price, the Contract Administrator will sign the Payment Request, identifying the completed Sewer Collection Facility and specifying the Purchase Price to be paid, and forward it to the Administrator for payment.

Upon receipt of such a completed Payment Request from the Contract Administrator, the Administrator shall submit it to the fiscal agent or trustee for the Sewer Collection Facilities Account from which the Purchase Price is to be paid together with such other information as the fiscal agent or trustee may require to authorize payment of the Purchase Price from the Sewer Collection Facilities Account. If at the time such a Payment Request is received by the Administrator, there are not sufficient funds on deposit in the applicable Sewer Collection Facilities Account to pay the Purchase Price for the identified Sewer Collection Facility, the Administrator shall notify the Contract Administrator and the Property Owner of the amount of funds that are on deposit in the Sewer Collection Facilities Account to be applied to payment of a portion of the Purchase Price for the Sewer Collection Facility, and shall authorize the fiscal agent or trustee to pay the available amount to the Property Owner as a partial payment of the Purchase Price for the Sewer Collection Facility.

**Section 3.3. Dedication of Property and Easements to County.** Acceptable Title to all property not presently held by the County on, in or over which the Sewer Collection Facility will be located shall be conveyed to the County by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such easement is approved by the County as being a sufficient interest therein to permit the County to properly own and the City to properly operate and maintain the Sewer Collection Facility located therein, thereon or thereover, and to permit the Property Owner to perform its obligations as set forth in this Joint Community Facilities Agreement.

The Property Owner shall furnish to the County a title report for such property not previously dedicated or otherwise conveyed to the County for review and approval at least thirty (30) calendar days prior to the notice required by Section 4.8., hereof. Both Riverside Unified School District CFD No. 23  
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the County and the City shall approve the title report unless it reveals a matter that, in the judgment of the County or the City, could materially affect the County's use and enjoyment of any part of the property or easement covered by the title report or compromise the City's ability to operate and maintain the Sewer Collection Facility. In the event the County or the City does not approve such title report, the County or the City shall notify the Contract Administrator in writing and the County shall not be obligated to accept title to a Sewer Collection Facility, and the Community Facilities District shall not be obligated to pay any portion of the Purchase Price for a Sewer Collection Facility until the Property Owner has cured such objections to title to the satisfaction of the County and the City.

Consistent with the preceding paragraph, the Property Owner shall obtain and provide, or cause to be obtained or provided, to the County duly executed irrevocable offer(s) of dedication to the public for wastewater collection and distribution purposes, including ingress and egress, for rights of way deemed necessary by the County and the Contract Administrator for the construction, inspection, operation and maintenance of a Sewer Collection Facility. The irrevocable offer(s) of dedication shall be in a form approved by the County and shall be executed by all legal and equitable owners described in the offer.

To the extent that any of the provisions in this Section conflict with the provisions contained in the Sewer Agreements, the provisions in this Section shall control.

or the Sewer Agreements or (ii) require the Property Owner to cause the Plans and Specifications to be prepared for the Sewer Collection Facility at a specific time or in a manner other than as required by the approved conditions for the development of the Tracts.

**Section 4.4. Bid and Public Work Construction Requirements.**

(a) In order to ensure that the Sewer Collection Facilities that are to be acquired with the proceeds of the Bonds will be constructed as if they had been constructed under the direction and supervision, or under the authority of, a public agency, so that it may be acquired pursuant to Sections 53313.5 and 53314.9 of the Code, the Property Owner shall comply with all of the applicable requirements set forth in the Public Contract Code regarding the notice of bidding and award of contract for a public works project by a public agency, in this instance the County.

(b) Prior to awarding the construction contract for a Sewer Collection Facility, the Property Owner shall submit a bid packet for review to the City Engineer and the County Engineer for review of the general and technical specifications and to the Contract Administrator for compliance with Public Contract Code requirements. The contract for construction of the Sewer Collection Facility is to be awarded to the responsible bidder submitting the lowest responsive bid after public notice inviting sealed bids. Sealed bids are to be publicly solicited consistent with the applicable provisions of the Public Contract Code dealing with the bidding of public works projects constructed by the County. Public notice is to be given consistent with the Public Contract Code as to the date, time and place where bids will be opened. The Contract Administrator is to be provided with copies of all bids received and provided with a declaration, in a form satisfactory to the Contract Administrator, as to solicitation of bids, the bid opening and award of bid.

(c) The Property Owner shall require, and the Plans and Specifications, bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the Sewer Collection Facility, as required by the Labor Code of the State, to pay not less than General Prevailing Wage Rates to all workers employed in the execution of the contract, to post a copy of the General Prevailing Wage Rates at the job-site in a conspicuous place available to all employees and applicants for employment, and to otherwise comply with applicable provisions of the Labor Code of the State, the Code and the Public Contracts Code relating to General Prevailing Wage Rates as required by the specifications approved by the Contract Administrator. The Contract Administrator shall provide the Property Owner with copies of tables setting forth the General Prevailing Wage Rates, and the Property Owner hereby acknowledges receipt thereof.

(d) The Property Owner shall require each principal contractor to provide proof of insurance coverage to the Contract Administrator and the Administrator consistent with the applicable provisions of the Sewer Agreements. Rather than requiring its principal contractors to provide such insurance, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(e) Each principal contractor engaged to perform work on the Sewer Collection Facility shall be required to furnish (i) labor and material payment bonds, and



## ARTICLE IV

### CONSTRUCTION OF THE SEWER COLLECTION FACILITIES

**Section 4.1. Controlling Contractual Provisions.** This Article IV applies only to a Sewer Collection Facility that the Property Owner determines to finance with the proceeds of the Bonds. Notwithstanding that the Property Owner determines not to finance all or portion of a Sewer Collection Facility with the proceeds of the Bonds, the Property Owner shall not be relieved from its obligation consistent with the Sewer Agreements.

The Sewer Agreements are intended to establish certain conditions to be placed on the County, the City and the Property Owner with regard to the construction and acceptance of the Sewer Collection Facilities. However, they were not written to address those issues that would be imposed on the acquisition and construction of the Sewer Collection Facilities if said Sewer Collection Facilities were to be financed through the Community Facilities District. The following provisions are intended to address the additional conditions that are intended to insure that such Sewer Collection Facilities are constructed as if they were a public work. To the extent that any of the provisions contained in this Article are in conflict with the provisions contained in the Sewer Agreements, the provisions in this Article shall control in order to allow the Property Owner to receive reimbursement for the design, engineering and construction costs incurred consistent with the provisions of Section 53313.5 and 53314.9 of the Code.

**Section 4.2. Preparation and Approval of Plans and Specifications.** To the extent that the Property Owner has not already done so, it shall cause the Plans and Specifications to be prepared for the Sewer Collection Facilities consistent with the applicable terms of the Sewer Agreements. The Property Owner shall obtain the written approval of the Plans and Specifications from the City Engineer and the County Engineer. The Property Owner shall provide the approved copy of all such Plans and Specifications to the Contract Administrator. When the Plans and Specifications have been approved, no changes are to be made thereto without prior written consent of the City Engineer and the County Engineer, and all approved modifications to the approved Plans and Specifications are to be provided to the Contract Administrator.

**Section 4.3. Duty of Property Owner to Construct.** The Property Owner shall construct or cause to be constructed the Sewer Collection Facilities in accordance with the Plans and Specifications approved by the City Engineer and County Engineer. If the Property Owner seeks to finance a Sewer Collection Facility with proceeds of the Bonds, the Property Owner shall perform all of its obligations hereunder and in the Sewer Agreements and shall conduct all operations with respect to the construction of the Sewer Collection Facility in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Notwithstanding the foregoing, nothing set forth in this Joint Community Facilities Agreement shall be construed (i) to require the Property Owner to perform any work requiring a contractor's license, nor shall the Property Owner be deemed to be performing construction services pursuant to this Joint Community Facilities Agreement

(ii) contract performance bonds, each in an amount equal to 100% of the contract price naming the Property Owner, the School District, the Community Facilities District and the County as obligees and with an admitted surety insurer which complies with the provisions of Section 995.660 of the California Code of Civil Procedure. All such bonds shall be in a form as shown in Exhibit C. All other terms of said performance and payment bonds are to comply with the applicable terms set forth in the Sewer Agreements.

(f) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the Sewer Collection Facility, to comply, with such other requirements relating to the construction of the Sewer Collection Facility as the Contract Administrator or the County may impose by written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State or County laws, regulations, rules or procedures.

(g) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the Sewer Collection Facility, to submit certified weekly payroll records or other proof of payment of General Prevailing Wage Rates to the Property Owner and to furnish certified payroll records or such other proof of payment of General Prevailing Wage Rates to the Contract Administrator promptly upon request.

(h) All change orders shall be reviewed and, if appropriate, approved by the City Engineer and the County for the purpose of ensuring that they comply with the City's standards and the terms of the Sewer Agreements. A copy of all approved change orders are to be provided to the Contract Administrator for the work represented by the change order to be eligible for consideration in determining the Purchase Price.

(i) The Property Owner shall provide proof to the Contract Administrator at such intervals and in such form as the Contract Administrator may require that the foregoing requirements have been satisfied as to all of the Sewer Collection Facility.

(j) The Property Owner has deposited or will deposit with the County and the City an appropriate amount, as determined by the County and the City, to cover the anticipated costs, deemed necessary and reasonable, associated with the review and approval of the Plans and Specifications, the review and approval of right of way and conveyance documents and with the processing and administration of this Joint Community Facilities Agreement. The Property Owner, within thirty (30) calendar days after receipt of an additional billing for such costs, will forward the billed amount to the County or the City, as applicable.

(k) At the time the Property Owner submits a "Notice of Intent" to commence construction as set forth in Section 4.8, below, the Property Owner shall deposit with County and the City the estimated cost of providing construction inspection for the Sewer Collection Facility, in an amount as determined and approved by County and the City, respectively.



**Section 4.5 Licenses and Regulatory Permits.** The Property Owner shall secure all necessary licenses, agreements, permits, rights of entry and temporary construction easements (collectively "Licenses") that may be needed for the construction, inspection, operation and maintenance of the Sewer Collection Facilities. The Property Owner is to secure all permits approvals or agreements, if any, required by the various Federal and State resource and/or regulatory agencies (collectively, the "Regulatory Permits") for the construction, operation and maintenance of the Sewer Collection Facilities. The Regulatory Permits include, but are not limited to, those permits issued by the U.S. Army Corps of Engineers, the State Water Resources Control Board ("SWRCB"), California State Department of Fish and Game and the Regional Water Quality Control Board. All Licenses and Regulatory Permits secured by the Property Owner shall be reviewed by the County Engineer and the City Engineer prior to execution or acceptance by the Property Owner to determine whether the conditions they specify are satisfactory to the County and to the City to allow it to operate and maintain the Sewer Collection Facilities.

**Section 4.6. NPDES Compliance.** The Property Owner shall prepare and implement, or cause to be prepared and implemented, a Stormwater Pollution Prevention Plan (SWPPP) in accordance with the requirement of the State's National Pollutant Discharge Elimination System (NPDES) General Permit for Stormwater Discharges Associated with Construction Activity (SWRCB Order No. 99-08 DWQ) and any amendments thereto (the "General Permit"). The General Permit regulates both stormwater and non-stormwater discharges associated with construction activities required by this Joint Community Facilities Agreement.

The SWPPP shall identify site specific "Best Management Practices" ("BMP's") to be implemented during and after construction to control pollution of Stormwater runoff and receiving waters. The identified BMP's shall include, but not be limited to, "good housekeeping" practices for the Construction Site such as establishing stabilized construction access points, providing adequate sanitary/septic waste management, designating vehicle and equipment cleaning/maintenance areas, employing proper material handling and storage practices, maintaining adequate soil stabilization and erosion control practices to control the discharge of pollutants from the Construction Site and any activities thereon. The SWPPP shall also stipulate to an ongoing program for monitoring and maintenance of all BMP's.

The Property Owner shall be solely responsible throughout the duration of constructing the Sewer Collection Facilities for placing, installing, constructing, inspecting and maintaining all BMP's identified in the SWPPP and amendments thereto and for removing and disposing of temporary BMP's.

The Property Owner shall become fully informed of and comply with the applicable provisions of the General Permit, Federal, State and local regulations that govern the Property Owner's activities and operation pertaining to both stormwater and non-stormwater discharges from the Construction Site of the Sewer Collection Facilities and any area of disturbance outside said Construction Site relating to the Sewer Collection Facilities. The Property Owner shall, at all times, keep copies of the General Permit, approved SWPPP and all amendments at the Construction Site. The SWPPP shall be made available upon request of a representative of the SWRCB, Santa Ana Regional Water Quality Control Board, or the United States Environmental Protection Agency. The Property Owner shall, at reasonable times, allow authorized agents of the

above cited agencies, upon the presentation of credentials to: (i) enter upon the Construction Site; (ii) have access to and copy any records required to be kept as specified in the General Permit, (iii) inspect the Construction Site and determine whether related soil stabilization and sediment control BMP's have been implemented and maintained, and (iv) sample or monitor stormwater or non-stormwater runoff for purposes of ensuring compliance with the General Permit.

The Property Owner shall be solely and exclusively responsible for any arrangements made between it and other property owners or entities that result in disturbance of land at the Construction Site.

The Property Owner shall be responsible for all costs and for any liability imposed by law as a result of its failure to comply with the requirements set forth in this Section, including but not limited to, compliance with the applicable provisions of the General Permit and Federal, State and local regulations. For the purpose of this Section, costs and liabilities include, but are not limited to, fines, penalties and damages whether assessed against the County, the School District, the Community Facilities District or the Property Owner, including those levied under the Federal Clean Water Act and the State's Porter-Cologne Water Quality Act.

**Section 4.7 Cal/OSHA; Confined Space Entry.** At all times during the construction of the Sewer Collection Facilities, the Property Owner shall require all contractors to comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintenance of a safe working environment for the County, the City and their respective employees on the site. This will include the preparation of a confined space procedure specific for all wastewater facilities. The procedure shall comply with requirements contained in Sections 5157 and 5158 of Title 8 of the California Code of Regulations. The confined space procedure is to be reviewed and approved by the County Engineer and the City before proceeding with construction of the Sewer Collection Facilities.

**Section 4.8. Notice of Intent to Commence Construction.** Not less than twenty (20) calendar days prior to the date on which it intends to commence construction of a Sewer Collection Facility, the Property Owner is to provide written "Notice of Intent" to the Contract Administrator. Construction on the Sewer Collection Facility may not proceed until the Contract Administrator issues a "Notice to Proceed" to the Property Owner. The "Notice of Intent" is to include the following documents:

- (a) Copies of all Licenses and Regulatory Permits secured pursuant to Sections 4.5. and 4.6., above, including a copy of the Notice of Intent ("NOI") and waste discharge identification number ("WDID No.") received from the SWRCB pursuant to Section 4.6., above.
- (b) Copies of the bonds required by Section 4.4.(e), above.
- (c) Construction Inspection Deposit required by Section 4.4.(j) above.
- (d) Duly executed irrevocable offer(s) of dedication to the public for wastewater transmission purposes, including ingress and egress, for the rights of way deemed necessary by the County and the City for the construction, inspection, operation and maintenance of the Sewer Collection Facility.



(e) Preliminary reports of title dated not more than thirty (30) days prior to date of submission for all property described in the irrevocable offer(s) of dedication.

(f) A complete list of all contractors and subcontractors to be performing work on the Sewer Collection Facility, including the corresponding license number and license classification of each. On said list, the Property Owner shall also identify its designated superintendent for construction of the Sewer Collection Facility.

(g) A construction schedule which shall show the order and dates in which the Property Owner and the Property Owner's contractor proposes to carry on the various parts of work, including estimated start and completion dates. As the construction progresses the Property Owner shall update said construction schedule upon request.

(h) Two sets of the final mylar plan and profile sheets for the Sewer Collection Facility and assign their ownership to the County or the City prior to the start of construction of the Sewer Collection Facility.

(i) Certificates of insurance and endorsements as required by Section 4.12, below.

(j) The confined space procedure as required by Section 4.7., above.

**Section 4.9. Additional Conditions to be Satisfied during Construction.**

Construction of each Sewer Collection Facility shall be on a five (5) day, forty (40) hour workweek with no work on Saturday, Sunday or days designated by the County as legal holidays, unless otherwise approved by the County. If the Property Owner feels it is necessary to work more than normal forty (40) hour workweek or on holidays, the Property Owner shall make a written request for permission from the County and the City to work the additional hours. The request shall be submitted to the County and the City at least 72 hours prior to the request date for additional work hours and state the reasons for the overtime and the specific time frames required. The decision granting permission for overtime work shall be made by the County and the City at their sole discretion and shall be final. If permission is granted, the Property Owner will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinances Nos. 671 and 749 of the County, including any amendments thereto.

**Section 4.10. Inspection; Completion of Construction.** The Property Owner shall coordinate with the City Engineer for the inspection of the construction of the Sewer Collection Facilities to ensure that the work of construction is accomplished in accordance with the Plans and Specification approved by both the County and the City Engineer. Those individuals designated by the County and the City Engineer shall have access to the Construction Site at all reasonable times for the purpose of accomplishing such inspection. However, consistent with the terms of the Operation and Maintenance Agreement, the City Engineer shall perform the final inspection before the construction of each Sewer Collection Facility is to be considered complete and acceptable to the City for operation and maintenance.

The Property Owner is to provide the County and the City Engineer with written notice that it considers construction of a Sewer Collection Facility to have been completed consistent with the Plans and Specifications and, upon receipt of said notice, those individuals designated by the County and the City Engineer to inspect the Sewer Collection Facility will provide written confirmation that construction of said Facilities are complete consistent with the approved Plans and Specifications and the provisions of the Sewer Agreements and this Joint Community Facilities Agreement. Upon receipt of written notices from both the County and the City Engineer, the Contract Administrator will in a timely manner notify the Property Owner and the Administrator that the Sewer Collection Facility has been satisfactorily completed and that the Property Owner is to proceed with the recording of a Notice of Completion with respect to such construction pursuant to Section 3093 of the California Civil Code. The Property Owner is to provide a duplicate copy of the recorded Notice of Completion to the Administrator, the Contract Administrator, the County, and the City Engineer. Within a reasonable time following receipt of the duplicate copies of the recorded Notice of Completion and the Property Owner's compliance with other provisions of Section 3.2., hereof, the County will issue the written notice required by said Section 3.2. that the County will accept ownership of the Sewer Collection Facility and the City Engineer will issue the written notice required by said Section 3.2. that the City will accept responsibility for the maintenance and operation of the Sewer Collection Facility.

**Section 4.11. Maintenance of Sewer Collection Facility; Warranties.**

Consistent with the applicable provision of the Sewer Agreements, the Property Owner shall maintain each Sewer Collection Facility in good and safe condition until the Acceptance Date of the Sewer Collection Facility consistent with the applicable provisions of the Sewer Agreements. After the Acceptance Date, the City shall assume full responsibility for the maintenance and operation of the Sewer Collection Facility pursuant to the Operation and Maintenance Agreement.

As of the Acceptance Date, the performance bond provided by each of the principal contracts for the Sewer Collection Facility pursuant to Section 4.4.(e), hereof, shall be reduced to an amount equal to 10% of the original amount thereof and shall serve as a warranty bond to guarantee that the Sewer Collection Facility will be free from defects due to faulty workmanship or materials for a period of 12 months from the Acceptance Date, or the appropriate principal contractor may elect to provide a new warranty bond or cash in such an amount. As of the Acceptance Date, the Property Owner and each principal contractor shall assign to County all of their rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to the Sewer Collection Facility.

**Section 4.12. Insurance Requirements.** Without limiting or diminishing the Property Owner's obligation to indemnify or hold the County, the School District and the Community Facilities District, when formed, harmless pursuant to Section 5.5., hereof, the Property Owner shall procure and maintain or cause to be procured and maintained, at its sole cost and expense those types of insurance specified in the Sewer Installation Agreement and at the amounts specified, during the term of this Joint Community Facilities Agreement. The County, the School District, the Community Facilities District, their respective directors, officers, Board of Supervisors, Board of Education,



Legislative Body, elected officials, employees, agents or representatives are to be named as "Additional Insureds."

**Section 4.13. Ownership of Sewer Collection Facilities.** Notwithstanding the fact that some or all of the Sewer Collection Facilities may be constructed within dedicated street rights-of-way or on property which is owned by or has been or will be dedicated to the County, a Sewer Collection Facility shall be and remain the property of the Property Owner until Acceptable Title to parcels not owned by the County with respect to such Sewer Collection Facility is conveyed to the County as provided herein, and such Sewer Collection Facility has been formally accepted by the County for ownership and the City for operation and maintenance. Ownership of said parcels by the Property Owner or other third parties shall likewise not be affected by any agreement that the Property Owner may have entered into or may enter into with the County pursuant to the provisions of the Subdivision Map Act, Section 66410 *et seq.* of the Code and the provisions of this Section shall control.

## ARTICLE V

### REPRESENTATIONS, WARRANTIES, COVENANTS,

### INDEMNIFICATION

**Section 5.1. Representations, Warranties and Covenants of the Property Owner.** The Property Owner, as the owner of the Tracts encompassed within the proposed boundaries of the Community Facilities District, makes the following representations, warranties and covenants for the benefit of the County, the School District, and the Community Facilities District, when formed, as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is in good standing under the laws of the State, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated in this Community Facilities District.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Joint Community Facilities Agreement and the Sewer Installation Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement and the Sewer Installation Agreement to be executed and delivered, and this Joint Community Facilities Agreement and the Sewer Installation Agreement have been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Joint Community Facilities Agreement and the Sewer Installation Agreement are valid and binding obligations of the Property Owner and are enforceable against the Property Owner in accordance with their terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Completion of Sewer Collection Facilities. The Property Owner covenants that it will use its commercially reasonable and diligent efforts to do all things that may be lawfully required of it in order to cause the Sewer Collection Facilities the construction of which has been made a condition for the development of the Tracts to be completed in accordance with this Joint Community Facilities Agreement and the Sewer Installation Agreement.

(e) Compliance with Laws. The Property Owner covenants that, while the Sewer Collection Facility is owned by the Property Owner or required pursuant to this Joint Community Facilities Agreement and the Sewer Agreements to be maintained by it, the Property Owner will not commit, suffer or permit any of its agents, employees or contractors to commit any act to be done in, upon or to the Sewer Collection Facility in violation in any material respect of any law, ordinance, rule, regulation or order of any governmental authority or any



covenant, condition or restriction now or hereafter affecting the Sewer Collection Facility.

(f) Hazardous Materials. The Property Owner represents and warrants that neither the Property Owner, nor its principal contractors or any subcontractor, agent or employee thereof will use, generate, manufacture, procure, store, release, discharge or dispose of any Hazardous Material on, under or about the Construction Site of the Sewer Collection Facility or transport any Hazardous Material to or from the Construction Site of the Sewer Collection Facility in violation of any federal, state or local law, ordinance, regulation, rule, decision or policy statement regulating Hazardous Material.

(g) Permits. The Property Owner covenants that it will pursue in a commercially reasonable manner all governmental or other permits or licenses required to proceed with the construction of the Sewer Collection Facility and that it will pay all fees relating thereto. The Property Owner represents and warrants that to the best of the Property Owner's knowledge, as of the date hereof, there is no material legal impediment to the Property Owner's proceeding with and completing the construction of the Sewer Collection Facility or to the development of the Construction Site as contemplated by the Property Owner, except for government or other permits to be obtained.

(h) Payment Requests. The Property Owner represents and warrants that (i) it will not request payment from the Community Facilities District under this Joint Community Facilities Agreement for the acquisition of any improvements that are not part of a Sewer Collection Facility, and (ii) it will diligently follow all procedures set forth in this Joint Community Facilities Agreement.

(i) Financial Records. Until the determination of the Purchase Price of all Sewer Collection Facility to be financed by the Community Facilities District, the Property Owner covenants to maintain proper books of record and account for the Sewer Collection Facility and all costs related thereto. The Property Owner covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the Community Facilities District, the School District, the City, and the County and their respective agents, at any reasonable time during regular business hours on two (2) Business Days' prior written notice, subject to mutually acceptable arrangements regarding the confidentiality of proprietary data.

(j) CEQA Compliance. The Property Owner represents and warrants that it has taken all actions required of it under the terms of the Sewer Installation Agreement to secure compliance under CEQA for the construction, maintenance and operation of the Sewer Collection Facilities.

(k) Property Owner's Responsibilities. Whether or not a portion of the Sewer Collection Facility is acquired from the proceeds of the Bonds, the Property Owner accepts responsibility for and shall be responsible for identification and compliance with all applicable laws pertaining to constructing and installing the Sewer Collection Facility and the contract or contracts

pertaining thereto, including the laws that would apply to the County and/or the City if either of them were constructing the Sewer Collection Facility itself as set forth in this Joint Community Facilities Agreement. Notwithstanding the requirements of this Joint Community Facilities Agreement the County, the School District, and the Community Facilities District make no representation as to the applicability or inapplicability of any laws regarding contracts, including contracts related to the construction and installation of the Sewer Collection Facility, and especially the matters of competitive bidding and payment of prevailing wages. Any of the County, the School District or the Community Facilities District may, in its sole discretion, supply guidance to the Property Owner with respect to laws governing the construction of the Sewer Collection Facility if requested to do so by the Property Owner. Whether or not any or all of them have done so, the Property Owner will neither seek to hold or hold them liable for any consequences of any failure by the Property Owner to correctly determine applicability of any such requirements to any contract it enters into, irrespective of whether the County, the School District, or the Community Facilities District, as the case may be, knew or should have known about applicability of any such requirement.

**Section 5.2. Representations, Warranties and Covenants of the School District.** The School District makes the following representations, warranties and covenants for the benefit of the County, the Property Owner and the Community Facilities District, when formed, as of the date hereof:

(a) Authority. The School District represents and warrants that the School District has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the School District.

(b) Binding Obligation. The School District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the School District and is enforceable against the School District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The School District represents and warrants that the School District will cause the Community Facilities District to process all completed and approved Payment Requests it receives in a timely manner consistent with the procedures set forth in this Joint Community Facilities Agreement and the Mitigation Agreement.

(d) Financial Records. The School District covenants to maintain, or cause to be maintained, books of record and account for the special taxes and each series of Bonds, including the proceeds thereof.

**Section 5.3. Representations, Warranties and Covenants of the County.** The County makes the following representations, warranties and covenants for the



benefit of the School District, the Property Owner and the Community Facilities District, when formed, as of the date hereof:

(a) Authority. The County represents and warrants that the County has the power and authority to enter into this Joint Community Facilities Agreement, the Sewer Installation Agreement and the Operation and Maintenance Agreement and has taken all actions necessary to cause this Joint Community Facilities Agreement, the Sewer Installation Agreement and the Operation and Maintenance Agreement to be executed and delivered, and this Joint Community Facilities Agreement, the Sewer Installation Agreement and the Operation and Maintenance Agreement have been duly and validly executed and delivered on behalf of the County.

(b) Binding Obligation. The County represents and warrants that this Joint Community Facilities Agreement, the Sewer Installation Agreement and the Operation and Maintenance Agreement are valid and binding obligations of the County and are enforceable against the County in accordance with their terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) CEQA Compliance. The County represents and warrants that it has taken all actions necessary under CEQA to allow for the development of the Tracts and the construction, operation and maintenance of the Sewer Collection Facilities.

(d) Completion of Sewer Collection Facilities. The County covenants that it will use its reasonable and diligent efforts to take expeditiously all actions that may be lawfully required of it in processing and approving Plans and Specifications, reviewing and approving rights-of-way documents, inspecting a Sewer Collection Facility and serving as Contract Administrator in accordance with this Joint Community Facilities Agreement, the Sewer Installation Agreement and the Operation and Maintenance Agreement.

(e) Payment Requests. The County represents and warrants that it will cause the Contract Administrator to process all complete Payment Requests it receives in a timely manner consistent with the procedures set forth in this Joint Community Facilities Agreement.

**Section 5.4. The Property Owner Indemnification**. The Property Owner, with regard to its respective responsibilities under this Joint Community Facilities Agreement, agrees to protect, indemnify, defend and hold the School District, the Community Facilities District, when formed, the County and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents (the "Indemnified Parties"), and each of them, harmless from and against any and all claims, liabilities, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees, and court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of, or by reason of, or arising out of, or in consequence of (a) the approval of this Joint Community Facilities Agreement, (b) the acquisition, construction, or installation of the Sewer Collection Facilities, (c) the design, construction, or failure of

the Sewer Collection Facilities, (d) the untruth or inaccuracy of any representation or warranty made by the Property Owner in this Joint Community Facilities Agreement or in any certifications delivered by the Property Owner hereunder, or (e) any act or omission of the Property Owner or any of its contractors, subcontractors, or their respective officers, employees or agents, in connection with the Sewer Collection Facilities or its responsibilities or obligations under this Joint Community Facilities Agreement. If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorneys' fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner as to an Indemnified Party for any claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs (a) arising directly from the willful misconduct or sole or active negligence of that Indemnified Parties or (b) arising from the use or operation of a Sewer Collection Facility after the Acceptance Date of the Sewer Collection Facility, unless such claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs result from the defective or improper design, construction or installation of such Sewer Collection Facility by the Property Owner or its contractors, subcontractors, or respective officers, employees or agents.

The provisions of this Section shall survive the termination of this Joint Community Facilities Agreement.



## ARTICLE VI

### MISCELLANEOUS

**Section 6.1. Property Owner as Independent Contractor.** In performing under this Joint Community Facilities Agreement, it is mutually understood that the Property Owner is acting as an independent contractor, and not as an agent of the School District, the Community Facilities District, or the County. None of the School District or the County shall have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. The Community Facilities District shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner unless such entity or individual is specifically listed as a payee on the Payment Request submitted by said Property Owner pursuant to this Joint Community Facilities Agreement in which case the Community Facilities District shall be responsible for making such payment only if such Payment Request is approved pursuant to the provisions of this Joint Community Facilities Agreement and the Mitigation Agreement and only from funds available in the applicable Sewer Collection Facilities Accounts.

It is not intended by the parties that this Joint Community Facilities Agreement create a partnership or joint venture among them and this Joint Community Facilities Agreement shall not otherwise be construed.

**Section 6.2. Other Agreements.** Nothing contained herein shall be construed as affecting the School District's, the County's, or the Property Owner's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Tracts, which obligations are and shall remain independent of the Property Owner's rights and obligations, the School District's rights and obligations, and the County's rights and obligations, under this Joint Community Facilities Agreement; provided, however, that the Property Owner shall use its commercially reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the acquisition, construction and installation of the Sewer Collection Facility to be financed with the proceeds of the Bonds.

**Section 6.3. Binding on Successors and Assigns.** The Property Owner may assign its duties and obligations pursuant to this Joint Community Facilities Agreement to one or more purchasers of its property, except the purchaser of a single-family residential unit, the owner of a multi-family residential complex or the end user of a non-residential parcel, and to whom said Property Owner shall assign the right to receive payment of the Purchase Price for the Sewer Collection Facility. Such a purchaser and assignee shall, as a condition to receiving payment of the Purchase Price, enter into an assignment agreement with the County, the School District and the Community Facilities District, in a form acceptable to the County, the School District and the Community Facilities District, whereby such purchaser agrees, except as may be otherwise specifically provided therein, to assume the duties and obligations of the Property Owner pursuant to this Joint Community Facilities Agreement and to be bound thereby. Neither this Joint Community Facilities Agreement nor the duties and obligations of the County,



the School District or the Community Facilities District hereunder may be assigned to any person or legal entity, without the written consent of the Property Owner, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted assigns, and successors-in-interest of the parties hereto.

**Section 6.4. Amendments.** This Joint Community Facilities Agreement can only be amended by an instrument in writing executed and delivered by the Community Facilities District, once formed, the School District, the County and the Property Owner or successor thereto.

**Section 6.5. Waivers.** No waiver of, or consent with respect to, any provision of this Joint Community Facilities Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

**Section 6.6. No Third Party Beneficiaries.** Other than the Community Facilities District, when formed, no person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Joint Community Facilities Agreement (either expressed or implied) is intended to confer upon any person or entity, other than the School District, the Community Facilities District, when formed, the County, and the Property Owner (and its respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Joint Community Facilities Agreement.

**Section 6.7. Notices.** Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County: County of Riverside  
C/O Economic Development Agency  
Attn: Tina English  
1325 Spruce Street, Suite 400  
Riverside, California 92507  
Telephone: (951) 955-8916  
Fax: (951) 955-6686

School District: Riverside Unified School District  
3070 Washington Street  
Riverside, California 92504  
Attention: Director of Planning and Development  
Telephone: (951) 788-7554  
Fax: (951) 275-9349

Property Owner: SMR Ventures, LLC  
c/o Troxler Residential Ventures XII, LLC  
2053 North Parkway Calabasas  
Calabasas, California 91302

Attention: Nicholas Biro  
Telephone: (818) 876-9651  
Fax: (818) 876-9751

With a copy to:

RWR Homes, Inc.  
2710 Locker Avenue West, Suite 350  
Carlsbad, California 92010  
Attention: Bob Turi  
Telephone: (760) 918-6797  
Fax: (760) 918-6798

With a copy to:

RWR Homes, Inc.  
575 Anton Blvd., Suite 820  
Costa Mesa, California 92626  
Attention: Ryan Ellis  
Telephone: (714) 852-5656, Ext. 201  
Fax: (714) 852-5650

With a copy to:

Goodwin Procter LLP  
10250 Constellation Blvd., 21<sup>st</sup> Floor  
Los Angeles, California 90067  
Attention: Robert M. Haight, Jr., Esq.  
Telephone: (310) 788-5150  
Fax: (310) 286-0992

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of a document confirming satisfactory transmission, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

**Section 6.8. Jurisdiction and Venue.** Each of the Community Facilities District, the School District, the County, and the Property Owner (a) agrees that any suit action or other legal proceeding arising out of or relating to this Joint Community Facilities Agreement shall be brought in state or local court in the County of Riverside or in the Courts of the United States of America in the district in which said County is located, (b) consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) waives any objection that it may have to the laying of venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the Community Facilities District, the School District, the County and the Property Owner agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive



and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**Section 6.9. Attorney's Fees.** If any action is instituted to interpret or enforce any of the provisions of this Joint Community Facilities Agreement, the party prevailing in such action shall be entitled to recover from the other parties thereto reasonable attorney's fees and costs of such suit (including both prejudgment and post judgment fees and costs) as determined by the court as part of the judgment.

**Section 6.10. Governing Law.** This Joint Community Facilities Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State applicable to contracts made and performed in the State.

**Section 6.11. Severability.** If any part of this Joint Community Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Joint Community Facilities Agreement shall be given effect to the fullest extent reasonably possible.

**Section 6.12. Usage of Words.** As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

**Section 6.13. Counterparts.** This Joint Community Facilities Agreement may be executed in counterparts, each of which shall be deemed an original.

**Section 6.14. Interpretation.** The parties to this Joint Community Facilities Agreement and their counsel have reviewed and revised this Joint Community Facilities Agreement, and the normal rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting parties shall not be employed in the interpretation of this Joint Community Facilities Agreement.

**Section 6.15. Designation of Party's Representative.** Each party is to prepare a certificate designating the person or persons that are to serve as the liaison between, the County, and the Community Facilities District, regarding design, engineering and construction of the Sewer Collection Facilities. The certificates are to contain an original and specimen signature of each designated person. The certificates are to be provided to the County, and the Community Facilities District at the time the first series of Bonds are issued.

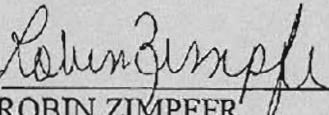
**Section 6.16. Nature of Agreement; Allocation of Special Taxes.** This Joint Community Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code. The entire amount of the proceeds of the special taxes levied pursuant to each Rate and Method shall be allocated and distributed to the Community Facilities District.

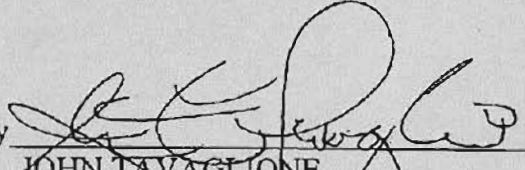
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IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

**RECOMMENDED FOR APPROVAL:**

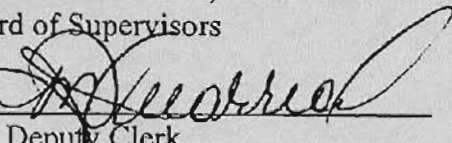
**COUNTY OF RIVERSIDE**

By:   
ROBIN ZIMPFER  
Assistant County Executive  
Officer/EDA

By:   
JOHN TAVAGLIONE  
Chairman, Board of Supervisors

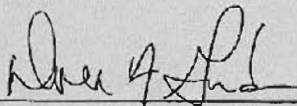
**ATTEST:**

NANCY ROMERO, Clerk to the Board of Supervisors

By:   
Deputy Clerk

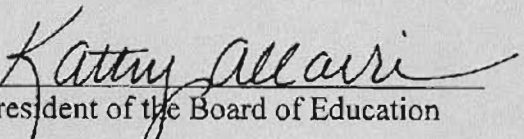
**APPROVED AS TO FORM:**

JOE S. RANK  
County Counsel

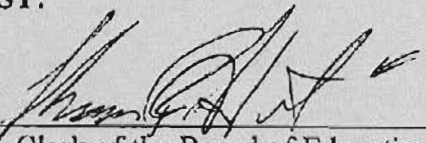
By:   
Deputy County Counsel

Dale A. Gardner

**RIVERSIDE UNIFIED SCHOOL DISTRICT**

By:   
President of the Board of Education

**ATTEST:**

By:   
Clerk of the Board of Education

[Signatures continued on next page.]

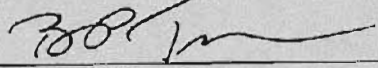


SMR VENTURES, LLC,  
a Delaware limited liability company

By: SMR Mezzanine, LLC,  
a Delaware limited liability company,  
its sole member

By: Troxler Residential Ventures XII, LLC,  
a Delaware limited liability company,  
its Managing Member

By: Troxler Ventures Partners, Inc.,  
a California corporation  
its Operating Member

By:   
\_\_\_\_\_  
Bryan P. Troxler  
President

**EXHIBIT A**

**Map of Area Proposed to be Included Within  
Community Facilities District No. 23  
of Riverside Unified School District**

[See Attached Map]





**EXHIBIT B**

**SEWER COLLECTION FACILITIES**

**Community Facilities District No. 23  
of Riverside Unified School District**

FACILITY	SEGMENT	DESCRIPTION
1.	A	<p>Pigeon Pass Road East From Station 0+00.00 to 46+67.67, Pigeon Pass Road West From Station 1+00.00 to 11+26.80; Line B From Station 10+00.00 to 12+00.16; Line B Park From Station 10+00.00 to 12+25.00; Line C From Station 0+00.00 to 10+42.16; Future Grazing Lane From Station 0+00.00 to 2+56.11.</p> <p>Installation of 8" Diameter and 12" Diameter Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections, and appurtenances.</p>
2.	B	<p>Mount Vernon Road From Station 0+00 to 10+51.07 and 0+00 to 12+77.14; Line R From Station 0+00.00 to 0+56.00 and 0+00.00 to 0+44.00; Line S From Station 0+00.00 to 0+44.00; Line T From Station 0+00.00 to 0+44.00.</p> <p>Installation of 8" Sewer Mains Including but not limited to Manholes, Cleanouts, Sleeves, Connections and appurtenances.</p>
3.	C	<p>Palmyrita Avenue From Station 74+47.29 to 83+54.05, and 72+45.22 to 77+53.19; Line U From 0+00.00 to 0+39.00; Line V From Station 0+00.00 to 0+27.00; Line W From Station 0+00.00 to 0+39.00.</p> <p>Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and appurtenances.</p>
4.	D	<p>Future Prairie Drive From Station 0+00 to 11+11.27; Future Barrel Road From 0+00.00 to 0+91.42; Sewer Line L From Station 1+00.00 to 2+90.16; Spring Street West from Station 0+00.00 to 23+63.00; Lines M 0+00 to 0+10; N 0+00 to 0+24; O 0+00 to 0+24; P 0+00 to 0+27 and Q 0+00 to 0+27.</p> <p>Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and appurtenances.</p>
5.	E	<p>Spring Mountain Road From Station 00+00.00 to 10+91.90 and 0+00 to 20+38.31; Lyon Road From Station 0+00.00 to 5-67.37; Future Stockyard Road Line I From Station 0+00.00 to 1+55.56; Future Lost Creek Road From Station 0+00.00 to 0+26.33; Future Center Street West From Station 0+26.00 to 3+77.29, and Lines H 0+00 to 0+27 and J 0+00 to 0+24.</p>

		Installation of 8" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and appurtenances.
6.	F	Pigeon Pass Road Sewer Lift Station at Station 23+63.  Installation of Pigeon Pass Road Sewer Lift Station including but not limited to Site Grading, Site Access Road, Masonry Block Walls, Fencing with Gates and Accessories, Wet Well Valve Vault Structures, Access Doors, Miscellaneous Concrete Work, Piping, Valves, Appurtenant Earthwork, Pumps, Electric Motors, Electric and Telemetry Systems, and Portable Diesel Fuel Emergency Electric Generating System.
7.	G	Stockyard Road (West) From Station 1+65.00 to 15+13.82; Stockyard Road (East) From Station 24+50.00 to 32+32.98; Stockyard Road From Station 18+79.55 to 24+51.11; Center Street From Station 3+77.29 to Tract Boundary.  Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and appurtenances.
8.	H	Grazing Lane From Station 2+56.11 to 24+38.41.  Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and appurtenances.
9.	I	Spring Street From Station 0+00.00 to 18+79.55; Smokestack Road From Station 9+59.62 to 11+30.09; Hearst Street From Station 10+00.00 to 19+48.13; Stockyard Road From Station 40+12.57 to 44+94.21; Center Street From Station 73+34.69 to Station 76+84.69.  Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Laterals, Sleeves, Connections and appurtenances.
10.	J	Spring Mountain Road From Station 8+49.46 to 44+06.51; Lost Creek Road from Station 15+36.62 to 41+45.52; Mountain Gate Road From Station 10+00.00 to 15+36.04; Booker Road From 10+32.79 to 17+37.20.  Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and appurtenances
11.	K	Lost Creek Road From Station 41-45.52 to 50+80.07.  Installation of 8" Sewer Mains and 10" Sewer Mains Including but not limited to Manholes, Cleanouts, Laterals, Sleeves, Connections and



		appurtenances.
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**EXHIBIT C**  
**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 as of \_\_\_\_\_, 200\_, between Principal, \_\_\_\_\_, 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 those certain Sewer Collection Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company" dated as of June 26, 2007.

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 \_\_\_\_\_ 200\_

\_\_\_\_\_  
(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 \_\_\_\_\_, hereinafter called the Owner, and unto the County of Riverside, the Riverside Unified School District, and Community Facilities District No. 23 of the Riverside Unified School District as additional obligees, 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 as of \_\_\_\_\_, 200\_ for those certain Sewer Collection Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company" dated as of June 26, 2007.

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 \_\_\_\_\_, 200\_

\_\_\_\_\_  
(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)



## EXHIBIT D

### FORM OF PAYMENT REQUEST

#### Community Facilities District No. 23 of Riverside Unified School District

\_\_\_\_\_, hereby requests payment of the Purchase Price for the Sewer Collection Facility described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in this Joint Communities Facilities Agreement, dated as of June 26, 2007 (the "Joint Community Facilities Agreement"), by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), County of Riverside, a political subdivision of the State of California (the "County") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner"). In connection with this Payment Request, the undersigned hereby represents and warrants to the Contract Administrator as follows:

1. The undersigned has been authorized by the Property Owner and is qualified to execute this request for payment on behalf of the Property Owner and is knowledgeable as to the matters set forth herein.
2. The Property Owner has submitted or submits herewith to the Contract Administrator and the County Engineer as-built drawings or similar Plans and Specifications for the Sewer Collection Facility for which payment is requested, and such drawings or plans and specifications, as applicable, are true, correct and complete.
3. The Sewer Collection Facility has been constructed in accordance with the Plans and Specifications therefor, and in accordance with all applicable standards of the City and the County and the requirements of this Joint Community Facilities Agreement, and the as-built drawings or similar Plans and Specifications referenced in paragraph 2 above.
4. There has not been filed with or served upon the Property Owner notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than material men's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.
5. The representations and warranties of the Property Owner set forth in Section 5.1 of the Joint Community Facilities Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Date: \_\_\_\_\_

Property Owner

By: \_\_\_\_\_  
Authorized Representative



**ATTACHMENT A  
PAYMENT REQUEST - ACTUAL COSTS**

Property Owner is to complete Columns 1 through 7

CFD/Improvement Area/Tract Number: \_\_\_\_\_  
Facility Description: \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11
Bid Item No.	Bid Item Description	Unit of Measure	Unit Price	Original Contract Quantity	Quantity Invoiced	Amount Invoiced	Quantity Calculated By Flood District	Amount Calculated By Flood District	Difference	Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	
Total:									0.00	0.00
Amount Requested:									_____	_____

**APPROVAL BY THE CONTRACT ADMINISTRATOR**

The Contract Administrator confirms that the Sewer Collection Facility described in Attachment A-1 has been constructed in accordance with the Plans and Specifications therefor. The Actual Cost of each Sewer Collection Facility as described in Attachment A-1 has been reviewed, verified and approved by the Contract Administrator. The Purchase Price for said Sewer Collection Facility is established at \$\_\_\_\_\_. Payment of the Purchase Price for the Sewer Collection Facility is hereby approved.

Date: \_\_\_\_\_

CONTRACT ADMINISTRATOR

By: \_\_\_\_\_

**ATTACHMENT A-1  
PAYMENT REQUEST - ACTUAL COSTS**

Contract Administrator to complete Columns 8 through 11

CFD/Improvement Area/Tract Number: \_\_\_\_\_  
Facility Description: \_\_\_\_\_

1 Bid Item No.	2 Bid Item Description	3 Unit of Measure	4 Unit Price	5 Original Contract Quantity	6 Quantity Invoiced	7 Amount Invoiced	8 Quantity Calculated By Flood District	9 Amount Calculated By Flood District	10 Difference	11 Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	0.00
2			0.00	0	0	0.00	0	0.00	0.00	0.00
3			0.00	0	0	0.00	0	0.00	0.00	0.00
4			0.00	0	0	0.00	0	0.00	0.00	0.00
5			0.00	0	0	0.00	0	0.00	0.00	0.00
6			0.00	0	0	0.00	0	0.00	0.00	0.00
7			0.00	0	0	0.00	0	0.00	0.00	0.00
8			0.00	0	0	0.00	0	0.00	0.00	0.00
9			0.00	0	0	0.00	0	0.00	0.00	0.00
10			0.00	0	0	0.00	0	0.00	0.00	0.00
11			0.00	0	0	0.00	0	0.00	0.00	0.00
12			0.00	0	0	0.00	0	0.00	0.00	0.00
13			0.00	0	0	0.00	0	0.00	0.00	0.00
14			0.00	0	0	0.00	0	0.00	0.00	0.00
15			0.00	0	0	0.00	0	0.00	0.00	0.00
16			0.00	0	0	0.00	0	0.00	0.00	0.00
17			0.00	0	0	0.00	0	0.00	0.00	0.00
18			0.00	0	0	0.00	0	0.00	0.00	0.00
19			0.00	0	0	0.00	0	0.00	0.00	0.00
20			0.00	0	0	0.00	0	0.00	0.00	0.00
<b>Total:</b>							0.00	0.00	0.00	0.00

Amount Requested: \_\_\_\_\_



EXHIBIT B

ASSIGNMENT OF CONTRACTS

[See Attachment]

ASSIGNMENT OF CONTRACTS

THIS ASSIGNMENT OF CONTRACTS ("Assignment") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between SMR VENTURES, LLC, a Delaware limited liability company ("Assignor"), and SFI SMR LLC, a Delaware limited liability company ("Assignee").

RECITALS

A. Assignor is or was the owner of the property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 ("Property"), providing for the development of approximately 1,461 proposed single family residential lots ("Spring Mountain Ranch").

B. Concurrently herewith, the Property is being transferred to Assignee by First American Title Insurance Company pursuant to that certain Trustee's Sale No. 08-24758 ("Transfer").

C. In connection with the Transfer, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor all of Assignor's rights and obligations under each of the contracts identified on Exhibit A attached hereto (the "Contracts"), in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns, sells and transfers to Assignee, all of Assignor's right, title and interest in the Contracts.

2. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Assignee that as of the date of this Assignment:

A. The Contracts are assigned to Assignee free and clear of all liens, claims or encumbrances;

B. Assignor is a party to the Contracts, and Assignor has the full power and authority to execute, deliver and perform its obligations under this Assignment; and

C. To Assignor's knowledge, neither the execution and delivery of this Assignment and the instruments to be executed or delivered by Assignor pursuant to this Assignment nor the consummation of the transaction contemplated herein conflict with or result in the material breach of the Contracts or any written agreement relating to the Contracts.

3. Acceptance of Contracts. Effective as of the date hereof, Assignee hereby accepts Assignor's assignment of the Contracts.

EXHIBIT 5 PAGE 53



4. **Indemnification.** Assignor shall protect, indemnify, defend and hold Assignee free and harmless from and against any and all claims, damages, liens, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Liabilities**"), resulting from or arising out of the inaccuracy of the foregoing representations and/or warranties of Assignor. Assignor's indemnification obligations set forth herein shall survive the transfer of the Contracts pursuant to this Assignment.

5. **Further Assurances.** Each of Assignor and Assignee agree to execute such further documents as the other may deem reasonably necessary or desirable to effectuate the purposes of this Assignment. Assignor and Assignee further hereby covenant and agree to reasonably cooperate with each other in order to effectuate the proposed transfer described herein.

6. **Miscellaneous.** There are no agreements, understandings, commitments, representations or warranties with respect to the subject matter hereof except as expressly set forth in this Assignment and the Contracts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Assignment shall be binding upon the parties and their heirs, representatives, executors, administrators, successors and assigns and shall inure to the benefit of the parties and to their respective heirs, representatives, executors, administrators, successors and assigns. This Assignment shall be governed by and construed in accordance with California law.

[Signatures on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee do hereby execute this Assignment as of the date first written above.

**ASSIGNOR:**

**SMR VENTURES, LLC**, a Delaware limited liability company

**ASSIGNEE:**

**SFI SMR LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

*RECEIVED, SOLELY  
IN THAT CAPACITY*



EXHIBIT A

LIST OF CONTRACTS

1. Joint Community Facilities Agreement- Flood Control, dated June 26, 2007, by and between SMR Ventures, LLC, the Riverside Unified School District, Riverside County Flood Control and the County of Riverside.
2. Joint Community Facilities Agreement - Street Improvements, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
3. Joint Community Facilities Agreement- Sewer Collection Facilities, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
4. Water and Sewer Backbone Improvement and Tri-party Reimbursement Agreement, dated January 8, 2004, and amended December 1, 2005, by and between SMR Ventures, LLC, MFR-Groves Development, L.P., a Texas limited partnership, and Springbrook Investments, L.P., a California limited partnership.
5. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (sewer facilities reimbursement fee), dated October 1, 2006, by and between SMR Ventures, LLC, and the Riverside Unified School District.
6. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (traffic mitigation fee), dated February 1, 2006, by and between SMR Ventures, LLC, and the City of Grand Terrace.
7. Amended Sanitation System and Installation Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the County of Riverside.
8. City of Riverside Development Indemnification Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the City of Riverside.
9. Agreement Between Riverside Highland Water Company and Eastbridge Partners L.P. for the Construction of Water Related Facilities and Furnishing of Domestic and Irrigation Water, dated April 26, 2002, by and between Riverside Highland Water Company and Eastbridge Partners L.P (the "RHWC Agreement"), and Addendum I to the RHWC Agreement, dated May 10, 2004, as assigned to SMR Ventures, LLC, on May 10, 2004.
10. Department of the Army Permit Authorization No. 200400186-RRS (404 Permit), dated December 19, 2003, issued by the Army Corps of Engineers to Eastbridge, L.P, as predecessor in interest to SMR Ventures, LLC.

11. Clean Water Act Section 401 Water Quality Certifications for Spring Mountain Ranch - CRWQCB No. 200100542-RRS, dated October 21, 2003, issued by the California Regional Water Quality Control Board to Eastbridge, L.P., as predecessor in interest to SMR Ventures, LLC.
12. Agreement Regarding Proposed Activities Subject to California Fish and Game Code Section 1603, 6-2001-141, dated December 10, 2002, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.
13. Agreement Regarding Proposed Stream or Lake Alteration, 6-2003-035, dated March 20, 2003, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.
14. Contract for Extension of Electric Distribution Line Rule No. 15 (Work Order No. 6531-1988/51916) dated as of June 30, 2006, (Work Order No. 6531-1990/51918) dated as of July 6, 2006, and (Work Order No. 6531-1990/51918) dated as of July 6, 2006, by and between Southern California Edison Company and SMR Ventures, LLC.
15. Line Extension Contract (Project No. 93976), dated September 25, 2007, by and between the Southern California Gas Company and SMR Ventures, LLC, for residential single family project at Spring Mountain Ranch (Tract Nos. 29597, 29598, 29599, 29600).
16. Application and Letter of Agency for Custom Work (Work Order LB-29, 5563373), dated April 26, 2005, by and between SBC and SMR Ventures, LLC.
17. Right of Entry Agreement for Pigeon Pass Road Corridor Project, dated April, 2009, by and between SMR Ventures, LLC and the County of Riverside.
18. Right of Entry and Construction License Agreement, dated March 17, 2009, by and between SMR Ventures, LLC and the County of Riverside on behalf of the Waste Management Department.
19. All of Assignor's right, title, and interest, in and to all unexpired claims, warranties, and guarantees received in connection with the construction and equipping of the Property, including, without limitation, the right to sue any obligor thereto for any breach of any covenant, agreement, representation, warranty, or guarantee contained therein.
20. All of Assignor's right, title, and interest, in and to all licenses, permits, opinions, agreements, resolutions, certifications, approvals, certificates of occupancy, entitlements, tract maps, tentative tract maps and franchises issued by any federal, state, county, regional or other governmental authority in any way relating to the development, construction, subdivision, use, occupancy, maintenance, or operation of the Property (collectively, the "Licenses and Permits"), running to, or in favor of, Assignor and/or the Property and Assignor's interest in any performance or payment bonds issued in favor of Assignor pursuant to such Licenses and Permits.
21. All of Assignor's right, title and interest, in and to any plans and specifications, studies, drawings and other technical descriptions prepared for construction, repair or alteration of the

EXHIBIT

5

PAGE

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Property, in both hard copy and original computer aided design or similar electronic formats, and all amendments and modifications thereof.

22. All of Assignor's right, title, and interest in, the engineers' contracts, utility contracts, maintenance agreements, management agreements, marketing agreements, any Joint Community Facility Agreements related to reimbursement of the cost of the infrastructure construction for the Property, listing agreements, reciprocal easement or operating agreements, equipment leases, declarations, any purchase agreements, any sale contracts, all earnest money sales deposits, development agreements, service contracts, in any way relating to the development, use, occupancy, operating, maintenance, enjoyment, acquisition or ownership of the Property or services produced in or relating to the Property, or the proceeds (as defined in the California Uniform Commercial Code) and any refunds or reimbursements derived therefrom.



ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT  
(SPRING MOUNTAIN RANCH – STREET IMPROVEMENTS)

This Assumption Agreement (this “**Agreement**”) is made and entered into as of August 1, 2011, by and among the County of Riverside, a political subdivision of the State of California (the “**County**”), Riverside Unified School District (the “**District**”), and SFI SMR LLC, a Delaware limited liability company (the “**Property Owner**”).

**RECITALS**

A. The Property Owner is the owner of property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 (the “**Property**”), providing for the development of approximately 1,461 proposed single family residential lots (“**Spring Mountain Ranch**”). The Property Owner acquired the Property from SMR Ventures, LLC, a Delaware limited liability company (the “**Previous Owner**”), pursuant to Trustee’s Sale No. 08-24758 (the “**Transfer**”).

B. To finance various public facilities required in connection with the development of Spring Mountain Ranch, including the Street Improvements described in Recital C, the District contemplates the formation of a community facilities district (anticipated to be designated Community Facilities District No. 23 of Riverside Unified School District, and referred to herein as the “**CFD**”) under the authority of the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”).

C. The Act provides that the CFD may finance the acquisition and construction of certain public improvements, including but not limited to the street improvements (the “**Street Improvements**”), which are to be owned by the County, only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act.

D. As required by the Act, the District, the County, and the Previous Owner entered into and executed that certain Joint Community Facilities Agreement (Street Improvements), dated as of June 26, 2007 (the “**Street Improvements JCFA**”), a copy of which is attached hereto as Exhibit A.

E. In connection with the Transfer, the Previous Owner and the Property Owner entered into that certain Assignment of Contracts (the “**Assignment of Contracts**”), a copy of which is attached hereto as Exhibit B, whereby the Previous Owner assigned to the Property Owner, and the Property Owner assumed from the Previous Owner, all of the Previous Owner’s rights and obligations under certain contracts relating to Spring Mountain Ranch previously entered into by the Previous Owner, including, but not limited to, the Street Improvements JCFA. Neither the County nor the District approved the Assignment of Contracts at the time of its execution, and the Assignment of Contracts has not been subsequently ratified by the County or the District.

F. Section 6.3 of the Street Improvements JCFA requires a purchaser or assignee of the Property, as a condition to receiving payment of the purchase price of the Street Improvements, to enter into an assignment agreement with the County, the District, and the CFD, in a form acceptable to the County, the District and the CFD, to assume the duties and obligations of the Previous Owner under the Street Improvements JCFA. Since the CFD has not yet been formed, it cannot enter into any such agreement.

G. In order to effectuate the assignment and assumption of the Street Improvements JCFA and to receive and accept all of the corresponding benefits under the Street Improvements JCFA, the Property Owner desires to enter into this Agreement to satisfy the conditions set forth under Section 6.3 of the Street Improvements JCFA, and to assume the duties and obligations of the Previous Owner under the Street Improvements JCFA.

H. Pursuant to California Civil Code Section 1589, a voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting. The Property Owner has read and understood the Street Improvements JCFA and consents to all of its terms.

NOW THEREFORE for the mutual promises reflected herein and for other valuable consideration the receipt of which is hereby acknowledged by all of the signatory parties, the parties hereby agree as follows:

Section 1. Definitions. Except as expressly defined herein, all capitalized terms shall have the meaning afforded to those terms in the Street Improvements JCFA.

Section 2. Recitals Correct. It is expressly agreed by the signatories that the recitals are true and correct.

Section 3. Assumption. The Property Owner hereby assumes and agrees to perform and faithfully discharge all of the duties and obligations of the property owner in the Street Improvements JCFA. The other party signatories to this Agreement accept and consent to the assumption of those duties by the Property Owner. From and after the date hereof, the Property Owner agrees to perform all duties of the property owner reflected in the Street Improvements JCFA including the duty of indemnification as set-forth therein. From and after the date hereof it is agreed that the Property Owner shall be entitled to enjoy all of the benefits that the Street Improvements JCFA affords to the property owner. Notwithstanding the foregoing, it is the intent of the parties that this Agreement shall not effect a novation.

Section 4. Representations and Warranties of the Property Owner. The Property Owner, as the current owner of the Property, makes the following representations and warranties for the benefit of the County and the District as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is validly existing as a limited liability company and in good standing under the

laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Agreement is a valid and binding obligation of the Property Owner and is enforceable against the Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Ownership. The Property Owner represents and warrants that it has lawfully obtained fee title to the Property and that no other known entity has a superior claim of title.

Section 5. Indemnification. The Property Owner, with respect to the responsibilities of the property owner under the Street Improvements JCFA, agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the County, and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents, and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs in accordance with and pursuant to the indemnification provisions set forth under Section 5.4 of the Street Improvements JCFA.

Not as a limitation of, but in addition to the Property Owner's duty of indemnification reflected in Section 5.4 of the Street Improvements JCFA, the Property Owner further agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the County, and their respective directors, officers, Board of Education, Board of Supervisors, Legislative Body, elected officials, employees, representatives and agents (the "**Indemnified Parties**"), and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs by reason of or arising out of or in consequence of this Agreement or the approval of this Agreement or the Indemnified Parties' good-faith performance under this Agreement, including, but not limited to, any and all claims and liabilities asserted by the Previous Owner against the Indemnified Parties under the Street Improvements JCFA.

If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner for any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs arising directly from the willful misconduct or sole or active negligence of the Indemnified Parties.

The provisions of this Section 5 shall survive the termination of this Agreement.

Section 6. Amendments. This Agreement may only be amended by an instrument in writing executed and delivered by the District, the County, and the Property Owner.

Section 7. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County:	County of Riverside Attn: Director of Transportation 4080 Lemon Street, 8th Floor Riverside, California 92501 Telephone: (951) 955-6740 Fax: (951) 955-3198
District:	Riverside Unified School District 3070 Washington Street Riverside, California 92504 Attention: Director Planning & Development Telephone: (951) 788-7554 Fax: (951) 275-9349
Flood Control District	Riverside County Flood Control and Water Conservation District 1995 Market Street Riverside, California 92501 Attention: Administrative Service Telephone: (951) 955-1200 Fax: (951) 788-9965

Property Owner: SFI SMR, LLC  
c/o iStar Financial Inc.  
5 Park Plaza, Suite 1640  
Irvine, California 92614  
Attention: Steven Magee  
Telephone: (949) 567-8066  
Fax: (949) 567-2411

With a copy to: iStar Financial Inc.  
1114 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, New York 10036  
Attn: Chief Operating Officer  
Telephone: (212) 930-9400  
Fax: (212) 930-9494

With a copy to: iStar Financial Inc.  
1114 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, New York 10036  
Attn: Nina B. Matis, Esq./General Counsel  
Telephone: (212) 930-9400  
Fax: (212) 930-9492

With a copy to: iStar Asset Services Inc.  
180 Glastonbury Blvd., Suite 201  
Glastonbury, Connecticut 06033  
Attn: President  
Telephone: (860) 815-5900  
Fax: (860) 815-5901

With a copy to: Katten Muchin Rosenman LLP  
2029 Century Park East, Suite 2600  
Los Angeles, California 90067  
Attn: Benzion J. Westreich, Esq.  
Telephone: (310) 788-4409  
Fax: (310) 712-8228

Section 8. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

(b) Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of California applicable to contracts made and performed in the State.



(c) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Bob Buster  
Chairman, Board of Supervisors

ATTEST:  
Kecia Harper-Ihem, Clerk of the  
Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Education

ATTEST:

By: \_\_\_\_\_  
Clerk of the Board of Education

PROPERTY OWNER

SFI SMR LLC,  
a Delaware limited liability company


By:   
Name: Steve Magee  
Title: Executive Vice President

EXHIBIT A

JOINT COMMUNITY FACILITIES AGREEMENT  
(STREET IMPROVEMENTS)

[See Attachment]

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**JOINT COMMUNITY FACILITIES AGREEMENT  
(Street Improvements)**

**by and among**

**COUNTY OF RIVERSIDE,**

**RIVERSIDE UNIFIED SCHOOL DISTRICT,**

**and**

**SMR VENTURES, LLC  
a Delaware limited liability company**

**Dated as of June 26, 2007**

**Relating to:  
Community Facilities District No. 23  
of Riverside Unified School District**

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## JOINT COMMUNITY FACILITIES AGREEMENT

**THIS JOINT COMMUNITY FACILITIES AGREEMENT** (this "Joint Community Facilities Agreement") is made and entered into as of June 26, 2007, by and among the County of Riverside, a public subdivision of the State of California (the "County"), Riverside Unified School District (the "District"), and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner").

### RECITALS

A. The Board of Education of the School District (the "Board of Education") has been requested to initiate proceedings to form a community facilities district that is to be identified as "Community Facilities District No. 23 of Riverside Unified School District (the "Community Facilities District") under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") (commencing with Section 53311 of the California Government Code (the "Code")) that is to be located in an unincorporated portion of the County known as "Highgrove."

B. The Property Owner is the owner of certain real property located as generally shown on Exhibit A, attached hereto, representing Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741 (each a "Tract," and collectively, the "Tracts"), that provide for the development of approximately 1,461 proposed single family residential lots; the boundaries of the Community Facilities District include all of the territory within the Tracts. The Property Owner has requested that in forming the Community Facilities District two or more improvement areas be designated therein (each an "Improvement Area," and collectively, the "Improvement Areas"). It is the intention of the parties hereto that each Improvement Area shall be authorized to finance all or any part of the County Facilities (defined below to the extent that bond proceeds are available. The determination of which Tracts will be in which Improvement Area will be made by the School District and the Property Owner at the time the Community Facilities District is formed.

C. The Property Owner has requested and proposed that the Community Facilities District be formed for the purpose of providing the means of financing the construction and acquisition of certain public improvement, including but not limited to certain street and roadway improvements, including appurtenant drainage improvements, parkway and median landscaping, and street lighting, listed in Exhibit B (each of the facilities described in Facility 1 through 18 shall be referred to herein as a "County Facility" and, collectively, as the "County Facilities") to be constructed by the Property Owner with the purchase price therefor to be paid from the proceeds of bonds to be sold and issued by the Community Facilities District. Upon the completion of the construction of each County Facility by the Property Owner and the acceptance thereof by the County, each County Facility is to be owned, maintained and operated by the County, with the exception that the street lighting and parkway and median landscaping are to be maintained and operated by County Service Area No. 126 ("CSA No. 126") and the fossil filtered catch basins are to be maintained and operated by Landscaping and Lighting District No. 89-1-Consolidated of the County ("L&LM Dist. No. 89-1-C"). The County Facilities are generally described in Exhibit B attached hereto and incorporated herein by this reference.

D. Section 53313.5 of the Code provides that a community facilities district may only finance the purchase of facilities whose construction has been completed, as determined by the legislative body of the community facilities district, before the resolution of formation to establish the community facilities district is adopted pursuant to Section 53325.1 of the Code, except that a community facilities district may finance the purchase of facilities completed after the adoption of a resolution of formation if the facility is constructed as if it had been constructed under the direction and supervision, or under the authority of, the local agency, or in this instance the County.

E. Alternatively, Section 53314.9 of the Code provides that at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds or work in-kind from any source, including, but not limited to, private persons or entities, and may provide, by resolution, for the use of those funds or that work in-kind for any authorized purpose, under all of the following conditions: (a) the proposal to repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the resolution of intention to establish the community facilities district adopted pursuant to Section 53321 of the Code and in the resolution to establish the community facilities district pursuant to Section 53325.1 of the Code, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any work in-kind accepted pursuant to Section 53314.9 of the Code shall have been performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority, of the County. For those County Facilities for which the Property Owner seeks reimbursement pursuant to this Joint Community Facilities Agreement, the Property Owner shall comply with all of the applicable requirements set forth in the Public Contract Code regarding the notice of bidding and award of a contract for a public works project by a public agency, in this instance the County.

F. Pursuant to the Act, the Board of Education, upon approval of this Joint Community Facilities Agreement by the School District, the County and the Property Owner, intends to consider a resolution of intention stating that it is the intention of the School District to cause the proposed Community Facilities District to be established and the Improvement Areas therein to be designated, and if established, the Community Facilities District will use its best efforts to sell and issue special tax bonds the proceeds of which will be used in part to pay the Property Owner the purchase price of the County Facilities, provided all of the conditions of Sections 53313.5 and 53314.9 of the Code are satisfied and that the purchase price shall only be paid from the proceeds of special tax bonds, if any are sold and issued by the proposed Community Facilities District and the Improvement Areas therein.

G. The Act provides that the proposed Community Facilities District may finance the County Facilities only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code.

H. The School District, the County and the Property Owner desire to enter into this Joint Community Facilities Agreement, as required by the aforementioned sections of the Code and prior to the adoption by the Board of Education of the resolution establishing the Community Facilities District and the Improvement Areas therein. The provisions of this Joint Community Facilities Agreement are intended to apply only to the County Facilities and to all Improvement Areas designated within the Community Facilities District.

I. The School District and the County by entering into this Joint Community Facilities Agreement will enable the Community Facilities District to finance some or all of the costs of acquiring and constructing the County Facilities, and, consistent with Section 53316.2 of the Code, both the School District and the County have determined that executing this Joint Community Facilities Agreement will be beneficial to the residents of their respective jurisdictions and to the owners of property within the Community Facilities District.

J. The design, construction, inspection, acceptance, operation and maintenance of the County Facilities shall be accomplished in accordance with the provisions of this Joint Community Facilities Agreement. If the Property Owner wants to be paid or to be reimbursed for the costs of any County Facility from the proceeds of the Bonds (when and if issued), it must comply with the specific provisions set forth in Article III of this Joint Community Facilities Agreement with respect to the County Facility. If the Property Owner chooses not to be paid or to seek reimbursement for a particular County Facility from the proceeds of the Bonds, then the Property Owner shall not be bound by Article III of this Joint Community Facilities Agreement.

## AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual premises and covenants contained herein, the parties hereto agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.1. Definitions.** Unless the context otherwise requires, the terms defined in this Article I shall have the meaning herein specified when used in this Joint Community Facilities Agreement:

"**Acceptable Title**" means title to land, or an easement therein, delivered free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether any such item is recorded or unrecorded, except those non-monetary items which are reasonably determined by the County not to interfere with the intended use of such land or easement and therefore are not required to be cleared from title.

"**Acceptance Date**" means, with respect to any County Facility, the date that the County Facility is accepted by the County into its maintained system.

"**Act**" means the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the Code, as amended.

"**Actual Cost**" means, with respect to a County Facility, to the extent authorized by law, an amount equal to the sum of (a) the Property Owner's actual, reasonable cost of constructing such County Facility, including labor, material and equipment costs, (b) the Property Owner's actual reasonable cost of designing and preparing the Plans and Specifications for such County Facility, including engineering services provided in connection with designing and preparing such Plans and Specifications, (c) the Property Owner's actual, reasonable cost of environmental evaluations required specifically for such County Facility and any mitigation measures required by any governmental agency with jurisdiction with regard to such County Facility, or portions thereof, (d) the amount of any fees actually paid by the Property Owner to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such County Facility, including but not limited to plan check and inspection fees by the County, (e) the Property Owner's actual reasonable cost for professional services directly related to the construction of such County Facility, including engineering, legal, inspection, construction staking, materials testing and similar professional services, (f) the Property Owner's actual, reasonable cost, as determined by the County Engineer, for construction management, bid administration and contract administration services which shall not exceed 2% of construction costs, (g) the Property Owner's actual reasonable cost of payment, performance or maintenance bonds and insurance for such County Facility, (h) the Property Owner's actual, reasonable cost of any real property or interest therein acquired after the date on which the Community Facilities District is established pursuant to the Act from a party other than the Property Owner, which real property or interest therein is either necessary for the construction of such County Facility (e.g., temporary construction easements, haul roads, etc.) or is required to be conveyed with such County Facility in order to convey Acceptable Title thereto to the County, all as specified in a Payment Request that is to be reviewed and approved by the County Engineer; provided,

however, that (x) no item of cost relating to a County Facility shall be included in more than one category of cost specified in clauses (a) through (h) of this definition, and (y) each item of cost shall include only amounts actually paid by the Property Owner to third parties and shall not include overhead or other internal expenses of the Property Owner, except that, if Property Owner employees perform construction management, bid administration or contract administration services with respect to a County Facility, the actual reasonable cost of the salaries and benefits paid by the Property Owner to such employees for performing such services may be included as an item of cost relating to such County Facility for the category of cost specified in clause (f) of this definition and subject to the 2% limitation specified in clause (f).

**"Administrator"** means the Director of Planning and Development of the School District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

**"Board of Education"** means the Board of Education of the School District.

**"Board of Supervisors"** means the Board of Supervisors of the County.

**"Bonds"** means the special tax bonds that the Community Facilities District may attempt to sell and issue in one or more series for each Improvement Area if the Proceedings are approved, a portion of the proceeds of which will be used to finance the acquisition and construction of the County Facilities

**"Business Day"** means a day which is not a Saturday or Sunday or a day of the year on which the County is not required or authorized to be open.

**"CEQA"** means the California Environmental Quality Act (CEQA), constituting Section 21000 *et seq.* of the California Public Resources Code, as amended.

**"Code"** means the California Government Code.

**"Community Facilities District"** means "Community Facilities District No. 23 of Riverside Unified School District," a community facilities district to be organized and existing under the Act.

**"Construction Site"** means the sites on which the County Facilities are to be constructed, including off site staging areas and material storage areas.

**"County"** means the County of Riverside, a political subdivision of the State, and its successors.

**"County Engineer"** means the Director of Transportation of the County (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

**"County Facilities"** means the street, roadway and related drainage improvements, including catch basins and connector pipes, median and parkway landscaping and street lighting as identified and described as Facilities 1 – 18 in Exhibit B attached hereto that are to be owned, operated and maintained by the County with the exception that the street lighting and parkway



and median landscaping are to be maintained and operated by CSA No. 126 and the fossil filtered catch basins are to be maintained and operated by L&LM Dist. No. 89-1-C.

**"County Facility"** means any individual facility described in Exhibit B as Facility 1 through 18..

**"County Facilities Account"** means the account (however denominated) to be established pursuant to each Indenture for an Improvement Area to hold that portion of Bond proceeds to be applied to pay the Purchase Price for each County Facility.

**"CSA No. 126"** means County Service Area No. 126 formed pursuant to Chapter 2.2, Part 2, Division 2, Title 3 of the Code (commencing at Section 25210.1)

**"General Prevailing Wage Rates"** means those rates as determined by the Director of the Department of Industrial Relations of the State pursuant to Sections 1770, *et seq.* of the Labor Code of the State that are applicable to construction activity within the County.

**"Hazardous Material"** means any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic substances, material or waste which is or becomes regulated by any local governmental authority, the State or the Federal government and specifically includes, without limitation, any material or substance which is (i) designated as "hazardous substance" pursuant to Section 3111 of the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 *et seq.* (33 U.S.C. Section 1321), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 USC Section 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, (iv) petroleum or petroleum products, (v) asbestos, (vi) hydrocarbons, or (vii) polychlorinated biphenyl ("PCB" or PCB containing materials).

**"Improvement Area" or "Improvement Areas"** means, either individually or collectively, two or more of the Improvement Areas, as the context would indicate, that are to be designated within the Community Facilities District.

**"Indenture" or "Indentures"** means each indenture, trust agreement, resolution, fiscal agent agreement or similar instrument, regardless of title, pursuant to which bonds, notes or other evidences of indebtedness of the Community Facilities District have been issued for an Improvement Area and are outstanding, as originally executed or as the same may from time to time be supplemented or amended pursuant to the provisions thereof.

**"Joint Community Facilities Agreement"** means this Joint Community Facilities Agreement, dated as of June 26, 2007, by and among the County, the School District, and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

**"L&LM District No. 89-1-C"** means Landscaping and Lighting Maintenance District No. 89-1-Consolidated of the County established pursuant to the Landscaping and Lighting Act of 1972 (commencing with Section 22500 of the California Streets and Highways Code.

**"Legislative Body"** means the Board of Education, acting *ex officio* as the legislative body of the Community Facilities District.

**"Mitigation Agreement"** means the Mitigation Agreement to be entered into by and between the School District and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

**"Payment Request"** means the document to be provided by the Property Owner to the County Engineer to substantiate the Purchase Price of one or more the County Facilities, which shall be substantially in the form of Exhibit E attached hereto.

**"Plans and Specifications"** mean the plans and specifications for the County Facilities prepared or to be prepared at the direction of the Property Owner pursuant to Section 4.1 hereof.

**"Proceedings"** means those proceedings to be undertaken by the Board of Education to consider the formation of the Community Facilities District and the designation of Improvement Areas therein and the approval by said Board of Education and the qualified electors of the Community Facilities District and each Improvement Area, of the authorization to levy special taxes therein pursuant to the Rate and Method and to incur bonded indebtedness to finance the construction and acquisition of certain public improvements and by the Legislative Body to sell and issue the Bonds.

**"Property Owner"** means SMR Ventures, LLC, a Delaware limited liability company, and its successors and assigns, acting as the master developer of infrastructure within the Community Facilities District, including but not limited to the County Facilities.

**"Property Owner's Representative"** means the person executing this Joint Community Facilities Agreement or the person or persons designated as such by the Property Owner in a certificate signed by the Property Owner and delivered to the School District, the Community Facilities District, and the County consistent with Section 6.16., below.

**"Public Contract Code"** means the Public Contract Code of the State.

**"Purchase Price"** means, subject to the provisions of Section 3.2 hereof, the Actual Cost of a County Facility as determined by the County Engineer.

**"Rate and Method"** means the rate and method of apportionment of special taxes for each Improvement Area authorized to be levied within the Community Facilities District pursuant to the Proceedings.

**"School District"** means the Riverside Unified School District, a school district organized and existing under the laws of the State of California.

**"State"** means the State of California.

**"Tract" or "Tracts"** means, individually or collectively, Tract Map Nos. 29597, 29597, 29598, 29599, 29600, 29740, and 29741.

## ARTICLE II

### CONDITIONS PRECEDENT

**Section 2.1. Proceedings for the Formation of the Community Facilities District and the Improvement Areas therein; Costs of Formation.** The Property Owner has submitted to the School District an application requesting that the Proceedings be initiated by the School District to form the Community Facilities District and designate the Improvement Areas therein for the purpose of financing the acquisition and construction of certain public facilities, including the County Facilities, and to authorize the levy of special taxes within the Community Facilities District pursuant to the Rate and Method for each Improvement Area and the incurrence of bonded indebtedness to finance the construction and acquisition of said public facilities and for the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area pursuant to the Act and the applicable Indenture.

Should the formation of the Community Facilities District and the designation of the Improvement Areas be approved to finance the acquisition and construction of the County Facilities, the Legislative Body will use its best efforts to cause the Bonds to be sold and issued for each Improvement Area in one or more series, pursuant to the terms of the Act, the applicable Indenture and the applicable sections of the Mitigation Agreement. A portion of the proceeds of the Bonds are intended to provide funds that will allow each Improvement Area of the Community Facilities District to finance all or a portion of the costs of constructing and acquiring the County Facilities. Should the Board of Education not approve the formation of the Community Facilities District and/or the Legislative Body not sell and issue any Bonds, the School District, the County and the Property Owner will not be bound by the terms of this Joint Community Facilities Agreement and it shall be considered null and void by the parties to it. The School District will notify all parties to this Joint Community Facilities Agreement within fifteen (15) calendar days of either event occurring.

The Property Owner acknowledges that the decision of the Board of Education to approve the formation of the Community Facilities District and the designation of the Improvement Areas therein and of the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area is an exercise of legislative discretion by the Board of Education and Legislative Body, respectively, and the School District may not enter into a contract or obligate either the Board of Education or the Legislative Body to exercise its legislative discretion in a particular manner. This Joint Community Facilities Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the Board of Education to approve the formation of the Community Facilities District and the designation of Improvement Areas therein or the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area.

The Board of Education and the Legislative Body shall have the jurisdiction to and shall be solely responsible for undertaking the Proceedings consistent with the provisions of the Act, each Indenture and the Mitigation Agreement.

The County is not directly or indirectly approving or responsible in any way whatsoever for: (i) the levy of special taxes within the Community Facilities District or (ii) the issuance of the Bonds. The County shall not be responsible in any way whatsoever for the costs of formation of the Community Facilities District and the designation of the Improvement Areas therein.

**Section 2.2. Installation of Street Lights to be Funded by Bond Proceeds.** No Bond proceeds will be disbursed to pay for the installation of street lights until the County, the Property Owner, and the public utility owning the street lights have entered into an agreement satisfying the requirements of Section 53313.5(e) of the Code to the extent that the School District determines that such an agreement is a necessary precondition to such disbursement.

**Section 2.3. CSA No. 126; Energizing of Street Lighting and other Maintenance.** As identified in Exhibit B, the cost of installing street lights which are located within the County's rights-of-way for those streets is included in the cost of said streets that are to be financed by the proceeds of the Bonds. The cost of supplying electricity to such street lights is not provided by the County unless the Property Owner of the Tracts makes application for the annexation of their respective Tracts into CSA No. 126. Due to the fact that the street lights are integral to said identified streets, the County will not accept any of said streets into its maintained road system until the Property Owner has made application for the annexation of its property within all Tracts into CSA No. 126 and said annexation shall have been completed. Annexation is to occur consistent with the procedures established by the Local Area Formation Commission ("LAFCO") and the administrator for CSA No.126. Annexation for a Tract will be deemed complete when the administrator for CSA No. 126 has: (i) received notice from LAFCO that the annexation process has been completed and (ii) received notice from Southern California Edison that initial electrification deposit has been paid.

Also identified in Exhibit B are the costs of installing parkway/median landscaping which is located within the County's right-of-way for those streets the construction and acquisition costs of which, if authorized, are to be financed by the proceeds of the Bonds. The costs of maintaining the parkway/median landscaping is not provided by the County unless the Property Owner of the Tracts makes application for annexation into CSA No. 126. Due to the fact that the parkway/median landscaping are integral to said identified streets, the County will not accept any of said streets into its maintained road system until the Property Owner has made application for the annexation of its property within all Tracts into CSA No. 126 and said annexation shall have been completed. Annexation for a Tract will be determined complete when the administrator for CSA No. 126 has received notice from LAFCO that the annexation process has been completed.

**Section 2.4. Landscaping and Lighting District No. 89-1-Consolidated.** As identified in Exhibit B, certain costs for the construction of catch basins that will require fossil filtration which are located within the public rights-of-way of those streets authorized to be financed by the proceeds of the Bonds. The costs of maintaining said catch basins that are appurtenant to any street located within the Community Facilities District are not provided by the County unless the property owner of the affected subdivision tract makes application for the annexation of said tract into L&LM District No. 89-1-C of the County. Due to the fact that the catch basins requiring fossil filtration are integral to the County Facilities, the County will not accept any of the County Facilities into its maintained system until the Property Owner has made application for the annexation of the Tracts into L&LM District No. 89-1-C and said annexation is effectuated consistent with the provisions of the Landscaping and Lighting Act of 1972

(commencing with Section 22500 of the Streets and Highways Code), Article XIII D of the State Constitution and Sections 53753 and 54954.6 of the Code.

**Section 2.5. Addendum to Exhibit B of this Joint Community Facilities Agreement for Modification of the County Facilities.** It is the intent of both the Property Owner and the School District to cause one or more series of Bonds to be issued for each Improvement Area. All of the County Facilities eligible to be financed by the Community Facilities District are identified in Exhibit B. Each Improvement Area shall be authorized to finance the County Facilities. The descriptions of the County Facilities are general and any minor differences between the County Facilities described in Exhibit B and those County Facilities actually acquired hereunder shall not prevent the financing of such County Facilities. Further refinement of the descriptions of the County Facilities may be addressed by an addendum to Exhibit B that is to be prepared by the County Engineer and executed by the Administrator, the County Engineer and the Property Owner and will not require further amendment to this Joint Community Facilities Agreement. Other than the modifications described in the previous sentence, should there be additional amendments deemed necessary by the County to be made to this Joint Community Facilities Agreement, any necessary amendments to this Joint Community Facilities Agreement be made pursuant to Section 6.4., hereof, and such amendments shall be made prior to the authorization by the Legislative Body to sell and issue any additional series of Bonds the proceeds of which will be used to finance the particular County Facilities requiring a modification of their description.

**Section 2.6. Fee Deposit with County for Preparation and Implementation of this Joint Community Facilities Agreement.** The Property Owner is to cause to be deposited with the County Executive Officer, or his/her designee (the "Special Districts Administrator") an aggregate amount of \$12,000 for the three joint community facilities agreements that are to be prepared with regard to the Community Facilities District, of which \$4,000 has been deposited by the Property Owner, to be held in a trust account to cover all costs incurred in drafting, preparing and implementing this Joint Community Facilities Agreement and the other such agreements. The Special Districts Administrator will prepare an accounting of the costs incurred and provide an accounting to the Property Owner. If the amount deposited is insufficient to cover such costs, the Property Owner will cause an additional amount to be deposited with the Special District Administrator within thirty (30) calendar days of being provided a written request for the additional funds. The amounts deposited with the Special District Administrator that have not been used will be returned to the Property Owner. Any portion of the amounts deposited with the Special District Administrator that are used for the purposes identified above shall be reimbursable to the Property Owner from the proceeds of the Bonds.



## ARTICLE III

### ACQUISITION OF COUNTY FACILITIES

**Section 3.1. Acquisition of County Facilities.** The provisions of this Article III shall apply only to those County Facilities that the Property Owner elects to finance with the proceeds of the Bonds deposited in the County Facilities Account for an Improvement Area.

For such County Facilities, the Property Owner hereby agrees to transfer to the County each of the County Facilities and the Community Facilities District hereby agrees to pay the Purchase Price(s) therefor, subject to the terms and conditions hereof and the Mitigation Agreement. Acceptable Title to any parcels on which such County Facilities are constructed and for which title is not presently held by the County as well as Acceptable Title to such County Facilities shall be transferred to the County as of the Acceptance Date; provided, however, that notwithstanding such transfer, as provided in Section 4.10., hereof, the Property Owner shall be solely responsible for the maintenance of each such County Facility until the Acceptance Date of said County Facility.

The Purchase Price for each such County Facility will be paid solely from the amounts on deposit in the County Facilities Accounts established by the applicable Indentures for the issuance of Bonds for one or more of the Improvement Areas, and the Community Facilities District shall not be obligated to pay the Purchase Price of any County Facility except from the amounts on deposit in said County Facilities Account. None of the School District, the Community Facilities District or the County makes any warranty, either expressed or implied, that the proceeds of the Bonds deposited in such County Facilities Accounts, and interest earnings, will be sufficient to pay the full amount of the Purchase Price of the County Facilities or any specific County Facility.

It is understood by the Property Owner that the net principal amount of the Bonds that will be deposited in each County Facilities Account, pursuant to the terms of the Mitigation Agreement and the applicable Indenture, and any investment earnings thereon, may not be sufficient to pay the full amount of the Purchase Prices for the County Facilities, or any County Facility, at the time a Payment Request is approved by the County Engineer. If the amounts on deposit in the applicable County Facilities Account, at the time a Payment Request is approved by the County Engineer and submitted to the Administrator for payment, are not sufficient to pay the Purchase Price for any County Facility, the timing of the payment of the Purchase Price and the proportionate amount of the Purchase Price to be paid will be determined consistent with the terms of the Mitigation Agreement. It is understood that, at all times, for the purpose of this Joint Community Facilities Agreement, the construction of the County Facilities that the Property Owner elects to finance with the proceeds of the Bonds will be accomplished by the Property Owner with the expectation that the Purchase Price for each such County Facility is to be paid by the Community Facilities District (but solely from the proceeds of the Bonds, if any, issued for and deposited in the County Facilities Account(s) for one or more of the Improvement Areas), and that the conveyance of any such County Facility to the County prior to the receipt of the Purchase Price, or any portion thereof, for said County Facility will not constitute or be construed as a dedication, gift, or waiver of the payment of the Purchase Price or any unpaid balance thereof.

Notwithstanding any other provision of this Joint Community Facilities Agreement, the fact that there may not be sufficient funds available in a County Facilities Account to pay the Purchase Price for any such County Facility will not relieve the Property Owner from its obligation to construct such County Facility consistent with the conditions of approval for the Tracts to construct the County Facilities.

Failure of the Property Owner to fully comply with the terms this Article may result in a denial of the Property Owner's request for reimbursement of costs incurred in the design, engineering and construction of such County Facilities. Compliance with Articles III shall be determined separately for each County Facility.

Each County Facility listed as Facility 1 through 18 in Exhibit B may be acquired by the County pursuant to the terms hereof provided such County Facility has been accepted by the County in accordance with the terms of Article IV Section 13 and otherwise meets the conditions established in this Joint Community Facilities Agreement

**Section 3.2. Determination of the Purchase Price; Processing of Payment Requests.** The determination of the Purchase Price for a County Facility shall be made consistent with the provisions of this Section 3.2.

In order for the County Engineer to be able to determine the Purchase Price and for the Property Owner to receive the Purchase Price for a completed County Facility, the Property Owner shall deliver to the County Engineer:

- (a) A complete Payment Request for said County Facility, together with all attachments and exhibits needed to be included therewith;
- (b) A copy of the documents conveying or which previously conveyed to the County Acceptable Title to the real property on, in or over which such County Facility is located, as provided in Section 3.3 hereof, and Acceptable Title to the County Facility.
- (c) A copy of the Notice of Completion for said County Facility that will be filed in accordance with Section 3093 of the California Civil Code, if applicable. Final lien releases addressed to the School District, the Community Facilities District, and the County must be received by the County Engineer prior to the County Engineer executing the authorization for the Community Facilities District to pay the Purchase Price.
- (d) The Property Owner's civil engineer of record or construction civil engineer of record duly registered in the State shall provide to the County redlined "as-built" plans and profile sheets for the County Facility. After the County's approval of the redlined "as-built" drawings, the Property Owner's engineer shall schedule with the County a time to transfer the redlines onto the County's original mylars at the County's office, after which, said engineer shall review, stamp and sign the original mylars "As-Built."

Notwithstanding anything to the contrary contained herein, no payment of the Purchase Price for any County Facility shall be made unless the County has by written notice to the Administrator stated that the County has accepted ownership of the County Facility as constructed and to include it as part of its maintained road system as of the Acceptance Date.

When the County Engineer has been provided with a complete Payment Request for the Purchase Price and all other documents as required by her/him to determine the Purchase Price, the County Engineer will sign the Payment Request, identifying the completed County Facility and specifying the Purchase Price to be paid, and forward it to the Administrator for payment.

Upon receipt of such a completed Payment Request from the Contract Administrator, the Administrator shall submit it to the fiscal agent or trustee for the County Facilities Account from which the Purchase Price is to be paid together with such other information as the fiscal agent or trustee may require to authorize payment of the Purchase Price from the County Facilities Account. If at the time such a Payment Request is received by the Administrator, there are not sufficient funds on deposit in the applicable County Facilities Account to pay the Purchase Price for the identified County Facility, the Administrator shall notify the Contract Administrator and the Property Owner of the amount of funds that are on deposit in the County Facilities Account to be applied to payment of a portion of the Purchase Price for the County Facility, and shall authorize the fiscal agent or trustee to pay the available amount to the Property Owner as a partial payment of the Purchase Price for the County Facility.

**Section 3.3. Dedication of Property and Easements to County.** Acceptable Title to all property not presently held by the County on, in or over which any County Facility will be located shall be conveyed to the County by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such easement is approved by the County as being a sufficient interest therein to permit the County to properly own and operate and maintain such County Facility located therein, thereon or thereover, and to permit the Property Owner to perform its obligations as set forth in this Joint Community Facilities Agreement.

The Property Owner shall furnish to the County a title report for such property not previously dedicated or otherwise conveyed to the County for review and approval at least thirty (30) calendar days prior to the notice required by Section 4.6 hereof. The County shall approve the title report unless it reveals a matter that, in the sole judgment of the County, could materially affect the County's use and enjoyment of any part of the property or easement covered by the title report. In the event the County does not approve such title report, the County shall notify the Administrator in writing and the County shall not be obligated to accept title to a County Facility, and the Community Facilities District shall not be obligated to pay any portion of the Purchase Price for a County Facility until the Property Owner has cured such objections to title to the satisfaction of the County.

Consistent with the preceding paragraph, the Property Owner shall obtain and provide, or cause to be obtained or provided, to the County duly executed irrevocable offer(s) of dedication to the public for road and drainage purposes, including ingress and egress, for rights of way deemed necessary by the County for the construction, inspection, operation and maintenance of the County Facilities. The irrevocable offer(s) of dedication shall be in a form approved by the County and shall be executed by all legal and equitable owners described in the offer.

**Section 3.4. Public Works Bid and Construction Requirements.**

(a) In order to ensure that a County Facility that is to be acquired with the proceeds of the Bonds will be constructed as if it had been constructed under the direction and supervision, or under the authority of, a public agency, so that they may be acquired pursuant to Sections 53313.5 and 53314.9 of the Code, the Property Owner shall comply with all of the applicable

requirements set forth in the Public Contract Code regarding the notice of bidding and award of a contract for a public works project by a public agency, in this instance the County.

(b) Prior to awarding the construction contract for any County Facilities, the Property Owner shall submit a bid packet, including the invitation and specifications for submitting a bid and the general and specific conditions regarding the construction of the County Facility, for review and approval to the County Engineer. A copy of the bid packet, once approved, is to be provided to the Administrator. The contract for construction of any County Facility is to be awarded to the responsible bidder submitting the lowest responsive bid after public notice inviting sealed bids. Bids are to be publicly solicited consistent with applicable provisions of the Public Contract Code dealing with the bidding of public works projects constructed by the County. Public notice is to be given consistent with the Public Contract Code as to the date, time and place where bids will be opened. The County Engineer is to be provided with copies of all bids received formatted consistent with Exhibit C, attached thereto, and an executed declaration, the form of which will be provided by the County Engineer, that all public bidding procedures as required by the County have been complied with.

(c) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on a County Facility, to pay not less than General Prevailing Wage Rates to all workers employed in the execution of the contract, as required by the California Labor Code, to post a copy of the General Prevailing Wage Rates at the job-site in a conspicuous place available to all employees and applicants for employment, and to otherwise comply with applicable provisions of the California Labor Code, the Code and the California Public Contract Code relating to General Prevailing Wage Rates as required by the specifications approved by the County Engineer. The Property Owner can obtain a current copy of the tables setting forth the General Prevailing Wage Rates through the Department of Industrial Relation on their website at [www.dir.ca.gov](http://www.dir.ca.gov).

(d) The Property Owner shall require each principal contractor to provide proof of insurance coverage to the County and the Administrator satisfying the requirements of Section 4.11., hereof, throughout the term of the construction of the County Facilities. Rather than requiring its principal contractors to provide such insurance, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(e) Each principal contractor engaged to perform work on the County Facilities shall be required to furnish (i) labor and material payment bonds, and (ii) contract performance bonds, each in an amount equal to 100% of the contract price naming the Property Owner, the Community Facilities District, the County, and the School District, as obligees with an admitted surety insurer which complies with the provisions of Section 995.660 of the California Code of Civil Procedure. All such bonds shall be in a form as shown in Exhibit D. The bonds tendered pursuant to this sub-section are to be accepted and held by the County Engineer.

(f) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the County Facilities, to comply, with such other requirements relating to the construction of the County Facilities as the County may impose by

written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State or County laws, regulations, rules or procedures.

(g) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the County Facilities, to submit certified weekly payroll records or other proof of payment of General Prevailing Wage Rates to the Property Owner and to furnish certified payroll records or such other proof of payment of General Prevailing Wage Rates to the County Engineer promptly upon request.

(h) All change orders shall be reviewed and approved by the County Engineer for the purpose of ensuring that they comply with County standards and for the work represented by the change order to be eligible for consideration in determining the Purchase Price.

(i) The Property Owner shall provide proof to the Administrator and the County Engineer, at such intervals and in such form as the Administrator or the County Engineer may require, that the foregoing requirements have been satisfied as to all of the County Facilities.

(j) The Property Owner has deposited or will deposit with the County an appropriate amount, as determined by the County, to cover the anticipated costs, deemed necessary and reasonable, associated with the review and approval of the Plans and Specifications, the review and approval of right of way and conveyance documents and with the processing and administration of this Joint Community Facilities Agreement. The Property Owner, within thirty (30) calendar days after receipt of an additional billing for such costs, will forward the billed amount to the County.

(k) At the time the Property Owner submits a "Notice of Intent" to commence construction as set forth in Section 4.6, below, the Property Owner shall deposit with County the estimated cost of providing construction inspection for the County Facilities, in an amount as determined and approved by County in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County, based upon the bonded value of County Facilities to be inspected, operated and maintained by the County,



## ARTICLE IV

### CONSTRUCTION OF THE COUNTY FACILITIES

This Article IV sets forth the terms and conditions which the Property Owner shall follow to ensure acceptance of the County Facilities by the County. Failure of the Property Owner to fully comply with the terms of this Article may result in the County not accepting a County Facility into its maintained system, in which case the Property Owner may not receive reimbursement for any costs incurred in the design, engineering and construction of such County Facilities under this Joint Community Facilities District. Compliance with this Article shall be determined separately for each County Facility or segment thereof.

**Section 4.1. Preparation and Approval of Plans and Specifications.** To the extent that the Property Owner has not already done so, it shall cause the Plans and Specifications to be prepared for the County Facilities. The Property Owner shall obtain the written approval of the Plans and Specifications from the County Engineer. The Property Owner shall provide the approved copy of all such Plans and Specifications to the Administrator. When the Plans Specifications have been approved, no changes are to be made thereto without prior written consent of the County Engineer, and all modifications to the approved Plans and Specifications are to be provided to the Administrator.

**Section 4.2. Duty of Property Owner to Construct.** The Property Owner shall construct or cause to be constructed the County Facilities in accordance with the Plans and Specifications approved by the County Engineer. The Property Owner shall perform all of their obligations hereunder and shall conduct all operations with respect to the construction of the County Facilities in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Notwithstanding the foregoing, nothing set forth in this Joint Community Facilities Agreement shall be construed (i) to require the Property Owner to perform any work requiring a contractor's license, nor shall the Property Owner be deemed to be performing construction services pursuant to this Joint Community Facilities Agreement or (ii) require the Property Owner to cause the Plans and Specifications to be prepared for the County Facilities at a specific time or in a manner other than as required by the approved conditions for the development of the Tracts.

**Section 4.3. Licenses and Regulatory Permits.** The Property Owner shall secure all necessary licenses, agreements, permits, rights of entry and temporary construction easements (collectively "Licenses") that may be needed for the construction, inspection, operation and maintenance of the County Facilities. The Property Owner is to secure all permits approvals or agreements, if any, required by the various Federal and State resource and/or regulatory agencies (collectively, the "Regulatory Permits") for the construction, operation and maintenance of the County Facilities. The Regulatory Permits include, but are not limited to, those permits issued by the U.S. Army Corps of Engineers, the State Water Resources Control Board ("SWRCB"), California State Department of Fish and Game and the Regional Water Quality Control Board. All Licenses and Regulatory Permits secured by the Property Owner shall be reviewed by the

County Engineer prior to execution or acceptance by the Property Owner to determine whether the conditions they specify are satisfactory to the County to allow it to operate and maintain the County Facilities.

**Section 4.4. NPDES Compliance.** The Property Owner shall prepare and implement, or cause to be prepared and implemented, a Stormwater Pollution Prevention Plan (SWPPP) in accordance with the requirement of the State's National Pollutant Discharge Elimination System (NPDES) General Permit for Stormwater Discharges Associated with Construction Activity (SWRCB Order No. 99-08 DWQ) and any amendments thereto (the "General Permit"). The General Permit regulates both stormwater and non-stormwater discharges associated with construction activities required by this Joint Community Facilities Agreement.

The SWPPP shall identify site specific "Best Management Practices" ("BMP's") to be implemented during and after construction to control pollution of Stormwater runoff and receiving waters. The identified BMP's shall include, but not be limited to, "good housekeeping" practices for the Construction Site such as establishing stabilized construction access points, providing adequate sanitary/septic waste management, designating vehicle and equipment cleaning/maintenance areas, employing proper material handling and storage practices, maintaining adequate soil stabilization and erosion control practices to control the discharge of pollutants from the Construction Site and any activities thereon. The SWPPP shall also stipulate to an ongoing program for monitoring and maintenance of all BMP's.

The Property Owner shall be solely responsible throughout the duration of constructing the County Facilities for placing, installing, constructing, inspecting and maintaining all BMP's identified in the SWPPP and amendments thereto and for removing and disposing of temporary BMP's.

The Property Owner shall become fully informed of and comply with the applicable provisions of the General Permit, Federal, State and local regulations that govern the Property Owner's activities and operation pertaining to both stormwater and non-stormwater discharges from the Construction Site of the County Facilities and any area of disturbance outside said Construction Site relating to the County Facilities. The Property Owner shall, at all times, keep copies of the General Permit, approved SWPPP and all amendments at the Construction Site. The SWPPP shall be made available upon request of a representative of the SWRCB, Santa Ana Regional Water Quality Control Board, or the United States Environmental Protection Agency. The Property Owner shall, at reasonable times, allow authorized agents of the above cited agencies, upon the presentation of credentials to: (i) enter upon the Construction Site; (ii) have access to and copy any records required to be kept as specified in the General Permit, (iii) inspect the Construction Site and determine whether related soil stabilization and sediment control BMP's have been implemented and maintained, and (iv) sample or monitor stormwater or non-stormwater runoff for purposes of ensuring compliance with the General Permit.

The Property Owner shall be solely and exclusively responsible for any arrangements made between it and other property owners or entities that result in disturbance of land at the Construction Site.

The Property Owner shall be responsible for all costs and for any liability imposed by law as a result of its failure to comply with the requirements set forth in this Section, including but not limited to, compliance with the applicable provisions of the General Permit and Federal,

State and local regulations. For the purpose of this Section, costs and liabilities include, but are not limited to, fines, penalties and damages whether assessed against the County, the School District, the Community Facilities District or the Property Owner, including those levied under the Federal Clean Water Act and the State's Porter-Cologne Water Quality Act.

**Section 4.5. Cal/OSHA, Confined Space Entry.** At all times during the construction of the County Facilities, the Property Owner shall require all contractors to comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintenance of a safe working environment for the County, the School District and their respective employees on the site. This will include the preparation of a confined space procedure specific for all storm drain facilities. The procedure shall comply with requirements contained in Sections 5157 and 5158 of Title 8 of the California Code of Regulations and the County's "Program Agency Policy 13." The confined space procedure is to be reviewed and approved by the County Engineer before proceeding with construction of the County Facilities.

**Section 4.6. Notice of Intent to Commence Construction.** Not less than twenty (20) calendar days prior to the date on which it intends to commence construction of a County Facility, the Property Owner is to provide written "Notice of Intent" to the County Engineer. Construction on the County Facility may not proceed until the County Engineer issues a "Notice to Proceed" to the Property Owner. The "Notice of Intent" is to include the following documents:

(a) Copies of all Licenses and Regulatory Permits secured pursuant to Sections 4.3 and 4.4, above, including a copy of the Notice of Intent ("NOI") and waste discharge identification number ("WDID No.") received from the SWRCB pursuant to Section 4.4, above.

(b) Copies of the bonds required by Section 3.4(d), above.

(c) Construction Inspection Deposit required by Section 3.4(j) above.

(d) Duly executed irrevocable offer(s) of dedication to the public for road and drainage purposes, including ingress and egress, for the rights of way deemed necessary by the County for the construction, inspection, operation and maintenance of the County Facilities.

(e) Preliminary reports of title dated not more than thirty (30) days prior to date of submission for all property described in the irrevocable offer(s) of dedication.

(f) A complete list of all contractors and subcontractors to be performing work on the County Facilities, including the corresponding license number and license classification of each. On said list, the Property Owner shall also identify its designated superintendent for construction of the County Facilities.

(g) A construction schedule which shall show the order and dates in which the Property Owner and the Property Owner's contractor proposes to carry on the various parts of work, including estimated start and completion dates. As the construction progresses the Property Owner shall update said construction schedule upon request.

(h) The final mylar plan and profile sheets for the County Facilities and assign ownership of said documents to the County prior to the start of construction of each County Facility.

(i) Certificates of insurance and endorsements as required by Section 4.11., below.

(j) The confined space procedure as required by Section 4.5, above.

**Section 4.7. Bonding Requirements.** The Property Owner shall post such subdivision bonds as are required by the County in connection with the recording of all subdivision maps for each tract within the Community Facilities District. The Property Owner's obligations pursuant to this Section will be considered satisfied, in part, through the contract performance bonds to be provided by the Property Owner's contractors pursuant to Section 3.4(d) hereof.

**Section 4.8. Additional Conditions to be Satisfied during Construction.** Construction of the County Facilities shall be on a five (5) day, forty (40) hour workweek with no work on Saturday, Sundays or days designated by the County as legal holidays, unless otherwise approved by the County. If the Property Owner feels it is necessary to work more than normal forty (40) hour workweek or on holidays, the Property Owner shall make a written request for permission from the County to work the additional hours. The request shall be submitted to the County at least 72 hours prior to the request date for additional work hours and state the reasons for the overtime and the specific time frames required. The decision granting permission for overtime work shall be made by the County at its sole discretion and shall be final. If permission is granted, the Property Owner will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinances Nos. 671 and 749 of the County, including any amendments thereto.

**Section 4.9. Inspection; Completion of Construction.** The County Engineer shall have primary responsibility for providing inspection of the construction of the County Facilities to ensure that the work of construction is accomplished in accordance with the Plans approved by the County. County staff shall have access to the Construction Site at all reasonable times for the purpose of accomplishing such inspection.

The Property Owner is to provide the County with written notice that it considers construction of a County Facility to have been completed consistent with the Plans and Specifications and, upon receipt of said notice, County's staff will provide written confirmation that construction of a County Facility is complete consistent with the approved Plans and Specifications and the provisions of this Joint Community Facilities Agreement. Upon receipt of both written notice from the Property Owner and from County staff, the County Engineer will in a timely manner notify the Property Owner and the Administrator that the County Facility has been satisfactorily completed and that the Property Owner is to proceed with the recording of a Notice of Completion with respect to such construction pursuant to Section 3093 of the California Civil Code. The Property Owner is to provide a duplicate copy of the recorded Notice of Completion to the Administrator and the County Engineer. Within a reasonable time following receipt of the duplicate copy of the recorded Notice of Completion and the Property Owner's compliance with other provisions of Section 3.2., hereof, the County Engineer will issue the written notice required by said Section 3.2. that it will accept the County Facility into its maintained road system.

**Section 4.10. Maintenance of County Facilities; Warranties.** The Property Owner shall maintain the County Facilities in good and safe condition until the Acceptance Date of the County Facilities. Prior to the Acceptance Date, the Property Owner shall be responsible for maintaining the County Facilities in proper operating condition, and shall perform such maintenance on the County Facilities as the County Engineer reasonably determines to be necessary. As of the Acceptance Date, the performance bond provided by each of the principal contractors for the County Facilities pursuant to Section 3.4(d) hereof shall be reduced to an amount equal to 10% of the original amount thereof and shall serve as a warranty bond to guarantee that the County Facilities will be free from defects due to faulty workmanship or materials for a period of 12 months from the Acceptance Date, or the appropriate principal contractor may elect to provide a new warranty bond or cash in such an amount. As of the Acceptance Date, the Property Owner and each principal contractor shall assign to County all of their rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to the County Facilities.

**Section 4.11. Insurance Requirements.** Without limiting or diminishing the Property Owner's obligation to indemnify or hold the County, the Community Facilities District, when formed, and the School District harmless pursuant to Section 5.4., hereof, the Property Owner shall procure and maintain or cause to be maintained, at its sole cost and expense the following insurance coverages, or alternate coverages acceptable to the County's Risk Manager, during the term of this Joint Community Facilities Agreement:

(a) *Commercial General Liability:* Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations, explosion, collapse, use of cranes, and other heavy equipment and underground hazards, personal and advertising injury covering claims which may arise from or out of the Property Owner's performance of its obligations hereunder. Policy shall name by endorsement the County, the Community Facilities District, the School District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit.

(b) *Vehicle Liability:* Vehicle Liability insurance for all owned, non-owned or hired vehicles 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 Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit. Policy shall name by endorsement the County, the Community Facilities District, the School District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds."

(c) *Worker's Compensation Insurance:* Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupation Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of the County, the Community Facilities District, the School District; and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.



General Insurance Provisions - all lines:

(i) 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 an A:VIII (A:8) unless such requirements are waived, in writing, by the County's Risk Manager.

(ii) The Property Owner'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's Risk Manager before the commencement of operations under this Joint Community Facilities Agreement. Upon notification of deductibles or self-insured retentions which are deemed unacceptable to the County, at the election of the County's Risk Manager, the Property Owner's carriers shall either: (i) reduce or eliminate such deductibles or self-insured retentions as respects this Joint Community Facilities Agreement with the County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

(iii) The Property Owner shall cause its insurance carrier(s) to furnish the County with (i) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; or (ii) evidence of coverage acceptable to the County's Risk Manager that may include original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect.

(iv) Further, said certificate(s) and endorsements to policies of insurance shall contain the covenant of the insurance carrier(s) that it shall provide no less than sixty (60) days written notice be given to the County, the Community Facilities District, and the School District prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, this Joint Community Facilities Agreement shall terminate forthwith, unless the County, the Community Facilities District and the School District receive, prior to the effective date, of such material modification or cancellation of coverages, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages and the insurance required herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

(v) The Property Owner shall not commence construction of the County Facilities until the County and the Administrator have been furnished either original certificate(s) of insurance and certified original copies of endorsement, policies of insurance including all endorsements and any and all other attachments as required in this Section, or other evidence of coverage acceptable to County's Risk Manager.

(vi) It is understood and agreed by the parties hereto and the Property Owner's 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 retentions or self-insured programs shall not be construed as contributory.

(vii) The Property Owner may pass down to its principal contractors the insurance obligations contained herein and will require its principal contractors to name on their insurance policies by endorsement, the County, the Community Facilities District, the School District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Copies of such certificates and endorsements shall be provided to the County.

**Section 4.12. Ownership of County Facilities.** Notwithstanding the fact that some or all of the County Facilities may be constructed in dedicated street rights-of-way or on property which is owned by or has been or will be dedicated to the County, a County Facility shall be and remain the property of the Property Owner until Acceptable Title to parcels not owned by the County with respect to such County Facility is conveyed to the County, as appropriate, as provided herein, and such County Facility has been formally accepted by the County for ownership, operation and maintenance, except that maintenance and operation of the street lights and median and parkway landscaping is to be performed by CSA No. 126 and operation and maintenance of the fossil filters within the catch basins is to be performed by L&LM Dist. No. 89-1-C. Ownership of said parcels by the Property Owner or other third parties shall likewise not be affected by any agreement that the Property Owner may have entered into or may enter into with the County pursuant to the provisions of the Subdivision Map Act, Section 66410 *et seq.* of the Code, and the provisions of this Section shall control.

## ARTICLE V

### REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION

#### Section 5.1. Representations, Warranties and Covenants of the Property Owner.

The Property Owner, as the owner of the Tracts encompassed within the proposed boundaries of the Community Facilities District, makes the following representations, warranties and covenants for the benefit of the County, the School District and the Community Facilities District, when formed, as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is in good standing under the laws of the State, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated in the Community Facilities District.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the Property Owner and is enforceable against the Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Completion of County Facilities. The Property Owner covenants that it will use its commercially reasonable and diligent efforts to do all commercially reasonable things that may be lawfully required of it in order to cause the County Facilities, the construction of which have been made a condition for the development of the Tracts, to be completed in accordance with this Joint Community Facilities Agreement.

(e) Compliance with Laws. The Property Owner covenants that, while the County Facilities are owned by the Property Owner or required pursuant to this Joint Community Facilities Agreement to be maintained by the Property Owner, it will not commit, suffer or permit any of its agents, employees or contractors to commit any act to be done in, upon or to the County Facilities in violation in any material respect of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the County Facilities.

(f) Payment Requests. The Property Owner represents and warrants that (i) it will not request payment from the Community Facilities District under this Joint Community Facilities Agreement for the acquisition of any improvements that are not part of a County Facility, and (ii) it will diligently follow all procedures set forth in this

Joint Community Facilities Agreement and provide to the County Engineer all information requested by the County Engineer in order for the County Engineer to complete a Payment Request and determine the Purchase Price of a County Facility.

(g) Financial Records. Until the final Acceptance Date of all County Facilities, the Property Owner covenants to maintain proper books of record and account for the County Facilities and all costs related thereto. The Property Owner covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the Community Facilities District, the County and the School District, and their respective agents, at any reasonable time during regular business hours on two (2) Business Days' prior written notice, subject to mutually acceptable arrangements regarding the confidentiality of proprietary data.

(h) Hazardous Materials. The Property Owner represents and warrants that neither the Property Owner, nor its principal contractors or any subcontractor, agent or employee thereof will use, generate, manufacture, procure, store, release, discharge or dispose of any Hazardous Material on, under or about the Construction Site or the County Facilities or transport any Hazardous Material to or from the Construction Site or the County Facilities in violation of any federal, state or local law, ordinance, regulation, rule, decision or policy statement regulating Hazardous Material.

(i) Permits. The Property Owner covenants that it will pursue in a commercially reasonable manner all governmental or other permits or licenses required to proceed with the construction of the County Facilities and that it will pay all fees relating thereto. The Property Owner represents and warrants that to the best of the Property Owner's knowledge, as of the date hereof, there is no material legal impediment to the Property Owner's proceeding with and completing the construction of the County Facilities or to the development of the Construction Site as contemplated by the Property Owner, except for government or other permits to be obtained.

(j) Property Owner's Responsibilities. Whether or not a County Facility is acquired from the proceeds of the Bonds, the Property Owner accepts responsibility for and shall be responsible for identification and compliance with all applicable laws pertaining to constructing and installing the County Facilities and the contract or contracts pertaining thereto, including the laws that would apply to the County if it were constructing the County Facilities itself as set forth in the Joint Community Facilities Agreement. Notwithstanding the requirements of this Joint Community Facilities Agreement the County, the School District and the Community Facilities District make no representation as to the applicability or inapplicability of any laws regarding contracts, including contracts related to the construction and installation of the County Facilities, and especially the matters of competitive bidding and payment of prevailing wages. Any of the County, the School District or the Community Facilities District may, in its sole discretion, supply guidance to the Property Owner with respect to laws governing the construction of the County Facilities if requested to do so by the Property Owner. Whether or not any or all of them have done so, the Property Owner will neither seek to hold or hold them liable for any consequences of any failure by the Property Owner to correctly determine applicability of any such requirements to any contract it enters into, irrespective of whether the County, the School District, or the Community Facilities

District, as the case may be, knew or should have known about applicability of any such requirement.

**Section 5.2. Representations, Warranties and Covenants of the School District.** The School District makes the following representations, warranties and covenants for the benefit of the County, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The School District represents and warrants that the School District has the power and authority to enter into this Joint Community Facilities Agreement and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the School District.

(b) Binding Obligation. The School District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the School District and is enforceable against the School District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The School District represents and warrants that it will cause the Community Facilities District to process, in a timely manner, all completed and approved Payment Requests submitted to it by the County Engineer and follow all procedures applicable to it as set forth in this Joint Community Facilities Agreement and the Mitigation Agreement.

(d) Financial Records. The School District covenants to maintain, or cause to be maintained, books of record and account for the proceeds of the Bonds, levy and collection of special taxes and the payment of principal of and interest on the Bonds in accordance with the requirements of the Indentures and the Act.

**Section 5.3. Representations, Warranties and Covenants of the County.** The County makes the following representations, warranties and covenants for the benefit of the School District, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The County represents and warrants that the County has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of County.

(b) Binding Obligation. The County represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the County and is enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.



(c) CEQA Compliance. The County represents and warrants that it has taken all actions necessary under CEQA to allow for the development of the Tracts and the construction, of the public improvements identified as the County Facilities.

(d) Completion of County Facilities. The County covenants that it will use its reasonable and diligent efforts to take expeditiously all actions that may be lawfully required of it in issuing permits, processing and approving Plans and Specifications and inspecting the County Facilities in accordance with this Joint Community Facilities Agreement.

(e) Payment Requests. The County represents and warrants that it will cause the County Engineer to process all complete Payment Requests it receives in a timely manner consistent with the procedures set forth in this Joint Community Facilities Agreement.

**Section 5.4. The Property Owner Indemnification.** The Property Owner agrees to protect, indemnify, defend and hold the School District, the Community Facilities District, when formed, the County, and their respective directors, officers, Board of Education, Board of Supervisors, Legislative Body, elected officials, employees, representatives and agents (the "Indemnified Parties"), and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of or by reason of or arising out of or in consequence of (a) the approval of this Joint Community Facilities Agreement, (b) the acquisition, construction, or installation of the County Facilities, (c) the design, construction, or failure of the County Facilities, (d) the untruth or inaccuracy of any representation or warranty made by the Property Owner in this Joint Community Facilities Agreement or in any certifications delivered by the Property Owner hereunder, or (e) any act or omission of the Property Owner or any of its contractors, subcontractors, or their respective officers, employees or agents, in connection with the County Facilities or its responsibilities or obligations under this Joint Community Facilities Agreement. If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner as to an Indemnified Party for any claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs (a) arising directly from the willful misconduct or sole or active negligence of that Indemnified Party or (b) arising from the use or operation of a County Facility after the Acceptance Date of the County Facility, unless such claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs results from the defective or improper design, construction or installation of such County Facility by the Property Owner or its contractors, subcontractors, or respective officers, employees or agents.

The provisions of this Section shall survive the termination of this Joint Community Facilities Agreement.

## ARTICLE VI

### MISCELLANEOUS

**Section 6.1. The Property Owner as Independent Contractor.** In performing under this Joint Community Facilities Agreement, it is understood that the Property Owner is acting as an independent contractor, and not as an agent of the School District, the Community Facilities District or the County. Neither the School District nor the County shall have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. The Community Facilities District shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner unless such entity or individual is specifically listed as a payee on a Payment Request submitted by the Property Owner pursuant to this Joint Community Facilities Agreement in which case the Community Facilities District shall be responsible for making such payment only if such Payment Request is approved pursuant to the provisions of this Joint Community Facilities Agreement and the Mitigation Agreement and only from funds available in the applicable County Facilities Accounts.

It is not intended by the parties that this Joint Community Facilities Agreement create a partnership or joint venture among them and this Joint Community Facilities Agreement shall not otherwise be construed.

**Section 6.2. Other Agreements.** Nothing contained herein shall be construed as affecting the School District's, County's or the Property Owner's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Tracts, which obligations are and shall remain independent of the School District's rights and obligations, the Property Owner's rights and obligations and the County's rights and obligations under this Joint Community Facilities Agreement; provided, however, that the Property Owner shall use its commercially reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the acquisition, construction and installation of the County Facilities to be financed with the proceeds of the Bonds.

**Section 6.3 Binding on Successors and Assigns.** The Property Owner may assign its duties and obligations pursuant to this Joint Community Facilities Agreement to one or more purchasers of its property, except the purchaser of a single-family residential unit, the owner of a multi-family residential complex or the end user of a non-residential parcel, and to whom said Property Owner shall assign the right to receive payment of the Purchase Price for the County Facilities. ~~Such~~ Such a purchaser and assignee shall, as a condition to receiving payment of the Purchase Price, enter into an assignment agreement with the County, the School District and the Community Facilities District, in a form acceptable to the County, the School District and the Community Facilities District, whereby such purchaser agrees, except as may be otherwise specifically provided therein, to assume the duties and obligations of the Property Owner pursuant to this Joint Community Facilities Agreement and to be bound thereby. Neither this Joint Community Facilities Agreement nor the duties and obligations of the County, the School

District or the Community Facilities District hereunder may be assigned to any person or legal entity, without the written consent of the Property Owner, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted assigns, and successors-in-interest of the parties hereto.

**Section 6.4. Amendments.** This Joint Community Facilities Agreement can only be amended by an instrument in writing executed and delivered by the Community Facilities District, once formed, the School District, the County and the Property Owner, or successor thereto.

**Section 6.5. Waivers.** No waiver of, or consent with respect to, any provision of this Joint Community Facilities Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

**Section 6.6. No Third Party Beneficiaries.** Other than the Community Facilities District when formed, no person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Joint Community Facilities Agreement (either expressed or implied) is intended to confer upon any person or entity, other than the School District, the Community Facilities District, when formed, the County and the Property Owner (and its respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Joint Community Facilities Agreement.

**Section 6.7 Notices.** Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County/County Engineer:     Director of Transportation  
  County of Riverside  
  Attn: Glenn Higa  
  3525 14<sup>th</sup> Street  
  Riverside, California 92501  
  Telephone: (951) 955-0043  
  Fax: (951) 955-3164

School District:                 Riverside Unified School District  
  3070 Washington Street  
  Riverside, California 92504  
  Attention: Director of Planning and Development  
  Telephone: (951) 788-7554  
  Fax: (951) 275-9349

Property Owner:                 SMR Ventures, LLC  
  c/o Troxler Residential Ventures XII, LLC  
  2053 North Parkway Calabasas

Calabasas, California 91302  
Attention: Nicholas Biro  
Telephone: (818) 876-9651  
Fax: (818) 876-9751

With a copy to: RWR Homes, Inc.  
2710 Locker Avenue West, Suite 350  
Carlsbad, California 92010  
Attention: Bob Turi  
Telephone: (760) 918-6797  
Fax: (760) 918-6798

With a copy to: RWR Homes, Inc.  
575 Anton Blvd., Suite 820  
Costa Mesa, California 92626  
Attention: Ryan Ellis  
Telephone: (714) 852-5656 ext. 201  
Fax: (714) 852-5650

With a copy to: Goodwin Procter LLP  
10250 Constellation Blvd., 21<sup>st</sup> Floor  
Los Angeles, California 90067  
Attention: Robert M. Haight, Jr., Esq.  
Telephone: (310) 788-5150  
Fax: (310) 286-0992

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of a document confirming satisfactory transmission, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

**Section 6.8. Jurisdiction and Venue.** Each of the School District, the Community Facilities District, the County and the Property Owner (a) agrees that any suit action or other legal proceeding arising out of or relating to this Joint Community Facilities Agreement shall be brought in state or local court in the County of Riverside or in the Courts of the United States of America in the district in which said County is located, (b) consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) waives any objection that it may have to the laying of venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the School District, the Community Facilities District, the County and the Property Owner agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**Section 6.9. Entire Agreement.** This Joint Community Facilities Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Joint Community Facilities Agreement except for such matters that are the subject of the Mitigation Agreement.

**Section 6.10. Attorney's Fees.** If any action is instituted to interpret or enforce any of the provisions of this Joint Community Facilities Agreement, the party prevailing in such action shall be entitled to recover from the other parties thereto reasonable attorney's fees and costs of such suit (including both prejudgment and postjudgment fees and costs) as determined by the court as part of the judgment.

**Section 11. Governing Law.** This Joint Community Facilities Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State applicable to contracts made and performed in the State.

**Section 6.12. Severability.** If any part of this Joint Community Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Joint Community Facilities Agreement shall be given effect to the fullest extent reasonably possible.

**Section 6.13. Usage of Words.** As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

**Section 6.14. Counterparts.** This Joint Community Facilities Agreement may be executed in counterparts, each of which shall be deemed an original.

**Section 6.15. Interpretation.** The parties to this Joint Community Facilities Agreement and their counsel have reviewed and revised this Joint Community Facilities Agreement, and the normal rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting parties shall not be employed in the interpretation of this Joint Community Facilities Agreement.

**Section 6.16. Designation of Party's Representative.** Each party is to prepare a certificate designating the person or persons that are to serve as the liaison between the County and the Community Facilities District regarding design, engineering and construction of the County Facilities. The certificates are to contain an original and specimen signature of each designated person. The certificates are to be provided to the County and the Community Facilities District at the time the first series of Bonds are issued.

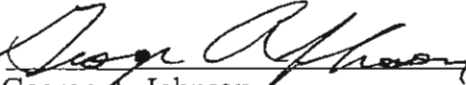
**Section 6.17. Nature of Joint Community Facilities Agreement; Allocation of Special Taxes.** This Joint Community Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code. The entire amount of the proceeds of the special taxes levied pursuant to each Rate and Method shall be allocated and distributed to the Community Facilities District.



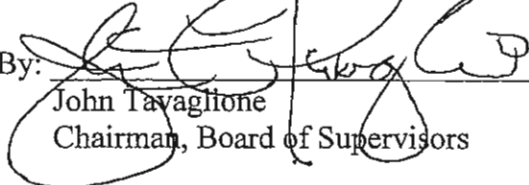
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IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

**RECOMMENDED FOR APPROVAL:**

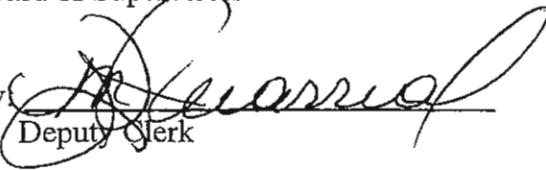
By:   
George A. Johnson  
Director of Transportation

**COUNTY OF RIVERSIDE:**

By:   
John Tavaglione  
Chairman, Board of Supervisors

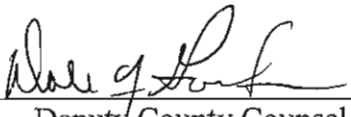
**ATTEST:**

NANCY ROMERO, Clerk to the Board of Supervisors

By:   
Deputy Clerk

**APPROVED AS TO FORM:**

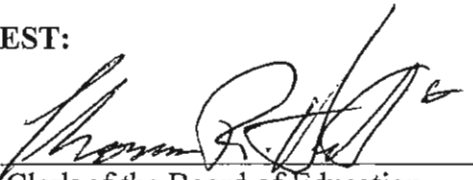
JOE S. RANK  
County Counsel

By:   
Deputy County Counsel  
Dale A. Gardner

**RIVERSIDE UNIFIED SCHOOL DISTRICT**

By:   
President of the Board of Education

**ATTEST:**

By:   
Clerk of the Board of Education

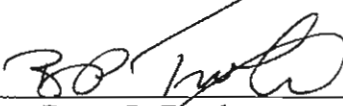
[Signatures continued on next page.]

SMR VENTURES, LLC,  
a Delaware limited liability company

By: SMR Mezzanine, LLC,  
a Delaware limited liability company,  
its sole member

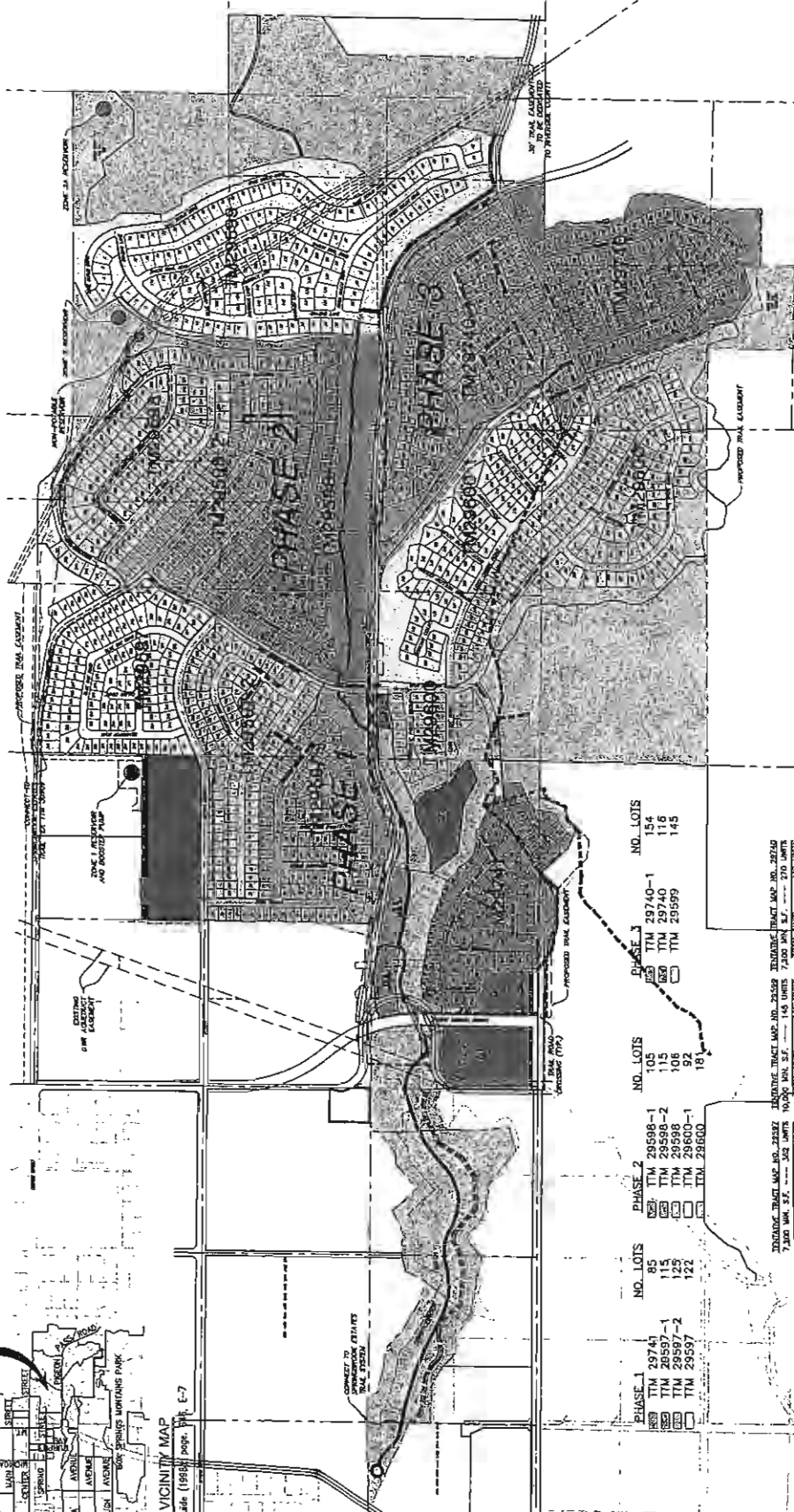
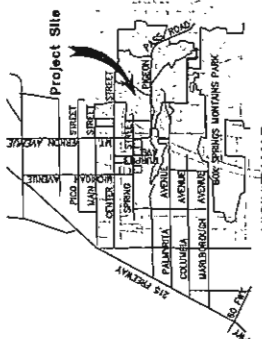
By: Troxler Residential Ventures XII, LLC,  
a Delaware limited liability company,  
its Managing Member

By: Troxler Ventures Partners, Inc.,  
a California corporation  
its Operating Member

By:   
\_\_\_\_\_  
Bryan P. Troxler  
President

**EXHIBIT A**

**Map of Area Proposed to be Included Within  
Community Facilities District No. 23  
of the Riverside Unified School District**



PHASE	NO. LOTS	ACREAGE	NO. UNITS
PHASE 1	85	105	154
PHASE 2	115	103	116
PHASE 3	123	92	145
<b>TOTAL</b>	<b>323</b>	<b>300</b>	<b>415</b>

Stantec Consulting, Inc.  
 777 Poydras Street, Suite 300  
 New Orleans, LA 70112  
 Tel: (504) 581-1000  
 Fax: (504) 581-1001  
 www.stantec.com



# SPRING MOUNTAIN RANCH PHASING PLAN

7,200 SQ. FT. --- 1148 UNITS  
 6,400 SQ. FT. --- 88 UNITS  
 10,000 SQ. FT. --- 207 UNITS  
 TOTAL UNITS --- 1,443 UNITS



**EXHIBIT B**

**COUNTY FACILITIES**

**Community Facilities District No. 23  
of the Riverside Unified School District**

FACILITY	SEGMENT	DESCRIPTION
1.	A	<p>Pigeon Pass Road From Station 10+00.00 to 86+42.49 (Collector Street)</p> <p>Pigeon Pass Road will be constructed to a two lane facility as a 66-foot to 88-foot wide Right of Way ("ROW") with a 40-foot to 62-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of SCE Transmission Lines within ROW, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>
2.	B	<p>Mount Vernon Avenue From Station 10+00.00 to 57+51.19 (Secondary Highway)</p> <p>Mount Vernon Avenue From Palmyrita Avenue to approximately 215 feet North of Spring Street (Station 10+00.00 to 40+51.47) will be constructed to a four lane facility with a 100-foot to 114-foot Right of Way ("ROW") with a 60-foot paved to 80-foot paved section; and Mount Vernon Avenue From approximately 215 feet East of Spring Street to Center Street (Station 40+51.47 to 51+00.00) will be constructed to a two lane facility with a 94-foot to 103-foot Right of Way ("ROW") with a 74-foot paved to 84-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Relocations of SCE Transmission Lines within ROW, Signing and Striping, Traffic Control, Connections, Joins and all appurtenances within County maintained ROW.</p>
3.	C	<p>Center Street From Station 10+00.00 to 36+40.96 (Collector Street)</p> <p>Center Street (Station 10+00.00 to 13+00.00) will be constructed to a four lane facility as a 94-foot wide Right of Way ("ROW") with a 60-foot paved section; and Center Street (Station 13+00.00 to 36+40.96) will be constructed to a two lane facility as a 60-foot to 94-foot wide Right of Way ("ROW") with a 32-foot paved to 60-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>

FACILITY	SEGMENT	DESCRIPTION
4.	D	<p>Spring Street From Station 52+61.29 to 98+75.17 (Collector Street)</p> <p>Spring Street (Station 52+61.29 to 59+30.29) will be widened to a its ultimate two lane facility as a 74-foot wide Right of Way ("ROW") with a 20-foot paved section; and Spring Street (Station 60+66.75 to 66+56.26) will be constructed to a four lane facility as a 60-foot to 100-foot Right of Way (ROW) with a 32-foot to 52-foot paved section; and Spring Street (Station 66+56.26 to 98+75.17) will be widened to at two lane facility as a 60' to 66' Right of Way (ROW) with a 32-foot paved to 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>
5.	E	<p>Palmyrita Avenue From Station 49+80.00 to 88+34.44; and Spring Mountain Road From Station 10+00.00 to 18+48.57 (Industrial Collector / Major Street)</p> <p>Palymrita Avenue (Station 49+80.00 to 54+52.65 and Station 62+50.00 to 88+34.44) will be widened to two lanes as a 66-foot wide Right of Way ("ROW") with a 40-foot paved section; Palymrita Avenue (Station 54+52.65 to 62+50.00) will be constructed to a four lane facility as a 102-foot to 114-foot Right of Way (ROW) with a 72-foot to 86-foot paved section; and Spring Mountain Road From Station 10+00.00 to 18+48.57 constructed to a two lane facility as a 66-foot wide Right of Way ("ROW") with a 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>
6.	F	<p>Highgrove Pass Road From Station 10+00.00 to 21+21.63 (Local Street)</p> <p>Highgrove Pass Road will be constructed to a two lane facility as a 60-foot wide Right of Way ("ROW") with a 32-foot paved to 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>

FACILITY	SEGMENT	DESCRIPTION
7.	G	<p>Old Mule Road From Station 11+71.30 to 13+13.30; Spring Mountain Road From Station 20+00.00 to 41+64.88; Center Street From Station 51+03.08 to 54+97.34; Stockyard Road From Station 10+18+00 to 11+63.22; Lyon Road From Station 24+01.06 to 29+44.00 (Local Streets)</p> <p>Local Streets including Old Mule Road, Spring Mountain Road, Center Street, Stockyard Road and Lyon Road will be constructed to a two lane facility as a 60-foot wide Right of Way ("ROW") with a 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>
8.	H	<p>Signalization - 4-Way at Palmyrita Avenue and Mount Vernon Avenue</p> <p>Installation of a 4-Way Signal at the intersection of Palmyrita Avenue and Mount Vernon Avenue, including but not limited to Poles, Posts, Equipment, Conduit, Lighting, Cabling, Interconnect, Detector Loops, Switch Boxes, Wiring, Foundations, Synchronization, Traffic Control, Signing and Striping.</p>
9.	I	<p>Signalization - 3-Way at Pigeon Pass Road and Mount Vernon Avenue</p> <p>Installation of a 3-Way Signal at the intersection of Pigeon Pass Road and Mount Vernon Avenue, including; but not limited to Poles, Posts, Equipment, Conduit, Lighting, Cabling, Interconnect, Detector Loops, Switch Boxes, Wiring, Foundations, Synchronization, Traffic Control, Signing and Striping.</p>
10.	J	<p>Signalization – 3-Way at Spring Street and Mount Vernon Avenue</p> <p>Installation of a 3-Way Signal at the intersection of Spring Street and Mount Vernon Avenue, including; but not limited to Poles, Posts, Equipment, Conduit, Lighting, Cabling, Interconnect, Detector Loops, Switch Boxes, Wiring, Foundations, Synchronization, Traffic Control, Signing and Striping.</p>
11.	K	<p>Signalization – 4-Way at Center Street and Mount Vernon Avenue</p> <p>Installation of a 4-Way Signal at the intersection of Center Street and Mount Vernon Avenue, including but not limited to Poles, Posts, Equipment, Conduit, Lighting, Cabling, Interconnect, Detector Loops, Switch Boxes, Wiring, Foundations, Synchronization, Traffic Control,</p>

FACILITY	SEGMENT	DESCRIPTION
		Signing and Striping.
12.	L	Signalization – 4-Way at Pigeon Pass Road and Spring Mountain Road  Installation of a 4-Way Signal at the intersection of Pigeon Pass Road and Spring Mountain Road, including; but not limited to Poles, Posts, Equipment, Conduit, Lighting, Cabling, Interconnect, Detector Loops, Switch Boxes, Wiring, Foundations, Synchronization, Traffic Control, Signing and Striping.
13.	M	Center Street From Station 0+26.00 to 14+49.00 (Local Street)  Local Street Center Street, will be constructed to a two lane facility as a 60-foot wide Right of Way (“ROW”) with a 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.
14.	N	Center Street From Station 54+97.34 to 73+34.69; Stockyard Road From Station 34+30.64 to 40+12.05; Stockyard Road From Station 11+63.22 to 26+63.22; Stockyard Road From Station 40+12.57 to 44+94.21; Spring Street From Station 33+17.42 to 44+94.21; Smokestack Road From Station 9+59.62 to 11+30.09; Hearst Street From Station 10+00.00 to 19+48.13; Iron Rail Drive From Station 10+20.00 to Station 28+00.00 (Local Streets)  Local Streets Center Street, Stockyard Road, Spring Street, Smokestack Road, Hearst Street and Iron Rail Drive will be constructed to a two lane facility as a 60-foot wide Right of Way (“ROW”) with a 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.
15.	O	Grazing Lane From Station 31+96.51 to 11+25.83; Center Street From Station 73+34.69 to 76+84.69 (Local Street)  Local Streets Grazing Lane and Center Street will be constructed to a two

FACILITY	SEGMENT	DESCRIPTION
		lane facility as a 60-foot wide Right of Way ("ROW") with a 40-foot paved section, including; but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.
16.	P	<p>Spring Mountain Road From Station 8+49.46 to 44+06.51; Lost Creek Road From Station 15+03.86 to 59+69.79; Mountain Gate Road From Station 10+00.00 to 15+36.04; Booker Road From 10+32.79 to 17+37.20 (Local Street)</p> <p>Local Streets Spring Mountain Road, Lost Creek Road Mountain Gate Road and Booker Road, will be constructed to a two lane facility as a 60-foot wide Right of Way ("ROW") with a 40-foot paved section including; but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>
17.	Q	<p>Prairie Drive From Station 75+12.50 to 86+12.00 (Local Street)</p> <p>Local Street Prairie Drive will be constructed to a two lane facility as a 60-foot wide Right of Way ("ROW") with a 40-foot paved section, including; but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of existing Utility Facilities, Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>
18.	R	<p>Sage Scrub Drive From Highgrove Pass Road to Reservoir Zone 2A Access Road (Local Street)</p> <p>Local Street Sage Scrub Drive will be constructed to a two lane facility as a 60-foot wide Right of Way ("ROW") with a 40-foot paved section; including but not limited to Aggregate Base, Asphalt, Roadway Grading, Curbs, Gutters, Dikes, Sidewalks, Driveway Approaches, Local Depressions, Curb Outlet/Inlet, Roadway Drainage Devices, Relocations of SCE Transmission Lines within ROW, Signing and Striping, Traffic Control, Connections, Joins and all appurtenances., Signing and Striping, Traffic Control, Demolition, Removals, Connections, Joins and all appurtenances within County maintained ROW.</p>



**EXHIBIT C**  
**FORM OF BID SUMMARY**

CFD No. 23 of Riverside Unified School District Improvement Area — Summary of Bids										
Advertised:										
Bids Open:										
PROJECT:										
PROJECT NO.:										
Contractor #1 (Low Bidder) City, State										
DEVELOPER'S ESTIMATE		QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT				
ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT		
1				0.00	0.00	0.00	0.00	0.00		
2				0.00	0.00	0.00	0.00	0.00		
3				0.00	0.00	0.00	0.00	0.00		
4				0.00	0.00	0.00	0.00	0.00		
5				0.00	0.00	0.00	0.00	0.00		
6				0.00	0.00	0.00	0.00	0.00		
7				0.00	0.00	0.00	0.00	0.00		
8				0.00	0.00	0.00	0.00	0.00		
9				0.00	0.00	0.00	0.00	0.00		
10				0.00	0.00	0.00	0.00	0.00		
11				0.00	0.00	0.00	0.00	0.00		
12				0.00	0.00	0.00	0.00	0.00		
13				0.00	0.00	0.00	0.00	0.00		
14				0.00	0.00	0.00	0.00	0.00		
15				0.00	0.00	0.00	0.00	0.00		
16				0.00	0.00	0.00	0.00	0.00		
17				0.00	0.00	0.00	0.00	0.00		
18				0.00	0.00	0.00	0.00	0.00		
19				0.00	0.00	0.00	0.00	0.00		
20				0.00	0.00	0.00	0.00	0.00		

**CFD No. 23 of Riverside Unified School District  
Improvement Area \_\_\_\_\_  
Summary of  
Bids**

Advertised:

Bids Open:

PROJECT:

PROJECT NO.

Contractor #1 (Low Bidder)

City, State

DEVELOPER'S  
ESTIMATE

CONTRACT ITEM

ITEM NO. ITEM CODE

UNITS

QUANTITY

UNIT PRICE

ENG ESTIMATE

BID

AMOUNT

1				0.00	0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00	0.00

CFD No. 23 of Riverside Unified School District Improvement Area — Summary of Bids									
Advertised:									
Bids Open:									
PROJECT:									
PROJECT NO.									
Contractor #1 (Low Bidder)									
City, State									
ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT	
1				0.00	0.00	0.00	0.00	0.00	
2				0.00	0.00	0.00	0.00	0.00	
3				0.00	0.00	0.00	0.00	0.00	
4				0.00	0.00	0.00	0.00	0.00	
5				0.00	0.00	0.00	0.00	0.00	
6				0.00	0.00	0.00	0.00	0.00	
7				0.00	0.00	0.00	0.00	0.00	
8				0.00	0.00	0.00	0.00	0.00	
9				0.00	0.00	0.00	0.00	0.00	
10				0.00	0.00	0.00	0.00	0.00	
11				0.00	0.00	0.00	0.00	0.00	
12				0.00	0.00	0.00	0.00	0.00	
13				0.00	0.00	0.00	0.00	0.00	
14				0.00	0.00	0.00	0.00	0.00	
15				0.00	0.00	0.00	0.00	0.00	
16				0.00	0.00	0.00	0.00	0.00	
17				0.00	0.00	0.00	0.00	0.00	
18				0.00	0.00	0.00	0.00	0.00	
19				0.00	0.00	0.00	0.00	0.00	
20				0.00	0.00	0.00	0.00	0.00	

**EXHIBIT D**

**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 as of \_\_\_\_\_, 200\_, between Principal, \_\_\_\_\_, 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 those certain County Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company" dated as of June 26, 2007.

The beneficiaries of this Bond are as is stated in Section 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 \_\_\_\_\_ 200\_

\_\_\_\_\_  
(Firm Name - Principal)

Affix Seal

\_\_\_\_\_  
(Business Address) if  
Corporation

By: \_\_\_\_\_  
(Signature - Attach Notary's Acknowledgment)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Corporation Name - Surety)

Affix

\_\_\_\_\_  
(Business Address) 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 \_\_\_\_\_, hereinafter called the Owner, and unto the County of Riverside, the Riverside Unified School District, and Community Facilities District No. 23 of the Riverside Unified School District as additional obligees, 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 as of \_\_\_\_\_, 200\_ for those certain County Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company" dated as of June 26, 2007.

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 \_\_\_\_\_, 200\_

\_\_\_\_\_  
(Firm Name - Principal)

\_\_\_\_\_  
Affix Seal

\_\_\_\_\_  
(Business Address)if Corporation

By: \_\_\_\_\_  
(Signature - Attach Notary's Acknowledgment)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Corporation Name - Surety)

\_\_\_\_\_  
Affix

\_\_\_\_\_  
(Business Address) Corporate Seal

By: \_\_\_\_\_  
(Signature - Attach Notary's Acknowledgment)

ATTORNEY-IN-FACT  
(Title-Attach Power of Attorney)



**EXHIBIT E**

**FORM OF PAYMENT REQUEST**

**Community Facilities District No. 23  
of Riverside Unified School District**

\_\_\_\_\_, hereby requests payment of the Purchase Price for the County Facility described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Joint Communities Facilities Agreement, dated as of June 26, 2007 (the "Joint Community Facilities Agreement"), by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), County of Riverside, a political subdivision of the State of California (the "County") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner"). In connection with this Payment Request, the undersigned hereby represents and warrants to the County Engineer as follows:

1. The undersigned has been authorized by the Property Owner and is qualified to execute this request for payment on behalf of the Property Owner and is knowledgeable as to the matters set forth herein.

2. The Property Owner has submitted or submits herewith to the County Engineer as-built drawings or similar Plans and Specifications for the County Facility for which payment is requested, and such drawings or plans and specifications, as applicable, are true, correct and complete.

3. The County Facility has been constructed in accordance with the Plans and Specifications therefor, and in accordance with all applicable County District standards and the requirements of the Joint Community Facilities Agreement, and the as-built drawings or similar Plans and Specifications referenced in paragraph 2 above.

4. There has not been filed with or served upon the Property Owner notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than material men's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

5. The representations and warranties of the Property Owner set forth in Section 5.1 of the Joint Community Facilities Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Date: \_\_\_\_\_

Property Owner

By: \_\_\_\_\_  
Authorized Representative

**ATTACHMENT A  
PAYMENT REQUEST - ACTUAL COSTS**

Property Owner is to complete Columns 1 through 7  
County Engineer is to complete Columns 8 through 11

CFD/Improvement Area/Tract Number: \_\_\_\_\_  
Facility Description: \_\_\_\_\_

1	2	3	4	5	6	7	8	9	10	11
Bid Item No.	Bid Item Description	Unit of Measure	Unit Price	Original Contract Quantity	Quantity Invoiced	Amount Invoiced	Quantity Calculated By County	Amount Calculated By County	Difference	Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	

Total: 0.00  
Amount Requested: \_\_\_\_\_

**APPROVAL BY THE COUNTY ENGINEER**

The County Engineer confirms that the County Facility described in Attachment A has been constructed in accordance with the Plans and Specifications therefor. The Actual Cost of each County Facility as described in Attachment A has been reviewed, verified and approved by the County Engineer. The Purchase Price for said County Facility is established at \$\_\_\_\_\_. Payment of the Purchase Price for the County Facility is hereby approved.

Date: \_\_\_\_\_

COUNTY ENGINEER

By: \_\_\_\_\_

EXHIBIT B

ASSIGNMENT OF CONTRACTS

[See Attachment]



ASSIGNMENT OF CONTRACTS

THIS ASSIGNMENT OF CONTRACTS ("Assignment") is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between SMR VENTURES, LLC, a Delaware limited liability company ("Assignor"), and SFI SMR LLC, a Delaware limited liability company ("Assignee").

RECITALS

A. Assignor is or was the owner of the property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 ("Property"), providing for the development of approximately 1,461 proposed single family residential lots ("Spring Mountain Ranch").

B. Concurrently herewith, the Property is being transferred to Assignee by First American Title Insurance Company pursuant to that certain Trustee's Sale No. 08-24758 ("Transfer").

C. In connection with the Transfer, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor all of Assignor's rights and obligations under each of the contracts identified on Exhibit A attached hereto (the "Contracts"), in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns, sells and transfers to Assignee, all of Assignor's right, title and interest in the Contracts.


2. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Assignee that as of the date of this Assignment:

A. The Contracts are assigned to Assignee free and clear of all liens, claims or encumbrances;

B. Assignor is a party to the Contracts, and Assignor has the full power and authority to execute, deliver and perform its obligations under this Assignment; and

C. To Assignor's knowledge, neither the execution and delivery of this Assignment and the instruments to be executed or delivered by Assignor pursuant to this Assignment nor the consummation of the transaction contemplated herein conflict with or result in the material breach of the Contracts or any written agreement relating to the Contracts.

3. Acceptance of Contracts. Effective as of the date hereof, Assignee hereby accepts Assignor's assignment of the Contracts.

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4. **Indemnification.** Assignor shall protect, indemnify, defend and hold Assignee free and harmless from and against any and all claims, damages, liens, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Liabilities**"), resulting from or arising out of the inaccuracy of the foregoing representations and/or warranties of Assignor. Assignor's indemnification obligations set forth herein shall survive the transfer of the Contracts pursuant to this Assignment.

5. **Further Assurances.** Each of Assignor and Assignee agree to execute such further documents as the other may deem reasonably necessary or desirable to effectuate the purposes of this Assignment. Assignor and Assignee further hereby covenant and agree to reasonably cooperate with each other in order to effectuate the proposed transfer described herein.

6. **Miscellaneous.** There are no agreements, understandings, commitments, representations or warranties with respect to the subject matter hereof except as expressly set forth in this Assignment and the Contracts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Assignment shall be binding upon the parties and their heirs, representatives, executors, administrators, successors and assigns and shall inure to the benefit of the parties and to their respective heirs, representatives, executors, administrators, successors and assigns. This Assignment shall be governed by and construed in accordance with California law.

[Signatures on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee do hereby execute this Assignment as of the date first written above.

**ASSIGNOR:**

**SMR VENTURES, LLC**, a Delaware limited liability company

**ASSIGNEE:**

**SFI SMR LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

*RECEIVED, SOLELY  
IN THAT CAPACITY*

EXHIBIT A

LIST OF CONTRACTS

1. Joint Community Facilities Agreement- Flood Control, dated June 26, 2007, by and between SMR Ventures, LLC, the Riverside Unified School District, Riverside County Flood Control and the County of Riverside.
2. Joint Community Facilities Agreement - Street Improvements, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
3. Joint Community Facilities Agreement- Sewer Collection Facilities, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District; and the County of Riverside.
4. Water and Sewer Backbone Improvement and Tri-party Reimbursement Agreement, dated January 8, 2004, and amended December 1, 2005, by and between SMR Ventures, LLC, MFR-Groves Development, L.P., a Texas limited partnership, and Springbrook Investments, L.P., a California limited partnership.
5. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (sewer facilities reimbursement fee), dated October 1, 2006, by and between SMR Ventures, LLC, and the Riverside Unified School District.
6. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (traffic mitigation fee), dated February 1, 2006, by and between SMR Ventures, LLC, and the City of Grand Terrace.
7. Amended Sanitation System and Installation Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the County of Riverside.
8. City of Riverside Development Indemnification Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the City of Riverside.
9. Agreement Between Riverside Highland Water Company and Eastbridge Partners L.P. for the Construction of Water Related Facilities and Furnishing of Domestic and Irrigation Water, dated April 26, 2002, by and between Riverside Highland Water Company and Eastbridge Partners L.P (the "RHWC Agreement"), and Addendum I to the RHWC Agreement, dated May 10, 2004, as assigned to SMR Ventures, LLC, on May 10, 2004.
10. Department of the Army Permit Authorization No. 200400186-RRS (404 Permit), dated December 19, 2003, issued by the Army Corps of Engineers to Eastbridge, L.P, as predecessor in interest to SMR Ventures, LLC.

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11. Clean Water Act Section 401 Water Quality Certifications for Spring Mountain Ranch - CRWQCB No. 200100542-RRS, dated October 21, 2003, issued by the California Regional Water Quality Control Board to Eastbridge, L.P., as predecessor in interest to SMR Ventures, LLC.

12. Agreement Regarding Proposed Activities Subject to California Fish and Game Code Section 1603, 6-2001-141, dated December 10, 2002, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.

13. Agreement Regarding Proposed Stream or Lake Alteration, 6-2003-035, dated March 20, 2003, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.

14. Contract for Extension of Electric Distribution Line Rule No. 15 (Work Order No. 6531-1988/51916) dated as of June 30, 2006, (Work Order No. 6531-1990/51918) dated as of July 6, 2006, and (Work Order No. 6531-1990/51918) dated as of July 6, 2006, by and between Southern California Edison Company and SMR Ventures, LLC.

15. Line Extension Contract (Project No. 93976), dated September 25, 2007, by and between the Southern California Gas Company and SMR Ventures, LLC, for residential single family project at Spring Mountain Ranch (Tract Nos. 29597, 29598, 29599, 29600).

16. Application and Letter of Agency for Custom Work (Work Order LB-29, 5563373), dated April 26, 2005, by and between SBC and SMR Ventures, LLC.

17. Right of Entry Agreement for Pigeon Pass Road Corridor Project, dated April, 2009, by and between SMR Ventures, LLC and the County of Riverside.

18. Right of Entry and Construction License Agreement, dated March 17, 2009, by and between SMR Ventures, LLC and the County of Riverside on behalf of the Waste Management Department.

19. All of Assignor's right, title, and interest, in and to all unexpired claims, warranties, and guarantees received in connection with the construction and equipping of the Property, including, without limitation, the right to sue any obligor thereto for any breach of any covenant, agreement, representation, warranty, or guarantee contained therein.

20. All of Assignor's right, title, and interest, in and to all licenses, permits, opinions, agreements, resolutions, certifications, approvals, certificates of occupancy, entitlements, tract maps, tentative tract maps and franchises issued by any federal, state, county, regional or other governmental authority in any way relating to the development, construction, subdivision, use, occupancy, maintenance, or operation of the Property (collectively, the "Licenses and Permits"), running to, or in favor of, Assignor and/or the Property and Assignor's interest in any performance or payment bonds issued in favor of Assignor pursuant to such Licenses and Permits.

21. All of Assignor's right, title and interest, in and to any plans and specifications, studies, drawings and other technical descriptions prepared for construction, repair or alteration of the

EXHIBIT 5 PAGE 57



Property, in both hard copy and original computer aided design or similar electronic formats, and all amendments and modifications thereof.

22. All of Assignor's right, title, and interest in, the engineers' contracts, utility contracts, maintenance agreements, management agreements, marketing agreements, any Joint Community Facility Agreements related to reimbursement of the cost of the infrastructure construction for the Property, listing agreements, reciprocal easement or operating agreements, equipment leases, declarations, any purchase agreements, any sale contracts, all earnest money sales deposits, development agreements, service contracts, in any way relating to the development, use, occupancy, operating, maintenance, enjoyment, acquisition or ownership of the Property or services produced in or relating to the Property, or the proceeds (as defined in the California Uniform Commercial Code) and any refunds or reimbursements derived therefrom.

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**Board Meeting Agenda  
November 1, 2011**

Topic: Ordinance No. 2011/12-01 Dissolving Community Facilities District No. 30 of Riverside Unified School District, County of Riverside, State of California – First Reading

Presented by: Janet Dixon, Director, Planning and Development

Responsible

Cabinet Member: Kirk Lewis, Ed.D, Assistant Superintendent, Operations

Type of Item: Action

Short Description: The Board of Education will initiate proceedings for dissolving Community Facilities District No. 30.

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**DESCRIPTION OF AGENDA ITEM:**

On June 16, 2008, the Board of Education adopted Resolution No. 2007/08-82 establishing Community Facilities District No. 30. CFD No. 30 consisted of Tract Map 32293, and was to subdivide 7 parcels into 48 parcels that would be built and sold as single family homes. The developer lost the parcels in foreclosure. Due to the current conditions in the residential real estate market, the homes within this community are not planned to be built. The seven original parcels remain and have been sold to individual buyers. Bonds of the Community Facilities District will not be issued to finance the construction and acquisition of school facilities and should therefore be dissolved.

This item is a first reading. The item will be brought back to the next Board meeting for adoption.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** It is recommended that the Board of Education review and discuss the Ordinance to start the proceedings for dissolving Community Facilities District No. 30.

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**ADDITIONAL MATERIAL:** Ordinance No. 2011/12-01, Boundaries of Community Facilities District No. 30.

Attached: Yes

RIVERSIDE UNIFIED SCHOOL DISTRICT

ORDINANCE NO. 2011/12-01 DISSOLVING COMMUNITY FACILITIES DISTRICT NO. 30 OF RIVERSIDE UNIFIED SCHOOL DISTRICT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

THE BOARD OF EDUCATION OF RIVERSIDE UNIFIED SCHOOL DISTRICT DOES ORDAIN AS FOLLOWS:

Section 1. Findings. The Board of Education of Riverside Unified School District (the “Board of Education”) finds as follows:

(a) On June 16, 2008, the Board of Education adopted Resolution No. 2007/08-82 establishing Community Facilities District No. 30 of Riverside Unified School District, County of Riverside, State of California (the “Community Facilities District”);

(b) Bonds of the Community Facilities District will not be issued to finance the construction and acquisition of school facilities of Riverside Unified School District or any other public facilities, and that the Community Facilities District should therefore be dissolved;

(c) Pursuant to Section 53338.5 of the Government Code of the State of California, the legislative body of a community facilities district may, by ordinance, dissolve any existing community facilities district which it has created upon making all of the following determinations: (i) that the community facilities district is not obligated to pay any outstanding debt, and (ii) that the community facilities district has no authorization to levy any special tax; and

(d) The Community Facilities District is not obligated to pay any outstanding debt and the Community Facilities District has no authorization to levy any special tax.

Section 2. Dissolution The Community Facilities District is dissolved. The Assistant Superintendent, Operations shall cause an addendum to the Notice of Special Tax Lien for the Community Facilities to be recorded in the office of the County Recorder pursuant to Section 3114.5 of the Streets and Highways Code of the State of California stating that the Community Facilities District and all associated liens have been dissolved.

PASSED AND ADOPTED by the Board of Education of Riverside Unified School District at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

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President of the Board of Education  
of Riverside Unified School District

ATTEST:

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Clerk of the Board of Education  
of Riverside Unified School District

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF RIVERSIDE )

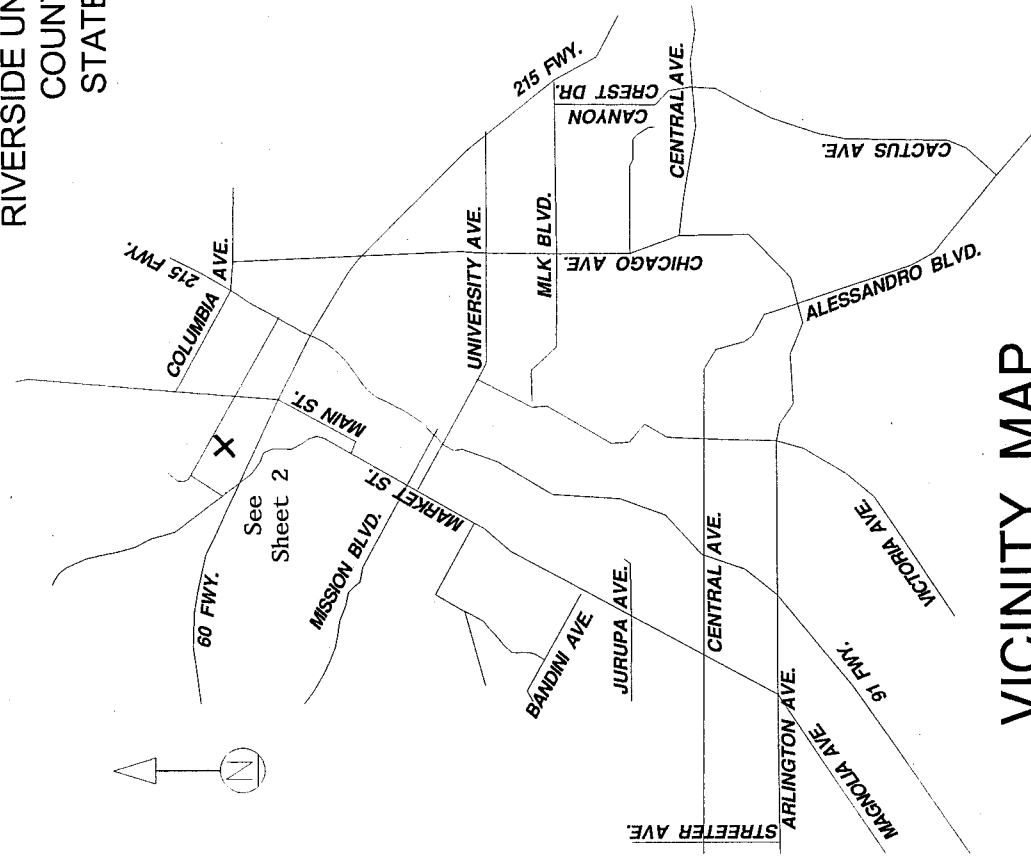
I, \_\_\_\_\_, Clerk of the Board of Education of Riverside Unified School District, do hereby certify that the foregoing ordinance was introduced at a regular meeting of the Board of Education on the \_\_\_ day of \_\_\_\_\_, 2011 and was adopted by the Board of Education at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 2011, that the foregoing is a full, true and correct copy of Ordinance No. 2011/12-30 of Riverside Unified School District, and that the same has not been amended or repealed.

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
Clerk of the Board of Education  
of Riverside Unified School District



BOUNDARIES OF  
COMMUNITY FACILITIES DISTRICT NO. 30 OF  
RIVERSIDE UNIFIED SCHOOL DISTRICT  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



VICINITY MAP  
(Not to Scale)

X is the general location of the project

Prepared by David Taussig & Associates, Inc.

(1) Filed in the office of the Clerk of the Board of Education of Riverside Unified School District this \_\_\_ day of \_\_\_, 2008.

\_\_\_\_\_  
Clerk of the Board of Education  
Riverside Unified School District

(2) I hereby certify that the within map showing the boundaries of Community Facilities District No. 30 of Riverside Unified School District, County of Riverside, State of California, was approved by the Board of Education of Riverside Unified School District at a regular meeting thereof, held on the \_\_\_ day of \_\_\_, 2008, by its Resolution No. \_\_\_\_\_.

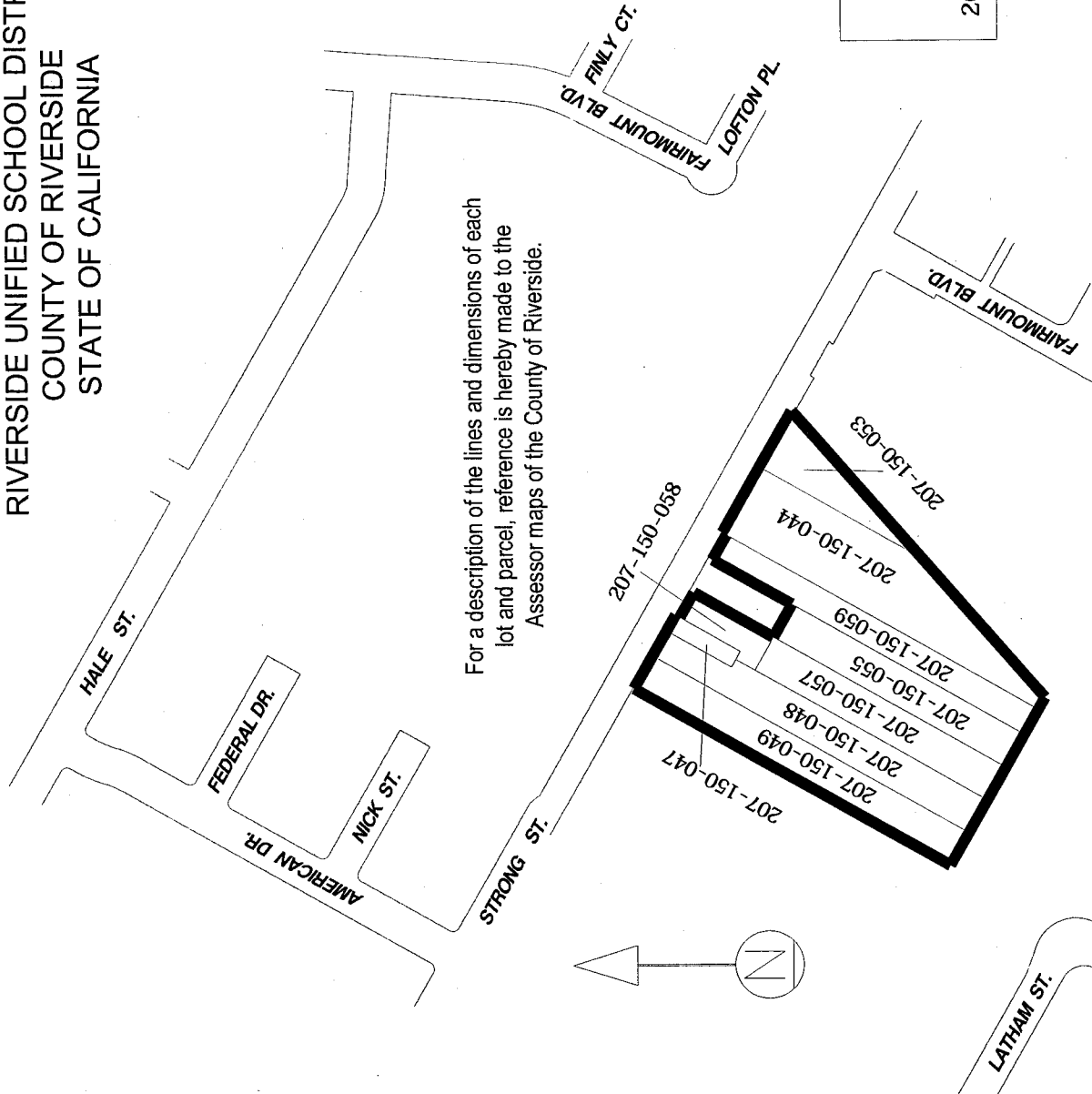
\_\_\_\_\_  
Clerk of the Board of Education  
Riverside Unified School District

(3) Filed this \_\_\_ day of \_\_\_, 2008, at the hour of \_\_\_ o'clock \_\_\_ m, in Book \_\_\_ of Maps of Assessment and Community Facilities Districts at pages \_\_\_ through \_\_\_ and as Instrument No. \_\_\_\_\_ in the office of the County Recorder of Riverside County, State of California.

Larry Ward  
Assessor-County Clerk-Recorder of Riverside County

By \_\_\_\_\_ Deputy  
Fee \_\_\_\_\_

BOUNDARIES OF  
COMMUNITY FACILITIES DISTRICT NO. 30 OF  
RIVERSIDE UNIFIED SCHOOL DISTRICT  
COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



For a description of the lines and dimensions of each lot and parcel, reference is hereby made to the Assessor maps of the County of Riverside.

**Assessor Parcels Located within  
Community Facilities District No. 30  
of Riverside Unified School District:**

- 207-150-044
- 207-150-047
- 207-150-048
- 207-150-049
- 207-150-053
- 207-150-055
- 207-150-057
- 207-150-058
- 207-150-059

LEGEND

Boundaries of  
Community Facilities District No. 30  
of Riverside Unified School District

207-150-0nn Assessor Parcel Number

**Board Meeting Agenda  
November 1, 2011**

Topic: Resolution No. 2011/12-29 – Resolution of the Board of Education of Riverside Unified School District Approving and Authorizing Execution of Joint Exercise of Powers Agreement Between Riverside Unified School District and Western Municipal Water District of Riverside County Creating the Riverside Unified School District Financing Authority

Presented by: Janet Dixon, Director, Planning and Development

Responsible

Cabinet Member: Kirk Lewis, Ed.D, Assistant Superintendent, Operations

Type of Item: Action

Short Description: The District will consider forming a Marks-Roos Joint Powers Authority with the Western Municipal Water District in order to do a pooled refunding of outstanding CFD bonds.

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**DESCRIPTION OF AGENDA ITEM:**

Several outstanding CFD bonds are good candidates for refunding providing an average savings of \$33.18 to \$128.90 per year on the special tax levies to homeowners within the CFD.

Due to the small size of some of the individual CFD bond issues to be refunded, staff is recommending the issuances be pooled and refunded using the Marks-Roos Local Bond Pooling Act of 1984.

To do a Marks-Roos refunding, RUSD needs to create a joint-powers authority with another agency. Riverside Unified School District and Western Municipal Water District of Riverside County have determined that it is in the best interest of the communities which they serve that an authority be formed pursuant to the Act for the purposes of financing needed public capital improvements and reducing local borrowing costs for financing such improvements.

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**FISCAL IMPACT:** None

**RECOMMENDATION:** It is recommended that the Board of Education approves and authorizes execution of Joint-Powers Authority agreement with Western Municipal Water District of Riverside County.

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**ADDITIONAL MATERIAL:** Resolution No. 2011/12-29 and Joint Exercise of Powers Agreement, Marks-Roos Pooled Refunding Summary

Attached: Yes

RIVERSIDE UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 2011/12-29 - RESOLUTION OF THE BOARD OF EDUCATION OF RIVERSIDE UNIFIED SCHOOL DISTRICT APPROVING AND AUTHORIZING EXECUTION OF JOINT EXERCISE OF POWERS AGREEMENT BETWEEN RIVERSIDE UNIFIED SCHOOL DISTRICT AND WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY CREATING THE RIVERSIDE UNIFIED SCHOOL DISTRICT FINANCING AUTHORITY

WHEREAS, the Marks-Roos Local Bond Pooling Act of 1985, Article 4 (commencing with Section 6584), Chapter 5, Division 7, Title 1 of the California Government Code (the "Bond Law") authorizes agencies created pursuant to Article 1 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the California Government Code (the "Act") to assist in the financing of public capital improvements to be owned by the public agencies which are parties to the agreements creating such agencies; and

WHEREAS, in enacting the Bond Law, the Legislature of the State of California declared, in Section 6584.5 of the California Government Code, that (a) there is a critical need within the State of California to expand, upgrade and otherwise improve the public capital facilities of local government necessary to support the rehabilitation and construction of residential and economic development; and (b) that it is the intent of the Legislature to assist in the reduction of local borrowing costs, help accelerate the construction, repair and maintenance of public capital improvements and promote greater use of existing and new financial instruments and mechanisms such as bond pooling by local agencies; and

WHEREAS, Section 6586 of the California Government Code provides that it is the intent of the Legislature that the Bond Law will be used to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits which include (a) demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; (b) significant reductions in effective user charges levied by a local agency; (c) employment benefits from undertaking the project in a timely fashion; and (d) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, there has been presented to the Board of Education (the "Board") of Riverside Unified School District (the "District") an agreement entitled "Joint Exercise of Powers Agreement Creating Riverside Unified School District Financing Authority" (the "Agreement") to be entered into by and between the District and Western Municipal Water District of Riverside County (the "Water District") which would be entered into pursuant to the Act and would create the Riverside Unified School District Financing Authority (the "Authority") to provide for the financing of public capital improvements for, and working capital requirements of, the District or the Water District through the construction and/or acquisition by the Authority of such public capital improvements and/or the purchase by the Authority of obligations of the District or the Water District pursuant to bond purchase agreements and/or the lending of funds by the Authority to the District or the Water District; and



WHEREAS, the Board has determined that it is in the best interests of the communities which are served by the District and the Water District that the Authority be formed pursuant to the Act for the purposes of financing needed public capital improvements and reducing local borrowing costs for financing such improvements as authorized in the Act, and that the creation of the Authority will be consistent and in furtherance of the intent and purposes of the Bond Law; and

WHEREAS, the Board has further determined that the participation of the Authority in the financing of such public capital improvements of the District and the Water District will result in significant public benefits through savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF EDUCATION OF RIVERSIDE UNIFIED SCHOOL DISTRICT AS FOLLOWS:

Section 1. Findings. The Board finds (i) that the preceding recitals are true and correct and that it is in the best interests of the District and the Water District and the communities which they serves that the Riverside Unified School District Financing Authority be created for the purpose of assisting the District and the Water District with the financing of needed public capital improvements and in order to reduce local borrowing costs for financing such improvements, (ii) that the participation by the Authority in the financing of such public capital improvements will result in significant public benefits in that such participation will result in savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs, and (iii) that the Agreement should be approved by the Board and executed and delivered on behalf of the District.

Section 2. Approval. The Agreement is approved in the form submitted to the Board at the meeting at which this resolution is adopted and the President and the Clerk of the Board are authorized to execute and deliver the Agreement on behalf of the District.

Section 3. Filing Notice and Further Action. Upon the execution of the Agreement by the Water District and the District, the Assistant Superintendent, Operations (the "Assistant Superintendent"), or the Deputy Superintendent, Business Services and Governmental Relations (the "Deputy Superintendent") of the District shall cause to be filed with the office of the Secretary of State of the State of California a notice of the Agreement as required by Section 6503.5 of the California Government Code. The Assistant Superintendent and the Deputy Superintendent are further authorized to take any other action that may be necessary to effectuate the creation of the Riverside Unified School District Financing Authority as recommended by the District's legal counsel.

PASSED AND ADOPTED by the Board of Education of Riverside Unified School District at its regular meeting held on the 1<sup>st</sup> day of November, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

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Clerk of the Board of Education  
of Riverside Unified School District

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF RIVERSIDE )

I, Gayle Cloud, Clerk of the Board of Education of Riverside Unified School District, do hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 2011/12-29 of said Board, and that the same has not been amended or repealed.

Dated: \_\_\_\_\_, 2011.

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Clerk of the Board of Education  
of Riverside Unified School District

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**JOINT EXERCISE OF POWERS AGREEMENT**  
**CREATING**  
**RIVERSIDE UNIFIED SCHOOL DISTRICT FINANCING AUTHORITY**  
**Dated as of \_\_\_\_\_, 2011**

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**JOINT EXERCISE OF POWERS AGREEMENT**

**RIVERSIDE UNIFIED SCHOOL DISTRICT FINANCING AUTHORITY**

**THIS JOINT POWERS AGREEMENT** (the “Agreement”), dated \_\_\_\_\_, 2011, is entered into by and between **RIVERSIDE UNIFIED SCHOOL DISTRICT** (“RUSD”) and **WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY** (“WMWD”), each duly organized and existing under the laws of the State of California;

**WITNESSETH:**

**WHEREAS**, RUSD and WMWD are each authorized to own, lease, purchase, receive and hold property necessary or convenient for their governmental operations; and

**WHEREAS**, the Marks-Roos Local Bond Pooling Act of 1985, Article 4 (commencing with Section 6584) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “Bond Law”), authorizes agencies formed under the Act (as hereinafter defined) to assist in the financing of public capital improvements to be owned by the public agencies which are parties to the agreements creating such agencies; and

**WHEREAS**, in enacting the Bond Law, the Legislature of the State of California declared, in Section 6584.5 of the Government Code of the State of California, that (a) there is a critical need within the State of California to expand, upgrade and otherwise improve the public capital facilities of local government necessary to support the rehabilitation and construction of residential and economic development; and (b) that it is (was) the intent of the Legislature to assist in the reduction of local borrowing costs, help accelerate the construction, repair and maintenance of public capital improvements and promote greater use of existing and new financial instruments and mechanisms such as bond pooling by local agencies; and

**WHEREAS**, RUSD and WMWD have determined that it is in the best interest of the communities which they serve that an authority be formed pursuant to the Act for the purposes of financing needed public capital improvements and reducing local borrowing costs for financing such improvements as authorized therein, and that the formation of such an authority will be consistent with and in furtherance of the intent and purposes of the Bond Law;

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises herein contained, RUSD and WMWD agree as follows:



## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** Unless the context otherwise requires, the words and terms defined in this Article shall, for the purpose hereof, have the meanings herein specified.

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

“Agreement” means this agreement.

“Authority” means the Riverside Unified School District Financing Authority established pursuant to this Agreement.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Act (commencing with Section 6584 of the Government Code), as now in effect or hereafter amended, as now in effect or hereafter amended, or any other law available for use by the Authority in the authorization and issuance of certificates of participation, bonds or other evidence of indebtedness to provide for the financing of Obligations and/or Public Capital Improvements.

“Bond Purchase Agreement” means an agreement between the Authority and RUSD or WMWD, pursuant to which the Authority agrees to purchase Obligations from RUSD or WMWD, as the case may be.

“Board” means the Board of Directors referred to in Section 2.04, which shall be the governing body of the Authority.

“Bonds” means the bonds of the Authority issued pursuant to the Bond Law.

“Directors” means the members of the Board appointed to the Board pursuant to Section 2.03.

“Fiscal Year” means the period from July 1st to and including the following June 30th.

“Government Code” means the Government Code of the State of California.

“Members” means RUSD and WMWD.

“Obligations” has the meaning given to the term “Bonds” in Section 6585(c) of the Government Code, as in effect on the date hereof, and as hereafter amended.

“Public Capital Improvement” has the meaning given to such term in Section 6585(h) of the Government Code, as in effect on the date hereof, and as hereafter amended.

“Secretary” means the Secretary of the Authority appointed pursuant to Section 3.01.

“Treasurer” means the Auditor and Treasurer of the Authority appointed pursuant to Section 3.02.

## ARTICLE II

### GENERAL PROVISIONS

**Section 2.01. Purpose.** This Agreement is made pursuant to the Act providing for the joint exercise of powers common to RUSD and WMWD, and for other purposes as permitted under the Act, the Bond Law and as agreed by one or more of the parties hereto. The purpose of this Agreement is to provide for the financing of Public Capital Improvements for, and working capital requirements of, RUSD or WMWD through the construction and/or acquisition by the Authority of such Public Capital Improvements and/or the purchase by the Authority of Obligations of RUSD or WMWD pursuant to Bond Purchase Agreements and/or the lending of funds by the Authority to RUSD or WMWD.

**Section 2.02. Creation of Authority.** Pursuant to the Act, there is hereby created a public entity to be known as the “Riverside Unified School District Financing Authority.” The Authority shall be a public entity separate and apart from RUSD and WMWD, and shall administer this Agreement.

**Section 2.03. Board.** The Authority shall be administered by a Board of five (5) Directors, unless and until changed by amendment of this Agreement, who shall be the members of the Board of Education of RUSD. The Board shall be called the “Board of Directors of the Riverside Unified School District Financing Authority.” All voting power of the Authority shall reside in the Board. At the written request of WMWD, this Agreement shall be amended to increase the number of the Directors comprising the Board of Directors to include not more than five (5) additional Directors who shall be members of the Board of Directors of WMWD.

#### **Section 2.04. Meetings of the Board.**

(I) Regular Meetings. The Board shall provide for its regular meetings; provided, however, that at least one regular meeting shall be held each year. The date, hour and place of the holding of regular meetings shall be fixed by resolution of the Board and a copy of such resolution shall be filed with RUSD and WMWD.

(II) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code.

(III) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of Sections 54950 *et seq.* of the Government Code.

**Section 2.05. Minutes.** The Secretary shall cause to be kept minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to RUSD and WMWD.

**Section 2.06. Voting.** Each Director shall have one vote.

**Section 2.07. Quorum; Required Votes; Approvals.** Directors holding a majority of the votes shall constitute a quorum for the transaction of business, except that less than a quorum

may adjourn from time to time. The affirmative votes of at least a majority of the Directors present at any meeting at which a quorum is present shall be required to take any action by the Board.

**Section 2.08. Bylaws.** The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes this Agreement.

### ARTICLE III

#### OFFICERS AND EMPLOYEES

**Section 3.01. Chairman, Vice Chairman, Executive Director and Secretary.** The Board shall elect a Chairman and Vice Chairman from among the Directors, and shall appoint a Secretary who may, but need not, be a Director. The Board may appoint an Executive Director who may, but need not, be a Director. The officers shall perform the duties normal to said offices. The Chairman or the Executive Director (if an Executive Director is appointed by the Board) shall sign all contracts on behalf of the Authority, or shall appoint in writing a designee to sign contracts on behalf of the Authority, and shall perform such other duties as may be imposed by the Board. The Vice Chairman shall act, sign contracts and perform all of the Chairman's duties in the absence of the Chairman. The Secretary shall countersign all contracts signed by the Chairman, Executive Director or Vice Chairman on behalf of the Authority, perform such other duties as may be imposed by the Board and cause a copy of this Agreement to be filed with the Secretary of State within thirty (30) days of the effective date hereof pursuant to the Act.

**Section 3.02. Treasurer.** Pursuant to Section 6505.6 of the Government Code, the Deputy Superintendent, Business Services and Governmental Relations of RUSD is hereby designated as the Auditor and Treasurer of the Authority. The Auditor and Treasurer shall be the depository, shall have custody of all of the accounts, funds and money of the Authority from whatever source, shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the Government Code and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority.

**Section 3.03. Officers in Charge of Records, Funds and Accounts.** Pursuant to Section 6505.1 of the Government Code, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto; and the Secretary shall have charge of, handle and have access to all other records of the Authority.

**Section 3.04. Bonding Persons Having Access to Public Capital Improvements.** From time to time, the Board may designate persons, in addition to the Secretary and the Treasurer, having charge of, handling or having access to any records, funds or accounts or any Public Capital Improvement of the Authority, and the respective amounts of the official bonds of the Secretary and the Treasurer and such other persons pursuant to Section 6505.1 of the Government Code.

**Section 3.05. Legal Advisor.** The Board shall have the power to appoint the legal advisor of the Authority who shall perform such duties as may be prescribed by the Board. Such legal advisor may be the legal counsel to RUSD or WMWD.

**Section 3.06. Other Employees.** The Board shall have the power to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of this Agreement.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents or employees of RUSD or WMWD when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents or employees directly employed by the Board shall be deemed, by reason of their employment by the Board, to be employed by RUSD or WMWD or, by reason of their employment by the Board, to be subject to any of the requirements of RUSD or WMWD.

**Section 3.07. Assistant Officers.** The Board may appoint such assistants to act in the place of the Secretary or other officers of the Authority (other than any Director) as the Board shall from time to time deem appropriate.

## ARTICLE IV

### POWERS

**Section 4.01. General Powers.** The Authority shall exercise in the manner herein provided the powers common to RUSD and WMWD, or as otherwise permitted under the Act, and necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.04.

As provided in the Act, the Authority shall be a public entity separate from RUSD and WMWD. The Authority shall have the power to acquire and to finance or refinance the acquisition or construction of Public Capital Improvements necessary or convenient for the operation of RUSD or WMWD and to purchase or acquire bonds and other Obligations of RUSD or WMWD.

**Section 4.02. Power to Issue Bonds.** The Authority shall have all of the powers provided in the Act, including but not limited to the Bond Law, and including the power to issue Bonds, certificates of participation and/or other evidences of indebtedness under the Bond Law.

**Section 4.03. Specific Powers.** The Authority is hereby authorized, in its own name, to do all the acts necessary for the exercise of the foregoing powers, including but not limited to, any or all of the following:

- (1) to make and enter into contracts;
- (2) to employ agents and employees;
- (3) to acquire, construct, manage, maintain or operate any Public Capital Improvement, including the acquisition of Public Capital Improvements by exercise of the common power of eminent domain of RUSD and WMWD;

- (4) to sue and be sued in its own name;
- (5) to issue Bonds and otherwise to incur debts, liabilities or obligations, provided that no such Bonds, debt, liability or obligation shall constitute a debt, liability or obligation of RUSD or WMWD;
- (6) to apply for, accept, receive and disburse grants, loans and other aid from any agency of the United States of America or of the State of California;
- (7) to invest any money in the treasury of the Authority pursuant to Section 6505.5 of the Government Code that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the Government Code;
- (8) to apply for letters of credit or other forms of financial guarantees in order to secure the repayment of Bonds, certificates of participation and/or other evidences of indebtedness and enter into agreements in connection therewith;
- (9) to carry out and enforce all the provisions of this Agreement;
- (10) to make and enter into Bond Purchase Agreements;
- (11) to purchase Obligations of RUSD or WMWD; and
- (12) to exercise any and all powers which are provided for in the Act and in Section 6588 of the Government Code, as they exist on the date of this Agreement and as they may hereafter be amended.

**Section 4.04. Restrictions on Exercise of Powers.** The powers of the Authority shall be exercised in the manner provided in the Act and in the Bond Law, and, except for those powers set forth in the Bond Law, shall be subject (in accordance with Section 6509 of the Government Code) to the restrictions upon the manner of exercising such powers that are imposed upon RUSD in the exercise of similar powers.

**Section 4.05. Obligations of Authority.** The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of RUSD or WMWD.

## ARTICLE V

### METHODS OF PROCEDURE; CREDIT TO MEMBERS

**Section 5.01. Assumption of Responsibilities by the Authority.** As soon as practicable after the date of execution of this Agreement, the Directors shall give notice (in the manner required by Section 2.04) of the organizational meeting of the Board. At said meeting the Board shall provide for its regular meetings as required by Section 2.04 and elect a Chairman and Vice Chairman and appoint the Secretary.

**Section 5.02. Delegation of Powers.** RUSD and WMWD hereby delegate to the Authority the power and duty to acquire, by lease, lease-purchase, installment sale agreements,



or otherwise, or make loans to finance, such Public Capital Improvements as may be necessary or convenient for the operation of RUSD or WMWD and to exercise the common power of eminent domain of RUSD and WMWD as necessary in connection therewith.

**Section 5.03. Credit to RUSD and WMWD.** All accounts or funds created and established pursuant to any instrument or agreement to which the Authority is a party, and any interest earned or accrued thereon, shall inure to the benefit of RUSD and WMWD in the respective proportions for which such funds or accounts were created.

## ARTICLE VI

### CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

**Section 6.01. Contributions.** RUSD and WMWD may in the appropriate circumstance when required hereunder: (a) make contributions from their treasuries for the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances. The provisions of Section 6513 of the Government Code are incorporated into this Agreement.

**Section 6.02. Accounts and Reports.** To the extent not covered by the duties assigned to a trustee chosen by the Authority, the Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement entered into with respect to the proceeds of any Bonds, certificates of participation and/or other evidences of indebtedness issued, created or incurred by the Authority. The books and records of the Authority in the possession of a trustee or the Treasurer shall be open to inspection at all reasonable times by representatives of RUSD and WMWD. The Treasurer, within 120 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such fiscal year to RUSD and WMWD to the extent such activities are not covered by the report of such trustee. The trustee appointed under any trust agreement and/or indenture shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust agreement and/or indenture. Said trustee may be given such duties in said trust agreement and/or indenture as may be desirable or necessary to carry out the purposes of this Agreement.

**Section 6.03. Funds.** Subject to the applicable provisions of any instrument or agreement which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse funds of the Authority, the Treasurer shall receive, have custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, and shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

**Section 6.04. Annual Budget and Administrative Expenses.** The Board may adopt a budget for administrative expenses, which shall include all expenses not included in any financing transaction of the Authority, annually prior to July 1 of each year. The estimated annual administrative expenses of the Authority shall be allocated by the Board proportionately to RUSD and WMWD based on the portions of the aggregate principal amount of the outstanding Bonds of the Authority which relate to the financing of Public Capital Improvements

for or purchasing bonds, certificates of participation or other evidences of indebtedness of RUSD and WMWD, respectively. Initially, if Bonds of the Authority are issued only to finance the construction and/or acquisition of Public Capital Improvements for or to purchase Obligations of either RUSD or WMWD, such estimated administrative expenses shall be allocated entirely to RUSD or WMWD, as appropriate.

## ARTICLE VII

### TERM

**Section 7.01. Term.** This Agreement shall become effective as of the date hereof and shall continue in full force and effect so long as any Bonds, certificates of participation and/or other evidences of indebtedness of the Authority remain outstanding or so long as the Authority shall own any interest in Public Capital Improvements.

**Section 7.02. Disposition of Assets.** Upon termination of this Agreement, all property of the Authority, both real and personal, shall be divided among the parties hereto in such manner as shall be agreed upon by the parties.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

**Section 8.01. Notices.** Notices hereunder shall be in writing and shall be sufficient if delivered to the notice address of each party hereto for legal notices or as otherwise provided by a party hereto in writing to the other party.

**Section 8.02. Section Headings.** All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

**Section 8.03. Consent.** Whenever in this Agreement any consent or approval is required the same shall not be unreasonably withheld.

**Section 8.04. Law Governing.** This Agreement is made in the State of California under the Constitution and laws of the State of California and is to be so construed.

**Section 8.05. Amendments.** This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of Bonds issued by the Authority or certificates of participation in payments to be made by the Authority or RUSD or WMWD or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by both of the parties to this Agreement or for any other purpose including, without limitation, addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

**Section 8.06. Enforcement by Authority.** The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

**Section 8.07. Severability.** Should any section or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining sections and provisions hereof shall not be affected thereby.

**Section 8.08. Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of RUSD and WMWD, respectively. Neither RUSD nor WMWD may assign any right or obligation hereunder without the written consent of the other.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year first set forth above.

**RIVERSIDE UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_  
President of the Board of Education

**ATTEST:**

\_\_\_\_\_  
Clerk of the Board of Education

**WESTERN MUNICIPAL WATER DISTRICT  
OF RIVERSIDE COUNTY**

By: \_\_\_\_\_  
President of the Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary of the Board of Directors

Riverside Unified School District  
 Marks-Roos Pooled Refunding Summary  
 September 2011

	CFD No. 2	CFD No. 3	CFD No. 4	CFD No. 8	CFD No. 6 (1A No. 2)
Dated Date	12/6/2011	12/6/2011	12/6/2011	12/6/2011	12/6/2011
Par Amount	\$4,000,000	\$305,000	\$410,000	\$690,000	\$2,055,000
Savings (\$)*	\$146,360	\$18,520	\$43,456	\$59,557	\$191,499
Savings (%)*	3.28%	5.61%	9.88%	8.69%	9.46%
Average Annual Cashflow Savings*	\$108,576 (2012-2018)	\$9,831 (2012-2018)	\$12,600 (2012-2020)	\$6,574 (2012-2029)	\$18,820 (2012-2030)
# of Units	2964	213	254	51	274
Savings per Unit per year	\$36.63	\$46.15	\$49.61	\$128.90	\$68.69
NPV Savings per Unit	\$49.38	\$86.95	\$171.09	\$1,167.77	\$698.90
Call Date	03/01/2012 @ 103%	03/01/2012 @ 103%	03/01/2012 @ 103%	03/01/2012 @ 100%	03/01/2012 @ 100%

**Riverside Unified School District  
Marks-Roos Pooled Refunding Summary  
September 2011**

	CFD No. 6 (IA No. 1)	CFD No. 9 (IA No. 1,3,5)	CFD No. 20	CFD No. 15 (IA No. 3)	Aggregate
Dated Date	12/6/2011	12/6/2011	12/6/2011	12/6/2011	12/6/2011
Par Amount	\$1,740,000	\$3,710,000	\$1,625,000	\$5,440,000	\$15,975,000
Savings (\$)*	\$111,584	\$211,090	\$80,102	\$392,322	\$1,254,490
Savings (%)*	6.49%	5.80%	5.29%	7.73%	6.31%
Average Annual Cashflow Savings*	\$12,314 (2012 - 2029)	\$21,136 (2012 - 2031)	\$5,391 (2012 - 2040)	\$26,589 (2012 - 2039)	\$75,977 (2012-2040)
# of Units	260	637	108	403	
Savings per Unit per year	\$47.36	\$33.18	\$49.92	\$65.98	
NPV Savings per Unit	\$429.17	\$331.38	\$741.69	\$973.50	
Call Date	03/01/2012 @ 100%	03/01/2012 @ 100%	03/01/2012 @ 103%	03/01/2012 @ 103%	