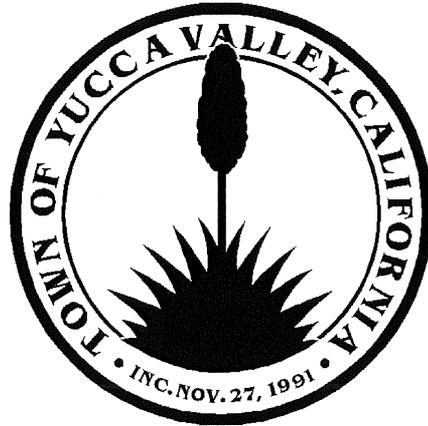


TOWN OF YUCCA VALLEY
TOWN COUNCIL MEETING



*The Mission of the Town of Yucca Valley is to
provide a government that is responsive to its citizens
to ensure a safe and secure environment
while maintaining the highest quality of life.*

**TUESDAY, JULY 24, 2012
YUCCA VALLEY TOWN HALL CONFERENCE ROOM
57090 - 29 PALMS HIGHWAY
YUCCA VALLEY, CALIFORNIA 92284**

**SPECIAL TOWN COUNCIL MEETING: 6:00 P.M.
YUCCA VALLEY COMMUNITY CENTER
YUCCA ROOM
57090 - 29 PALMS HIGHWAY
YUCCA VALLEY, CALIFORNIA 92284**

* * * *

TOWN COUNCIL

Dawn Rowe, Mayor

Merl Abel, Council Member

George Huntington, Council Member

Robert Lombardo, Council Member

* * * *

TOWN ADMINISTRATIVE OFFICE:

760-369-7207

www.yucca-valley.org

**AGENDA
SPECIAL MEETING OF THE
TOWN OF YUCCA VALLEY COUNCIL
TUESDAY, JULY 24, 2012
6:00 P.M.**

The Town of Yucca Valley complies with the Americans with Disabilities Act of 1990. If you require special assistance to attend or participate in this meeting, please call the Town Clerk's Office at 760-369-7209 at least 48 hours prior to the meeting.

An agenda packet for the meeting is available for public view in the Town Hall lobby and on the Town's website, www.yucca-valley.org, prior to the Council meeting. Any materials submitted to the Agency after distribution of the agenda packet will be available for public review in the Town Clerk's Office during normal business hours and will be available for review at the Town Council meeting. Such documents are also available on the Town's website subject to staff's ability to post the documents before the meeting. For more information on an agenda item or the agenda process, please contact the Town Clerk's office at 760-369-7209 ext. 226.

If you wish to comment on any subject on the agenda, or any subject not on the agenda during public comments, please fill out a card and give it to the Town Clerk. The Mayor/Chair will recognize you at the appropriate time. Comment time is limited to 3 minutes.

(WHERE APPROPRIATE OR DEEMED NECESSARY, ACTION MAY BE TAKEN ON ANY ITEM LISTED IN THE AGENDA)

OPENING CEREMONIES

CALL TO ORDER

ROLL CALL: Council Members Abel, Huntington, Lombardo, and Mayor Rowe.

PLEDGE OF ALLEGIANCE

INVOCATION

Led by Pastor Chris Wagner, Joshua Springs Calvary Chapel

APPROVAL OF AGENDA

Action: Move _____ 2nd _____ Vote _____

PRESENTATIONS, RECOGNITIONS, INTRODUCTIONS

1. Employee of the Quarter

CONSENT AGENDA

2. Waive further reading of all ordinances (if any in the agenda) and read by title only.

Recommendation: Waive further reading of all ordinances and read by title only.

- 1-11 3. Annual Animal Food Purchase

Recommendation: Find that adherence to the Formal Sealed Bid Procedures identified in Chapter 3.12 of the Town Code related to this specific activity would be inefficient impractical and unnecessary; and Waive the formal bidding procedures for this ongoing transaction, and implement the Open Market or Informal Bid Procedure as identified in Chapter 3.12 of the Town Code in its place.

- 12-30 4. Access Road Property, Assessor Parcel No. 0585-41-16, Hi Desert Rod & Gun Club Access Road

Recommendation: That the Town Council, as Successor Agency to the Yucca Valley Recreation and Park District, approve the transfer of property identified as APN 0585-41-16, to the Hi Desert Rod & Gun Club, authorizing the Town Manager to sign all documents necessary to complete the transfer.

- 31-128 5. Caltrans Request to Purchase Right of Way, Sale of Property to Caltrans, Right of Way Contract, State Route 247, Section 11, approximately 10.96 acres for SR 247

Recommendation: Approve the sale of approximately 10.96 acres of property from Assessor Parcel Number 0597-211-05 to the California Department of Transportation, in the amount of \$5,200, and authorize the Mayor, Town Manager, and Town Attorney to sign the Right of Way Contract and open escrow and sign all escrow instructions, deeds, and other documents necessary to complete the sale.

- 129-152 6. Authorization to Submit Grant Application, California Transportation Commission (CTC), State & Local Partnership Program (SLPP), Proposition

1B), 5% competitive Grant Program, Development Impact Fees

Recommendation: Authorize the submittal of a grant application for the TCRP project, under the California Transportation Commission 5% competitive SLPP program, and approving the preliminary allocation of \$364,000 in Street and Traffic Public Facility Development Impact Fees as the Town's Required match and approving and authorizing the Town Manager to sign all applications and documents necessary to deliver the grant funds.

153-157 7. Fall 2012 Program Offerings – Community Services Department

Recommendation: Receive and file the report outlining the Fall 2012 programs and events to be organized and conducted by the Community Services Department.

158-172 8. Measure I Five-Year Plan 1012/2013 to 2016/2017, Resolution

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, ADOPTING THE FIVE-YEAR MEASURE I CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2012/2013 TO 2016/2017

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, AMENDING THE FY 2012-13 BUDGET

Recommendation: Adopt the Resolution for the annual Measure I, Five-Year Capital Improvement Plan and Expenditure Strategy for Fiscal Years 2012/2013 to 2016/2017 under Measure 2010-2040; adopt the Resolution amending the FY 2012-13 Adopted Budget.

173-185 9. Amendment No. 3 to the Settlement Agreement for Incorporation Debt, Town of Yucca Valley, County of San Bernardino, County Flood Control District, \$120,042.50

Recommendation: Approve Amendment No. 3 to the Settlement Agreement for Incorporation Debt between the County of San Bernardino, the County Flood Control District, and the Town of Yucca Valley, authorizing the Mayor, Town Manager, and the Town Attorney to sign all necessary documents.

186-192 10. General Plan Advisory Committee (GPAC), Roles and Responsibilities, GPAC Application Period

Recommendation: Approve the Roles and Responsibilities of the

General Plan Advisory Committee contained in Attachment “A”, and establish August 23, 2012, as the application deadline to apply to serve on the General Plan Advisory Committee.

193-194 11. Treasurer’s Report for Quarter Ending June 30, 2012

Recommendation: Receive and File the Treasurer’s Report for the fourth Quarter of FY2011-12

195-203 12. Warrant Register, July 24, 2012

Recommendation: Ratify the Warrant Register total of \$574,477.71 for checks dated July 6, 2012 to July 12, 2012. Ratify Payroll Registers total of \$155,119.71 dated July 6, 2012

All items listed on the consent calendar are considered to be routine matters or are considered formal documents covering previous Town Council instruction. The items listed on the consent calendar may be enacted by one motion and a second. There will be no separate discussion of the consent calendar items unless a member of the Town Council or Town Staff requests discussion on specific consent calendar items at the beginning of the meeting. Public requests to comment on consent calendar items should be filed with the Town Clerk/Deputy Town Clerk before the consent calendar is called.

Recommendation: Adopt Consent Agenda (items 2-12-)(roll call vote)

Action: Move _____ 2nd _____ Vote _____

PUBLIC HEARING

204-211 13. Community Outreach Update; Local Revenue Alternatives Discussion

Open Public Hearing

Staff Report

Recommendation: Receive update from the outreach activity conducted by the Town concerning community priorities; and provide direction on potential local revenue measure alternative(s)

Action: Move _____ 2nd _____ Vote _____.

DEPARTMENT REPORTS

212-283 14. Financing, Disposition and Development Agreement for Affordable Senior Housing

Project

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO THE AFFORDABLE HOUSING FINANCING, DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE TOWN AND NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA

Staff Report

Recommendation: Adopt the Resolution approving the Amendment to the Financing, Disposition and Development Agreement between the Town and National Community Renaissance of California (“NCRC”) establishing the terms under which the Town will support development of a seventy-five (75) unit affordable senior housing project; and Authorize the Town Manager, Mayor, and Town Attorney to execute all documents required to support the NCRC Application for Tax Credits as part of a July Tax Credit Allocation submittal;

Action: Move _____ 2nd _____ Vote _____.

FUTURE AGENDA ITEMS

PUBLIC COMMENTS

In order to assist in the orderly and timely conduct of the meeting, the Council takes this time to consider your comments on items of concern which are on the Closed Session or not on the agenda. When you are called to speak, please state your name and community of residence. Notify the Mayor if you wish to be on or off the camera. Please limit your comments to three (3) minutes or less. Inappropriate behavior which disrupts, disturbs or otherwise impedes the orderly conduct of the meeting will result in forfeiture of your public comment privileges. The Town Council is prohibited by State law from taking action or discussing items not included on the printed agenda.

STAFF REPORTS AND COMMENTS

15. Discussion and possible action to address the impacts of the resignation of Council Member Hagerman.

MAYOR AND COUNCIL MEMBER REPORTS AND COMMENTS

16. Council Member Huntington

17. Council Member Lombardo
18. Council Member Abel
19. Mayor Rowe

ANNOUNCEMENTS

Time, date and place for the next Town Council meeting.

6:00 p.m., Tuesday, August 7, 2012, Yucca Valley Community Center Yucca Room

CLOSING ANNOUNCEMENTS

ADJOURNMENT

Yucca Valley Town Council

Meeting Procedures

The Ralph M. Brown Act is the state law which guarantees the public's right to attend and participate in meetings of local legislative bodies. These rules have been adopted by the Town of Yucca Valley Town Council in accordance with the Brown Act, Government Code 54950 et seq., and shall apply at all meetings of the Yucca Valley Town Council, Commissions and Committees.

Agendas - All agendas are posted at Town Hall, 57090 Twentynine Palms Highway, Yucca Valley, at least 72 hours in advance of the meeting. Staff reports related to agenda items may be reviewed at the Town Hall offices located at 57090 Twentynine Palms Highway, Yucca Valley.

Agenda Actions - Items listed on both the "Consent Calendar" and "Items for Discussion" contain suggested actions. The Town Council will generally consider items in the order listed on the agenda. However, items may be considered in any order. Under certain circumstances new agenda items can be added and action taken by two-thirds vote of the Town Council.

Closed Session Agenda Items - Consideration of closed session items, *excludes* members of the public. These items include issues related to personnel, pending litigation, labor negotiations and real estate negotiations. Prior to each closed session, the Mayor will announce the subject matter of the closed session. If final action is taken in closed session, the Mayor shall report the action to the public at the conclusion of the closed session.

Public Testimony on any Item - Members of the public are afforded an opportunity to speak on any listed item. Individuals wishing to address the Town Council should complete a "Request to Speak" form, provided at the rear of the meeting room, and present it to the Town Clerk prior to the Council's consideration of the item. A "Request to Speak" form must be completed for *each* item when an individual wishes to speak. When recognized by the Mayor, speakers should be prepared to step forward and announce their name and address for the record. In the interest of facilitating the business of the Council, speakers are limited to up to three (3) minutes on each item. Additionally, a twelve (12) minute limitation is established for the total amount of time any one individual may address the Council at any one meeting. The Mayor or a majority of the Council may establish a different time limit as appropriate, and parties to agenda items shall not be subject to the time limitations.

The Consent Calendar is considered a single item, thus the three (3) minute rule applies. Consent Calendar items can be pulled at Council member request and will be brought up individually at the specified time in the agenda allowing further public comment on those items.

Agenda Times - The Council is concerned that discussion takes place in a timely and efficient manner. Agendas may be prepared with estimated times for categorical areas and certain topics to be discussed. These times may vary according to the length of presentation and amount of resulting discussion on agenda items.

Public Comment - At the end of the agenda, an opportunity is also provided for members of the public to speak on any subject with Council's authority. *Matters raised under "Public Comment" may not be acted upon at that meeting. The time limits established in Rule #4 still apply.*

Disruptive Conduct - If any meeting of the Council is willfully disrupted by a person or by a group of persons so as to render the orderly conduct of the meeting impossible, the Mayor may recess the meeting or order the person, group or groups of person willfully disrupting the meeting to leave the meeting or to be removed from the meeting. Disruptive conduct includes addressing the Council without first being recognized, not addressing the subject before the Council, repetitiously addressing the same subject, failing to relinquish the podium when requested to do so, or otherwise preventing the Council from conducting its meeting in an orderly manner. *Please be aware that a NO SMOKING policy has been established for all Town of Yucca Valley meetings. Your cooperation is appreciated!*

ACRONYM LIST

ADA	Americans with Disabilities Act
CAFR	Comprehensive Annual Financial Report
CALTRANS	California Department of Transportation
CEQA	California Environmental Quality Act
CCA	Community Center Authority
CDBG	Community Development Block Grant
CHP	California Highway Patrol
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CMP	Congestion Management Program
CNG	Compressed Natural Gas
COP	Certificates of Participation
CPI	Consumer Price Index
ED	Economic Development
EIR	Environmental Impact Report (pursuant to CEQA)
GAAP	Generally Accepted Accounting Procedures
GASB	Governmental Accounting Standards Board
IEEP	Inland Empire Economic Partnership
IIPP	Injury and Illness Prevention Plan
IRC	Internal Revenue Code
LAIF	Local Agency Investment Fund
LLEBG	Local Law Enforcement Block Grant
LTF	Local Transportation Fund
MBTA	Morongo Basin Transit Authority
MBYSA	Morongo Basin Youth Soccer Association
MDAQMD	Mojave Desert Air Quality Management District
MOU	Memorandum of Understanding
MUSD	Morongo Unified School District
PARSAC	Public Agency Risk Sharing Authority of California
PERS	California Public Employees Retirement System
PPA	Prior Period Adjustment
PVEA	Petroleum Violation Escrow Account
RDA	Redevelopment Agency
RSA	Regional Statistical Area
RTP	Regional Transportation Plan
SANBAG	San Bernardino Associated Governments
SCAG	Southern California Association of Governments
STIP	State Transportation Improvement Program
STP	Surface Transportation Program
TEA-21	Transportation Enhancement Act for the 21 st Century
TOT	Transient Occupancy Tax

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Melanie A. Crider, Animal Care & Control Manager
Date: July 12, 2012
For Council Meeting: July 24, 2012

Subject: Annual Animal Food Purchases

Recommendation: That the Town Council:

- Finds that adherence to the Formal Sealed Bid Procedures identified in Chapter 3.12 of the Town Code related to this specific activity would be inefficient, impractical and unnecessary; and
- Waives the formal bidding procedures for this ongoing transaction, and implements the Open Market or Informal Bid Procedure as identified in Chapter 3.12 of the Town Code in its place.

Order of Procedure:

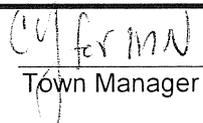
Request Staff Report
Request Public Comment
Council Discussion/Questions of Staff
Motion/Second
Discussion on Motion
Call the Question (Roll Call Vote, Consent Agenda)

Discussion: To feed and care for the impounded animals, the Yucca Valley Animal Shelter staff attempts to balance proper nutrition with product availability and reasonable cost. Currently, the animal shelter uses three vendors, Cowboy Corral, Wal-Mart and Newco Distributors for the purchase of animal food, litter and bedding. Specific purchasing decisions are based upon the availability and cost of required products, and the vendors are polled regularly to ensure price competitiveness

In the Town Code (Chapter 3.12), the purchasing guidelines identify two methods of purchasing supplies:

1. Formal Sealed Bid Procedures – Used for public works projects and for purchase of supplies in excess of \$10,000.

Reviewed By:


Town Manager


Town Attorney


Mgmt Services

jas
Dept Head

<input type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input checked="" type="checkbox"/> Consent	<input checked="" type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

2. Open Market or Informal Bid Procedures – Used for supplies totaling less than \$10,000.

Due to the often limited supply and varying costs of required products, staff recommends that the Town Council waive the formal bidding procedures for these purchases as they would be inefficient, impractical and unnecessary in the current situation. Staff is confident that the Open Market or Informal Bid Procedures will continue to provide a competitive process for the purchase of these supplies.

Alternatives: No other alternative is recommended

Fiscal impact: Any expenditure purchased under this action is limited to the amount of unencumbered appropriation as approved by the Town Council. The FY 2012-13 Adopted Budget provides \$18,000 for these items.

Attachments: Chapter 3.12 of the Town of Yucca Valley's Town Code

CHAPTER 3.12

PURCHASES

SECTION:

- 3.12.010: Adoption Of Purchasing System
- 3.12.020: Centralized Purchasing Division
- 3.12.030: Purchasing Agent
- 3.12.040: Estimate Of Requirements
- 3.12.050: Requisitions
- 3.12.060: Purchase Orders
- 3.12.070: Encumbrance Of Funds
- 3.12.080: Inspection And Testing
- 3.12.090: Bidding Requirements And Procedures
- 3.12.100: Exceptions To Competitive Bidding Requirements
- 3.12.110: Selection Of Contract Services
- 3.12.120: Surplus Supplies And Equipment
- 3.12.130: Alternative Award Procedures
- 3.12.140: Informal Bidding Regulations

3.12.010: **ADOPTION OF PURCHASING SYSTEM:** In order to establish efficient procedures for the purchase of supplies and equipment at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function and to assure the quality of purchases, a purchasing system is hereby adopted. (Ord. 3, 11-27-1991)

3.12.020: **CENTRALIZED PURCHASING DIVISION:**

- A. Division Created: There is created a centralized purchasing division in which is vested authority for the purchase of supplies and equipment.
- B. Exemptions From Centralized Purchasing: The town manager may authorize, in writing, any department to purchase specified supplies and equipment independently of the purchasing division; but he shall

require that such purchases shall be made in conformity with the procedures established by this chapter and shall further require periodic reports from the department on the purchases made under such written authorization. (Ord. 3, 11-27-1991)

3.12.030: **PURCHASING AGENT:**

- A. **Position Created:** There is created the position of purchasing agent, who may also be known as the "purchasing officer". He shall be appointed by the finance director, subject to the approval of the town manager. (Ord. 132, 8-22-2002)
- B. **Duties And Authority:** The purchasing agent shall be the head and have general supervision of the purchasing division. The duties of purchasing agent may be combined with those of any other office or position. The purchasing agent shall have the authority to:
1. Purchase or contract for supplies and equipment required by any using agency in accordance with purchasing procedures prescribed in this chapter, such administrative regulations as the purchasing agent shall adopt for the internal management and operation of the purchasing division and such other rules and regulations as shall be prescribed by the town council or the town manager;
 2. Negotiate and recommend execution of contracts for the purchase of supplies and equipment;
 3. Act to procure for the town the needed quality in supplies and equipment at least expense to the town;
 4. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;
 5. Prepare and recommend to the town council rules governing the purchase of supplies and equipment for the town;
 6. Prepare and recommend revisions and amendments to the purchasing rules;
 7. Keep informed of current developments in the field of purchasing, prices, market conditions and new products;
 8. Prescribe and maintain such forms as are reasonably necessary for the operation of this chapter and other rules and regulations;

9. Supervise the inspection of all supplies and equipment purchased to ensure conformance with specifications;

10. Recommend the transfer of surplus or unused supplies and equipment between departments as needed;

11. Maintain an approved vendors list, vendors catalogue file and records needed for the efficient operation of the purchasing division.

C. Purchasing Regulations: The purchasing agent shall be responsible for determining that the regulations and procedures in Sections 3.12.050 through 3.12.110 of this Chapter are carried out. (Ord. 3, 11-27-1991)

3.12.040: **ESTIMATE OF REQUIREMENTS:** All using departments shall file detailed estimates of their requirements in supplies and equipment in such manner, at such time and for such future periods as the purchasing agent shall prescribe. (Ord. 3, 11-27-1991)

3.12.050: **REQUISITIONS:** Using departments shall submit requests for supplies and equipment to the purchasing agent by standard requisition forms, or by other means as may be established by the purchasing rules and regulations. (Ord. 3, 11-27-1991)

3.12.060: **PURCHASE ORDERS:** Purchases of supplies and equipment shall be made only by purchase orders. Except as otherwise provided herein, no purchase order shall be issued unless the prior approval of the purchasing agent or his designated representative has been obtained. (Ord. 3, 11-27-1991)

3.12.070: **ENCUMBRANCE OF FUNDS:** Except in cases of emergency, the purchasing agent shall not issue any purchase order for supplies or equipment unless there exists an unencumbered appropriation in the fund account against which said purchase is to be charged. (Ord. 3, 11-27-1991)

3.12.080: **INSPECTION AND TESTING:** The purchasing agent shall, in his discretion, inspect supplies and equipment delivered to determine their conformance with the specifications set forth in the order.

The purchasing agent shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications. (Ord. 3, 11-27-1991)

3.12.090: BIDDING REQUIREMENTS AND PROCEDURES: Purchases of supplies and equipment shall be by bid procedures pursuant to this Section. Bidding may be dispensed with only under conditions stated in Section 3.12.100 of this Chapter.

- A. **Formal Sealed Bid Procedures:** Except as otherwise provided herein, public projects which exceed five thousand dollars (\$5,000.00), as defined in California Public Contracts Code section 20162, and purchases of supplies and equipment of an estimated value greater than ten thousand dollars (\$10,000.00), shall be awarded to the lowest responsible bidder pursuant to the formal bid procedure as hereinafter prescribed.
- B. **Notice Inviting Formal Bids:** Notices inviting formal bids shall include a general description of the article or service desired, shall state where bid documents and specifications may be secured, and the time and place for opening bids.
- C. **Published Notice For Formal Bids:** Notices inviting formal bids shall be published at least ten (10) days prior to the date of opening of the bids. Notices shall be published at least once for nonpublic projects and at least twice, not less than five (5) days apart, for public projects, in a newspaper of general circulation in the Town.
- D. **Approved Vendors List:** The purchasing agent shall also solicit formal sealed bids from responsible suppliers whose names are on the approved vendors list, or who have made written request that their names be added thereto.
- E. **Bulletin Board Notice:** The purchasing agent shall advertise the pending formal purchases by posting a notice on the public bulletin board at the Town offices.
- F. **Bidder's Security:** When a public project is involved, and in other cases when deemed necessary by the purchasing agent, formal bids shall be accompanied by security, either cash, cashier's check, certified check or surety bond, in a sum equal to ten percent (10%) of the total aggregate of the bid, and shall be designated in the notice inviting bids. Bidders shall be entitled to return of bid security;

provided, however, that a successful bidder shall forfeit his bid security upon his refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed, unless the Town is solely responsible for the delay in executing the contract. The Town Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder who is willing to execute the contract, or may reject all bids and readvertise.

- G. Formal Bond Requirements: A faithful performance bond and labor and material bond shall be required for all public projects, unless waived by the Town Council, in an amount reasonably necessary to protect the best interests of the Town. In addition, the Town Council shall have authority to require a faithful performance bond or other bonds before entering into a contract other than a public project contract. If bonds are required, the form and amount thereof shall be designated in the notice inviting bids.
- H. Formal Bid Opening Procedure: Sealed bids shall be submitted to the purchasing agent and shall be identified as "bids" on the envelope. The purchasing officer, or designee, shall publicly open all bids at the time and place stated in the public notices. A tabulation of all bids received shall be available for public inspection in the purchasing office during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.
- I. Rejection Of Formal Bids: In its discretion, the Town Council may reject any and all bids presented and may cause readvertising for bids pursuant to the procedure hereinabove prescribed. However, when all bids exceed the authorized budgeted amount, the Town Manager may authorize rejection of all bids and authorize rebidding based upon the original specifications or as they may be modified, in accordance with procedures prescribed herein.
- J. Award Of Formal Bid Contracts: Except as otherwise provided herein, formal bid contracts shall be awarded by the Town Council to the lowest responsible bidder. The determination of "lowest responsible bidder" shall be at the discretion of the Town Council pursuant to findings and recommendations presented by the purchasing agent at the time of award of contract.
- K. Tie Formal Bids: If two (2) or more formal bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the Town Council may in its discretion accept the one it chooses or

accept the lowest bid made by and after negotiation with the tie bidders at the time of the bid opening or award of contract.

L. No Formal Bids Received: When no formal bids or no responsive bids are received, the purchasing officer is authorized to negotiate for written proposals, and his recommendation shall be presented to the Town Manager and award, if any, shall be made in accordance with applicable provisions prescribed herein.

M. Open Market Or Informal Bid Procedure:

1. Allowed: Purchases of supplies and equipment of an estimated value in the amount of ten thousand dollars (\$10,000.00) or less may be made by the purchasing agent in the open market pursuant to the procedure prescribed in this subsection, and without observing the procedure prescribed in subsection A of this Section; provided, however, all bidding may be dispensed with for purchases of supplies and equipment having a total estimated value of less than one thousand dollars (\$1,000.00).

2. Minimum Number Of Informal Bids: Open market purchases shall, wherever possible, be based on at least three (3) informal bids, and shall be awarded to the bidder offering the most advantageous bid to the Town after consideration of price, quality, durability, servicing, delivery time, standardization and other factors.

3. Notice Inviting Informal Bids: The purchasing agent shall solicit informal bids by written requests to prospective vendors, or by telephone, or by public notice posted on a public bulletin board at the Town offices.

4. Record Of Informal Bids: The purchasing agent shall keep a written record of all open market purchases and informal bids for a period of one year. This record, while so kept, shall be open to public inspection. (Ord. 3, 11-27-1991)

3.12.100: **EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENTS:** Notwithstanding any provision of this Chapter to the contrary, the competitive bidding procedures and requirements may be dispensed with in any of the following instances:

A. When the estimated amount involved is less than ten thousand dollars (\$10,000.00);

- B. When the commodity can be obtained from only one vendor;
- C. The Town Manager may authorize the purchase of materials, supplies, equipment and services where an emergency is deemed to exist and it is determined that service involving the public health, safety or welfare would be interrupted if the normal procedure were followed. All emergency purchases, which would otherwise require formal bidding procedures, made pursuant to this Section shall be submitted to the Town Council for ratification at the next regular Council meeting after the purchase is authorized;
- D. The Town Council may authorize the execution of contracts for personal services, for professional and consultant services, and for other nonpublic projects and for contractual services without observing the bidding procedures provided herein where the amount of the contract exceeds the value set forth therein;
- E. The Town Manager is authorized to enter into contracts for personal services, for professional and consulting services and for other contractual services without observing the bidding procedure provided herein where the amount of the contract does not exceed the amount of twenty five thousand dollars (\$25,000.00); provided there exists an unencumbered appropriation in the fund account against which said expense is to be charged;
- F. Any agreement involving acquisition of supplies, equipment or service entered into with another governmental entity;
- G. When the Town Council finds that adherence to the procedures in this Chapter would be inefficient, impractical and unnecessary;
- H. The Town Council may authorize the execution of a lease or leases for office space for the Town government without observing the bidding procedures provided herein irrespective of the term of the lease or leases or the amount of rent and other charges to be paid by the Town under the lease or leases. (Ord. 3, 11-27-1991)

3.12.110: **SELECTION OF CONTRACT SERVICES:** The Town Council shall, by resolution, prescribe procedures, rules and regulations governing the solicitation, selection and award of proposals or bids for the furnishing of personal services or professional or consulting services or for other contractual services, the contracts for which may be awarded without observing the bidding procedures provided for in this Chapter. Such procedures, rules and regulations shall have as one purpose

the obtaining of contractual services of the highest quality together with cost effectiveness. (Ord. 3, 11-27-1991)

3.12.120: SURPLUS SUPPLIES AND EQUIPMENT:

- A. Reports Of Surplus: All using departments shall submit to the purchasing agent, at such times and in such forms as he shall prescribe, reports showing all supplies and equipment which are no longer used or which have become obsolete and worn out.
- B. Trade-Ins: The purchasing agent shall have authority to exchange for or trade-in on new supplies and equipment all supplies and equipment which cannot be used by any department or which have become unsuitable for Town use.
- C. Sale: The purchasing agent shall also have authority, subject to approval of the Town Manager, to dispose of surplus supplies or equipment by auction or by sale or otherwise after receiving bids or proposals which, in his judgement, provide the maximum return to the Town. (Ord. 3, 11-27-1991)

3.12.130: ALTERNATIVE AWARD PROCEDURES: Notwithstanding subsection 3.12.090A of this Chapter, from and after such time as the Town Council has adopted a resolution electing to make the Town subject to the uniform construction cost accounting procedures set forth in California Public Contract Code article 2 (commencing with section 22010) of chapter 2 of part 3 of division 2, and has notified the State Controller of such election, the Town Council may utilize the alternative procedures for the award of public project bids set forth in California Public Contract Code article 3 (commencing with section 22030) of chapter 2 of part 3 of division 2. When utilizing the alternative procedures authorized by this Section for public projects as to which formal bidding procedures are not required, the provisions of Section 3.12.140 of this Chapter shall be complied with. (Ord. 3, 11-27-1991)

3.12.140: INFORMAL BIDDING REGULATIONS: Pursuant to California Public Contract Code section 22032, when utilizing the alternative procedures authorized by Section 3.12.130 of this Chapter, the following provision shall apply to public projects for which formal bidding procedures are not required:

- A. Public projects of twenty five thousand dollars (\$25,000.00) or less may be performed by employees of the Town by force account, by negotiated contract or by purchase order.
- B. Public projects of seventy five thousand dollars (\$75,000.00) or less may be let to contract by the informal bidding procedures set forth in subsection C of this Section. Notwithstanding the foregoing, if all bids received are in excess of seventy five thousand dollars (\$75,000.00), the Town Council may, by passage of a resolution by a four-fifths ($\frac{4}{5}$) affirmative vote, award the contract at eighty thousand dollars (\$80,000.00) or less to the lowest responsible bidder if the Town Council determines that the Town's original cost estimate for the project was reasonable pursuant to California Public Contract Code section 22034(f).
- C. The following provisions shall be complied with in selecting contractors to perform public projects pursuant to this Section:
1. The purchasing agent shall maintain a list of qualified contractors, identified according to categories of work. The list shall be developed and maintained in accordance with criteria established for such lists by the California Uniform Construction Cost Accounting Commission.
 2. Each contractor on the list for the category or work being bid, and/or all construction trade journals specified by the above Commission to receive mailed notice of all informal and formal construction contracts being bid for work in San Bernardino County, as determined by the purchasing agent, shall be mailed a notice inviting informal bids unless the product or service is proprietary.
 3. All mailings of notices to contractors and construction trade journals pursuant to subsection C2 of this Section shall be completed not less than ten (10) calendar days before bids would be due pursuant to such notice.
 4. Each notice inviting informal bids shall describe the project in general terms, state how to obtain more detailed information about the project, and specify the time and place for submission of bids. (Ord. 3, 11-27-1991)

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: July 17, 2012
For Council Meeting: July 24, 2012

Subject: Access Road Property
Hi Desert Rod & Gun Club
Assessor Parcel No. 0585-241-16
Transfer of Property

Prior Council Review: There has been no prior review of this item.

Recommendation: That the Town Council, as the successor Agency to the Yucca Valley Recreation and Park District, approves the transfer of property identified as APN 0585-41-16, to the Hi Desert Rod & Gun Club, authoring the Town Manager to sign all documents necessary to complete the transfer.

Executive Summary: The Hi Desert Rod and Gun Club was part of the Yucca Valley Recreation and Park District prior to September 29, 1988, when the park functions were transferred to the Morongo Valley CSD. The Morongo Valley CSD sold the property to the Hi Desert Rod and Gun Club in 2009.

The main site property was transferred to the Morongo Valley CSD following incorporation, but a small acre parcel, which is the access road, was not transferred in those previous processes.

The Town Council approval will result in the property being transferred to the Hi Desert Rod and Gun Club.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Discussion: The Town received a request to transfer ownership of APN No. 0585-241-16 to the Hi Desert Rod and Gun Club.

Reviewed By:	 Town Manager	 Town Attorney	 Mgmt Services	SRS Dept Head
--------------	---	--	---	------------------

<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input checked="" type="checkbox"/> Consent	<input checked="" type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

The parcel is not located within the Town of Yucca Valley, and the parcel encompasses the road access from SR 62 to the Hi Desert Rod and Gun Club in Morongo Valley.

The Hi Desert Rod and Gun Club was part of the Yucca Valley Recreation and Park District prior to September 29, 1988, when the park functions were transferred to the Morongo Valley CSD. The Morongo Valley CSD sold the property to the Hi Desert Rod and Gun Club in 2009.

The main site property was transferred to the Morongo Valley CSD following incorporation, but a small acre parcel, which is the access road, was not transferred in those previous processes.

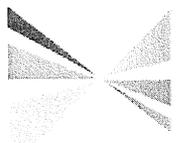
The Town Council approval will result in the property being transferred to the Hi Desert Rod and Gun Club.

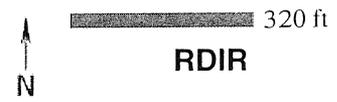
Alternatives: Staff recommends no alternative actions. The recommendation is consistent with prior actions and LAFCOs incorporation approvals.

Fiscal impact: NA

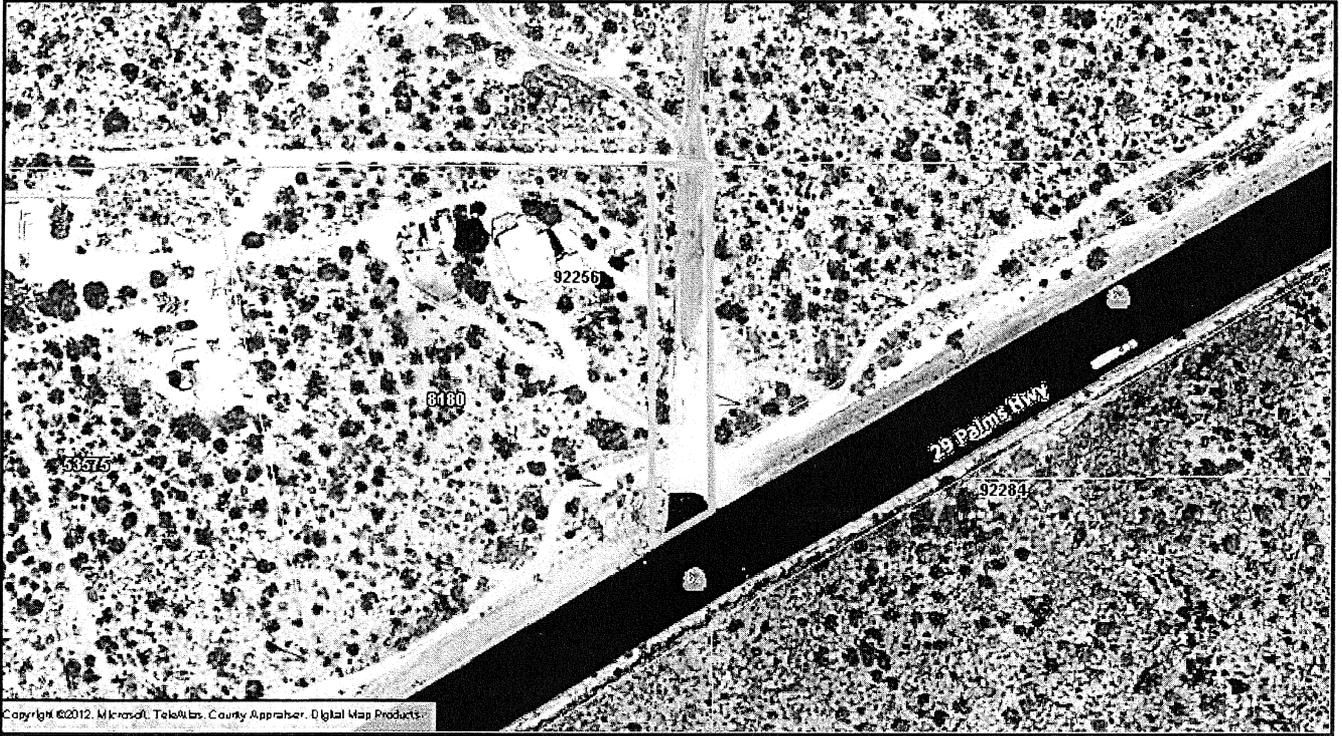
Attachments: Historical Information
Assessor Parcel Map
Legal Description



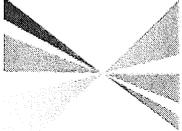
SOUTHERN CALIFORNIA

ASSOCIATION of
GOVERNMENTS



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SOUTHERN CALIFORNIA



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 - Estimate Your Tax Bills
 - Mello-Roos and Bonds
- Understanding Your Tax Bill
- New Homeowner Information
- Important Dates
- Mobile Home Tax Clearance
- Tax Relief Programs
- Tax Sale Information
- Transient Occupancy Tax
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- Frequently Asked Questions
- Meet Your Treasurer-Tax Collector
- About Us
- Contact Us
- E-Mail Subscription Service
- SBCounty.gov

Tax Collector » Owner History for Parcel 0585-241-16-0000

Name	Owner Status	Percent Ownership	Relationship	Document Number	Recording Date	Acquire Date	Roll Year
TOWN OF YUCCA VALLEY	Present Owner	100%	SOLE OWNER	1993051900002	1993/05/19	1993/05/19	
YUCCA VALLEY PARK AND RECREATION DIS	Past Owner	0%	SOLE OWNER	0000000000000			

[Click here](#) for a printer friendly version of this page.

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Property Profile

CA

Property Information

Owner(s)	Yucca Valley Park & Recreation Dis	Parcel #	0585-241-16-0000
Property	, CA	Map Coord	176-E4
Mailing Addr		Census Tract	0104.13
		County	San Bernardino
		Owner Phone	

Road

Legal
 E 60 FT OF THE FOL DESC PTN SEC 7 TP 1S R 5E COM AT A PT WHICH IS INTERSECTION C/L TWENTYNINE PALMS HGWY AND SWLY LI PAR OF LAND DESC AS PAR NO 1 IN DEED TO LOUIS D COVITT RECORDED 2/4/47 NO 28 IN BK 1976 PG 296 OFFICIAL RECORDS TH N 58 DEG 48 MIN 30SECONDS E ALG SD C/L 1820 FT TO TRUE POB TH N 31 DEG 11 MIN 30 SECONDS W 713.63 FT M/L TO A PT IN NLY LI SD SEC 7 TH N 89 DEG 48 MIN 00 SECONDSE ALG SD SEC LI 696.93 FT M/L TO NE COR SD SEC 7 TH S 0 DEG 12 MIN 00 SECONDS E ALG ELY LI SD SEC 41 3.85 FT M/L TO A PT IN C/L SD TWENTYNINE PALMS HGWY TH S 58 DEG 48 MIN 30 SECONDS W ALG SD C/L 384.34 FT M/L TO POB EX HWY.

Lot Number		Tract Number	
Block		Subdivision	

Characteristics

Use	Vacant Land (nec)	Year Built		Sq. Feet	
Zoning		Lot Size		# of units	
Bedrooms		Bathrooms		Fireplace	
#Rooms		Quality		Heating	
Pool/Spa	N	Air	N	Style	
Stories		Improvements		Parking	
Flood					

Attributes
 Other

Property Sale Information

Sale Date		\$/Sq. Ft.		2nd Mtg.	
Sale Price		1st Loan		Prior Sale Amt.	
Doc No.		Loan Type		Prior Sale Dt.	
Doc Type		Xfer Date		Prior Doc No.	
Seller		Lender		Prior Doc Type	

Tax Information

Imp Value		Exemption	
Land Value		Tax/Area	/94087
Total Value		Tax Value	
Tax Amount		Improved	

Information compiled from various sources and is deemed reliable but not guaranteed.

ROAD

1964 Deed
P. 1 OF 1

mel

Under Number	531	RECORDED REQUEST #	BOOK 6135 PAGE 593
Grantee Number		GRANTEE	
RECORDING REQUESTED BY		APR 24 9 14 AM '64	
WHEN RECORDED, PLEASE MAIL TO		BOOK 6135 PAGE 593	
Yucca Valley Park and Recreation Dist. P.O. Box 666 Yucca Valley, California, 92284		OFFICIAL RECORDS SAN BERNARDINO COUNTY, CALIF. <i>Let Carpenter</i>	

Grantor:
Knight, Quimette,
Grantee
Y. Valley,
Park & Rec
Dist

No U.S.L.R. Stamps are affixed hereto as the consideration herefor does not exceed \$100.00.

Grant Deed

531

VIRGIL R. KNIGHT and BEATRICE L. KNIGHT, husband and wife, and
CHARLES F. QUIMETTE and ELEANOR C. QUIMETTE, husband and wife,

For a Valuable Consideration, the receipt of which is hereby acknowledged, do hereby
GRANT to YUCCA VALLEY PARK AND RECREATION DISTRICT,

all that real property situated in the County of San Bernardino, State of California, described as follows:
The East 60 feet of the following-described property:

A portion of Section 7, Township 1 South, Range 5 East, San Bernardino Meridian, according to the official plat of said land filed in the District Land Office February 16, 1904, described as follows:

BEGINNING at a point which is the intersection of the center line of the Twentynine Palms Highway, as shown on the Map of Records of Survey Book 5, Page 13, records of said County, and the South-westerly line of that parcel of land described as Parcel 1 in deed to Louis D. Covitt, recorded February 4, 1947 in Book 1976 of Official Records, Page 296, records of said County; thence North 58° 48' 30" East along said center line 1.820 feet to the true point of beginning; thence North 31° 11' 30" West 713.63 feet, more or less, to a point in the Northerly line of said Section 7; thence North 89° 48' 0" East along said Section line 696.93 feet, more or less, to the Northeast corner of said Section 7; thence South 0° 12' 0" East along the Easterly line of said Section 7, 113.85 feet, more or less, to a point on the center line of said Twentynine Palms Highway; thence South 58° 48' 30" West along said center line 384.34 feet, more or less, to the true point of beginning.

- SUBJECT TO:
1. All General and Special Taxes for the fiscal year 1964-1965.
 2. Covenants, conditions, and restrictions; and rights, rights of way, easements for public utilities, water companies, alleys and streets; now of record, if any.

Dated: APRIL 9, 1964

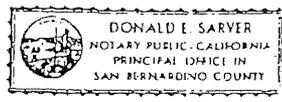
Virgil R. Knight
Virgil R. Knight
Beatrice L. Knight
Beatrice L. Knight
Charles F. Quimette
Charles F. Quimette
Eleanor C. Quimette
Eleanor C. Quimette

STATE OF CALIFORNIA }
COUNTY OF San Bernardino } ss.

On April 9, 1964 before me, the undersigned, a Notary Public in and for said State, personally appeared Virgil R. Knight, Beatrice L. Knight, Charles F. Quimette and Eleanor C. Quimette, known to me to be the person whose name is subscribed to the within instrument and acknowledged that they executed the same.

Witness my hand and official seal.

(Seal)
3432
L.S.F. 2264 1-27 P.S.



Donald E. Sarver
DONALD E. SARVER
NOTARY PUBLIC IN AND FOR
THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
(My Commission Expires March 2, 1966
(Name - Typed or Printed)
Notary Public in and for said State

THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY.

BILL POSTUMUS, Assessor

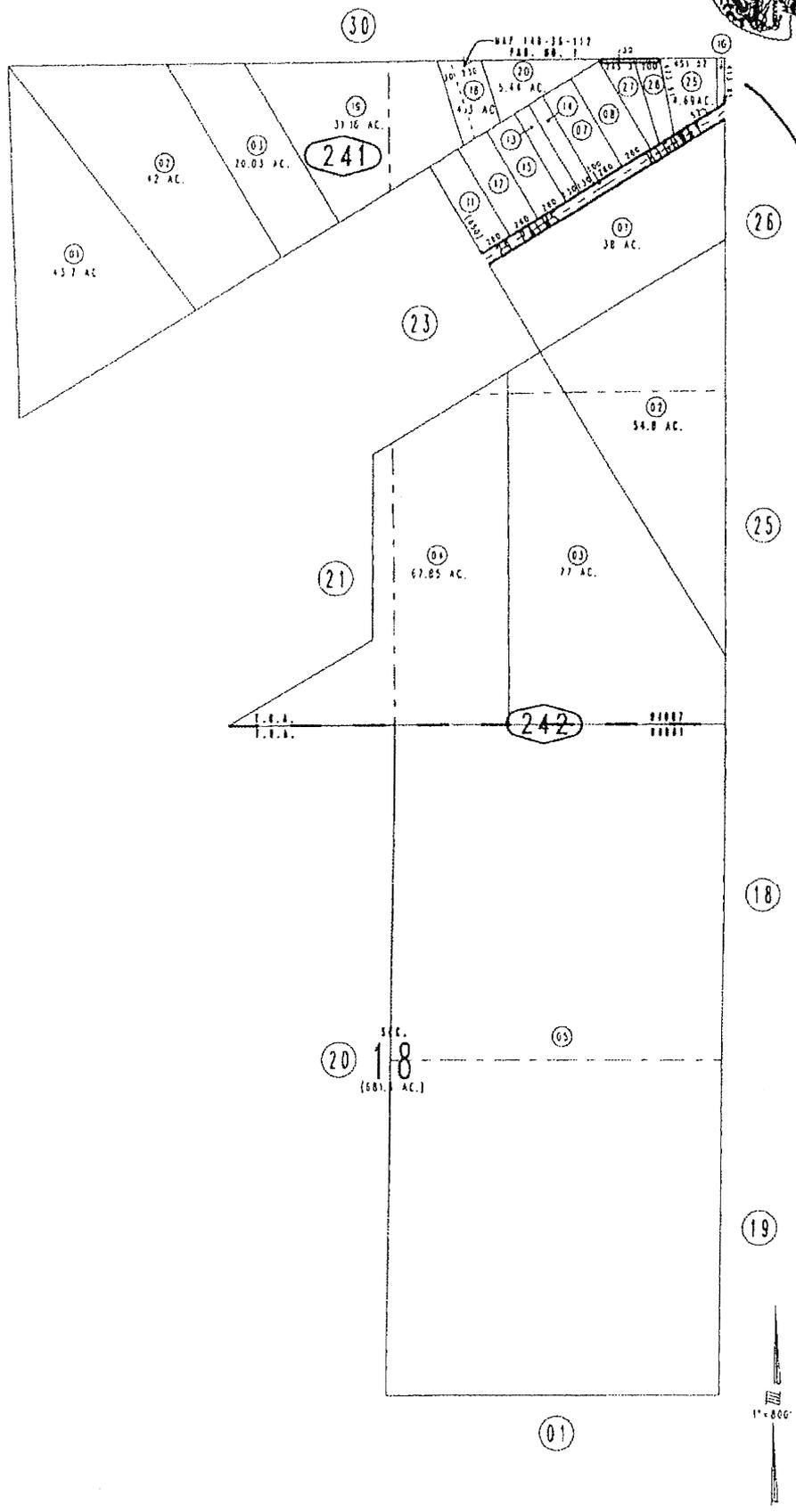
Ptn. Fractional Sec. 7, E.1/2 Fractional Sec. 18, T.1S., R.5E., S.B.B. & M.

Morongo United
Tax Rate Area
94041, 94087

0585 - 24



APPN 0585-241-14 = 1964 Deed (plus 25 APPN)



0580
22

March 2005

Assessor's Map
Book 0585 Page 24
San Bernardino County

REVISED
08/17/08 14

EXHIBIT "A"

THE EAST 60.00 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF SECTION 7, TOWNSHIP 1 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED IN THE DISTRICT LAND OFFICE FEBRUARY 16, 1904, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS THE INTERSECTION OF THE CENTERLINE OF THE TWENTYNINE PALMS HIGHWAY, AS SHOWN ON THE MAP OF RECORDS OF SURVEY BOOK 5, PAGE 13, RECORDS OF SAN BERNARDINO COUNTY, AND THE SOUTHWESTERLY LINE OF THAT PARCEL OF LAND DESCRIBED AS PARCEL 1 IN DEED TO LOUIS D. COVITT, RECORDED FEBRUARY 4, 1947 IN BOOK 1976 OF OFFICIAL RECORDS, PAGE 296, RECORDS OF SAN BERNARDINO COUNTY;

THENCE NORTH 58°48'30" EAST 1820 FEET ALONG SAID CENTERLINE TO THE **TRUE POINT OF BEGINNING**;

THENCE NORTH 31°11'30" WEST 713.63 FEET, MORE OF LESS, TO A POINT IN THE NORTHERLY LINE OF SAID SECTION 7;

THENCE NORTH 89°48'00" EAST 696.93 FEET, MORE OR LESS, ALONG SAID SECTION LINE, TO THE NORTHEAST CORNER OF SAID SECTION 7;

THENCE SOUTH 00°12'00" EAST 413.85 FEET, MORE OR LESS, ALONG THE EASTERLY LINE OF SAID SECTION 7, TO A POINT ON THE CENTERLINE OF SAID TWENTYNINE PALMS HIGHWAY;

THENCE SOUTH 58°48'30" WEST 384.34 FEET, MORE OR LESS, ALONG SAID CENTERLINE TO THE **TRUE POINT OF BEGINNING**;

EXCEPTING THEREFROM THAT PORTION GRANTED TO THE STATE OF CALIFORNIA IN GRANT DEED RECORDED FEBRUARY 11, 2000 AS INSTRUMENT NO. 2000-0048839.



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council
From: Shane R. Stueckle, Community Development Director
Date: November 9, 1998
For Council Meeting: November 19, 1998

Subject: Yucca Valley Recreation & Park District Board Action, September 17, 1992
Disposition of Yucca Park to Morongo Community Services District

Recommendation: That the Town Council move to approve the disposition of certain public property, as successor agency to the Yucca Valley Recreation & Park District, identified as Assessor Parcel Number 585-301-09, including all attached property and appurtenances, to the Morongo Community Services District, authorizing the Mayor, Town Manager, and Town Attorney to sign the quitclaim deed.

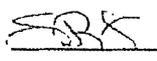
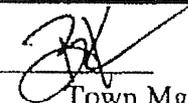
Order of Procedure:

1. Request staff report.
2. Any Council questions of staff?
3. Request public comment (pro and con if you wish).
4. Council discussion.
5. Council action.

Policy Discussion: The Local Agency Formation Commission (LAFCO) approval of the Town's incorporation was conditioned upon several necessary actions. One of the conditioned actions included the transfer of ownership of Yucca Park (the shooting range park in Morongo Valley) to the Morongo Valley Community Services District. The property originally was owned by the Yucca Valley Recreation & Park District, which was assumed by the Town of Yucca Valley on July 1, 1992.

Issues to Consider: What actions are necessary to comply with LAFCO Resolution No. 2159?

Background and analysis: On September 17, 1992, the Yucca Valley Recreation & Park District Board of Directors approved the disposition of Yucca Park to the Morongo Valley Community Services District, and the quitclaim deed was forwarded to the County for recording, as required by LAFCO.

Approved: _____  _____ 
 Finance Department Attorney Town Mgr

- Department Report
 Request of other Agency
 Ordinance
 Study Session
 Consent
 Presentation
 Resolution
 Public Hearing

Recently, Town Engineering staff was contacted by Caltrans, which is attempting to obtain right of way for the widening of SR 62 from La Honda Way west into Morongo Valley. Caltrans property ownership research indicates that the Town of Yucca Valley is the current owner of Yucca Park, even though previous action was taken to dispose of the property. Neither County nor Morongo Valley C.S.D. staff have been able to locate the quitclaim deed, and are unsure as to why its recordation did not occur. Because the County cannot locate their records on this action, the Town must again take the necessary action to comply with the LAFCO requirement to dispose of Yucca Park.

Therefore, this is a clean-up item that implements LAFCO Resolution No. 2159, and eliminates the Town's liability as owner of the property.

Alternatives: No alternatives are recommended. This action is necessary to comply with LAFCO's approval of the Town's incorporation.

Fiscal impact: The Town incurs no costs related to this action, other than staff time and materials related to preparation of the staff report and quitclaim deed.

Attachments: Quitclaim Deed
September 17, 1992, Board Staff Report

Previously Reviewed By: Town Manager
Town Attorney
Administrative Services Director

F:\COMMON\COMMONSTAFFREP\GUNPARK.WPD

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENT TO:

Name

Street Address

City & State Zip

Title Order No. _____ Escrow No. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

T 360 LEGAL (1-94)

Quitclaim Deed

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$ -0-

_____ unincorporated area City of _____

Parcel No. _____

computed on full value of property conveyed, or

computed on full value less value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Town of Yucca Valley, a municipal corporation, successor in interest to Yucca Valley Recreation and Park District who acquired title as Yucca Valley Park and Recreation District hereby REMISE, RELEASE AND FOREVER QUITCLAIM to Morongo Valley Community Services District of the County of San Bernardino

the following described real property in the county of San Bernardino, state of California:

The Southeast one-quarter of the Southeast one-quarter of Section 6, Township 1 South, Range 5 East, San Bernardino Meridian.

TOWN OF YUCCA VALLEY

Dated _____

By: _____

STATE OF CALIFORNIA }
COUNTY OF _____ } S.S.

On _____ before me,

_____ a Notary Public in and for said County and State, personally appeared

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.

WITNESS my hand and official seal

Signature _____

(This area for official notarial seal)

015

GRANTOR TYU
 Committee St. of Calif

Recorded in Official Records, County of
 San Bernardino, Larry Walker, Recorder

No Fee

Doc No. 20000048839
 2:59pm 02/11/00

RECORDING REQUESTED BY
 RECORDING REQUESTED BY

When Recorded Moll To
 STATE OF CALIFORNIA
 DEPARTMENT OF TRANSPORTATION
 464 W. 4th STREET, 9th FLOOR
 SAN BERNARDINO, CA 02401-1400

APN: 0585-241-16
 Attention David Buzon - R/W

200 30182001 00 10

1	2	3	4	5	6	7	8	9	10
PG	EST	AVT	GMS	PH CPT	CRY CPT	ADD AM	FEM PR	FEES	
30									
NON ST	IN	SVT	EXT CO	TRANS TAX	DA	CHRD	EXAM		

Space above this line for Recorder's Use

GRANT DEED
 (CORPORATION)

District	County	Route	Post	Number
08	SBd	62	7.6	15801

THE TOWN OF YUCCA VALLEY

a corporation organized and existing under and by virtue of the laws of the State of _____

_____ does hereby GRANT to the STATE OF CALIFORNIA all that real
 property in the _____, County of _____ San Bernardino _____

State of California, described as:

That portion of Section 7, Township 1 South, Range 5 East, San Bernardino Base and Meridian, in the County of San Bernardino, State of California, according to the Government Survey, conveyed in a deed to Yucca Valley Park and Recreation District recorded April 24, 1964, in Book 6135, Page 593 of Official Records in the office of the County Recorder of said County lying Southeasterly of the following described line:

COMMENCING at a 1" iron pipe with a brass cap stamped "U.S. Glo Survey WC 1942", Section 7, Township 1 South, Range 5 East, County of San Bernardino, which bears South 02°56'23" East, 787.355 meters along said Westerly line from the Northwest corner of said section; thence

08-SBd-62-7.6-15801 (15801-1) (Continued)

STATE BUSINESS: FREE
 to certify that this document is prepared for record by the State of California under Government Code Section 27363 and is necessary to complete the chain of title of the State to property acquired by the State of California.

By _____

Form BR 6 (10) (Revised 4-85)

South 02°56'23" East, 0.402 meters, thence South 00°39'27" East, 340.642 meters to the Northwesterly right of way line of Twentynine Palms Highway, as said Highway is shown on Record of Survey Map recorded in Book 5, Page 13, recorded in said County; thence along said right of way line North 58°00'27" East, 759.680 meters to the TRUE POINT OF BEGINNING; thence leaving said right of way line North 31°59'33" West, 10.463 meters; thence North 58°01'31" East, 52.492 meters; thence along a tangent curve to the left, having a radius of 6,475 meters, through a central angle of 00°13'15", an arc distance of 24.946 meters; thence North 57°48'16" East, 879.709 meters; thence along a tangent curve to the right having a radius of 6,125 meters, through a central angle of 00°23'24", an arc distance of 41.686 meters; thence North 58°11'40" East, 200.195 meters; thence along a tangent curve to the right having a radius of 6,125 meters, through a central angle of 00°37'23", an arc distance of 66.620 meters to the POINT OF TERMINUS, bearing South 01°14'38" East, 93.986 meters from a 2" iron pipe with brass disk stamped "WBH LS 2091, 1961" marking the Northeast corner of said section.

The bearings and distances used in the above description are on the California Coordinate System of 1983, Zone 5. Multiply all distances used in the above description by 1.000154764 to obtain ground level distances.

08-SBd-62-7.6-15801 (15801-1)

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature J. D. McCollom
Professional Land Surveyor

Date 8/5/98



The grantor further understands that the present intention of the grantee is to construct and maintain a public highway on the lands hereby conveyed in fee and the grantor, for itself, its successors and assigns, hereby waives any claims for any and all damages to grantor's remaining property contiguous to the property hereby conveyed by reason of the location, construction, landscaping or maintenance of said highway.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this 31th day of November, 1999.

The Town of Yucca Valley

By [Signature] Town Manager
 Brad Kiger
 Town Manager
 By _____ Secretary

[CORPORATE SEAL]

STATE OF CALIFORNIA }
 County of San Bernardino } SS

PERSONAL ACKNOWLEDGMENT

On this the 13th day of October, 1999, before me, Janet M. Anderson, Notary Public,
 Name, Title of Office-E.G., "Jane Doe, Notary Public"

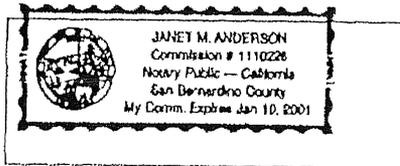
personally appeared Brad Kiger, Town Manager
 Name(s) of Signer(s)

personally known to me
 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 Brad Kiger
 executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the
 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
 Notary Public's signature in and for said County and State)



(For notary seal or stamp)

THIS IS TO CERTIFY, That the State of California, acting by and through the Department of Transportation (pursuant to Government Code Section 27281), hereby accepts for public purposes the real property described in the within deed and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand

this 10 day of JANUARY, 2000 JOSE MEDINA

Director of Transportation

By [Signature]
 Attorney in Fact
 LINDA L. WILFORD
 Right of Way Project Delivery Manager
 San Bernardino Office
 Southern R/W Region

To: Board of Directors, Yucca Valley Recreation & Park District
From: Jim Schooler, Recreation Manager
Date: September 11, 1992
For Board of Directors Meeting: September 17, 1992

Subject: Disposition of Yucca Park Grant Deed to Morongo Valley C.S.D.

Recommendation: Move to sign the Quit Claim Deed transferring all right, title and interest in Yucca Park (APN #585-301-09) including all attached property and appurtenances to Morongo Valley Community Services District.

Order of Procedure:

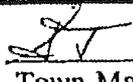
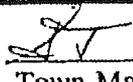
1. Request staff report.
2. Any council questions of staff?
3. Request public comment (pro and con if you wish).
4. Council discussion.
5. Council action.

Background and analysis: Yucca Park was conveyed by patent from the United States of America to Yucca Valley Park and Recreation District, recorded May 15, 1963.

LAFCO Resolution No. 2159 directed the transfer of ownership of the park, its improvements and appurtenant structures to the Morongo Valley Community Services District (CSD) as a result of their finding that the Park fell within the CSD's sphere of influence.

According to the General Manager of the Morongo Valley CSD at the time, a Certificate of Completion of this transfer was filed on September 29, 1988. Since that time, the Morongo Valley CSD has maintained and operated the park.

In May of 1992, Interim Town Manager Lyle Alberg received notice from the San Bernardino County Real Estate Services Department that a grant deed conveying the park from the Yucca Valley Park and Recreation District to the Morongo Valley CSD is necessary to complete the transfer.

Approved:	 _____ Finance	 _____ Department	 _____ Attorney	 _____ Town Mgr
-----------	---	--	--	--

___ Department Report	___ Request of other Agency	___ Ordinance	___ Study Session
___ Consent	___ Presentation	___ Resolution	___ Public Hearing

2

Alternatives: Don't sign the Grant Deed, and leave the issue of ownership (and therefore liability) ambiguous.

Fiscal impact: Any potential liability problems involving the park would be eliminated.

017

3



LARRY WALKER
Auditor/Controller - Recorder

742 Fidelity National Title Co.

RECORDING REQUESTED BY:
Fidelity National Title *-CE*
Escrow No. 627414-SG
Title Order No. 33388135 *-BS*

**When Recorded Mail Document
and Tax Statement To:**
Hi-Desert Rod & Gun Club
P.O. Box 69
Yucca Valley, CA 92286

Doc #: 2009-0444708



Titles: 1 Pages: 2
Fees 22.00
Taxes 110.00
Other .00
PAID 132.00

APN: 0585-301-09

GRANT DEED

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**The undersigned grantor(s) declare(s)
Documentary transfer tax is \$110.00**

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale,
- Unincorporated Area City of

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Morongo Valley Community Services District of the County of San Bernardino

hereby **GRANT(S)** to Hi-Desert Rod & Gun Club, a California Corporation

the following described real property in the County of San Bernardino, State of California:
SEE EXHIBIT "ONE" ATTACHED HERETO AND MADE A PART HEREOF

DATED: September 29, 2009

State of California)
County of San Bernardino)

On 10/2/09 before me,
Susan A. Ginter, Notary Public
(here insert name and title of the officer), personally
appeared Chuck Osborne
Richard R. Brewer

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

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

WITNESS my hand and official seal.

Signature Susan A. Ginter (Seal)

Morongo Valley Community Services District of the
County of San Bernardino

By: Chuck Osborne
Chuck Osborne

By: Richard R. Brewer
Richard R. Brewer.



MAIL TAX STATEMENTS AS DIRECTED ABOVE

Escrow No. 627414-SG
Title Order No. 33388135

EXHIBIT ONE

The Southeast one-quarter of the Southeast one-quarter of Section 6, Township 1 South, Range 5 East, San Bernardino Meridian.

Assessor's Parcel Number: 0585-301-09-0-000

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: July 18, 2012
For Council Meeting: July 24, 2012

Subject: Caltrans Request to Purchase Right of Way
Sale of Property to Caltrans
Right of Way Contract
State Route 247
Section 11, approximately 10.96 acres for SR 247

Prior Council Review: There has been no prior review of this item.

Recommendation: That the Town Council approves the sale of approximately 10.96 acres of property from Assessor Parcel Number 0597-211-05 to the California Department of Transportation, in the amount of \$5,200, and authorizes the Mayor, Town Manager, and Town Attorney to sign the Right of Way Contract and open escrow and sign all escrow instructions, deeds, and other documents necessary to complete the sale.

Executive Summary: Caltrans has programmed a project that will widen the existing shoulders on SR 247 by approximately eight feet and to remove existing planting and adjusting existing drainage systems as necessary to complete the project. In order to undertake the project, right of way acquisition is necessary, both for the existing traveled roadway as well as the shoulder widening project.

The recommended action will result in the sale and transfer of the Town's property to the California Department of Transportation.

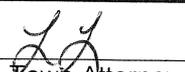
Order of Procedure:

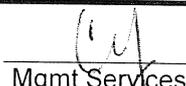
- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Discussion: Caltrans has programmed a project that will widen the existing shoulders on SR 247 by approximately eight feet and to remove existing planting and adjusting existing

Reviewed By:


Town Manager


Town Attorney


Mgmt Services

SRS
Dept Head

Department Report
 Consent

Ordinance Action
 Minute Action

Resolution Action
 Receive and File

Public Hearing
 Study Session

drainage systems as necessary to complete the project. In order to undertake the project, right of way acquisition is necessary, both for the existing traveled roadway as well as the shoulder widening project.

The Town owns what is commonly referred to as Section 11, and SR 257 bisects Section 11. In order that Caltrans may proceed with the shoulder widening project, right of way acquisition is necessary.

Two separate property types have been evaluated in this acquisition, including 4.38 acres of fee title acquisition as well as 6.58 acres of prescriptive use property. There are several areas under the existing SR 247 traveled roadway where no easements or fee title to Caltrans are in place, including portions within Section 11.

The property is necessary for both the existing traveled roadway as well as for the shoulder widening project. Additionally, the request is consistent with, and an incremental step towards, the future widening of SR 247 to three travel lanes in each direction pursuant to the Town's General Plan Circulation Element.

Alternatives: Staff recommends no alternative actions.

Fiscal impact: Caltrans provided an appraisal documenting the estimated fair market value for the property. The offer to the Town is \$5,200. The Right of Way Contract dictates that Caltrans pay all escrow, title insurance and recording fees. A nominal amount of the \$5,200 is for sign relocation for the existing Yucca Mesa Community Center sign located on the Town's property.

Attachments: Appraisal
Grant Deed
Right of Way Agreement
Related Materials

RIGHT OF WAY PROGRAM COPY

08-SBD-247-1.8/9.6

A.R. # 53

E.A. 0F6609

PROJECT NO. 0800000146

FED. AID NO. :N/A

HQ RW APPROVED:

DISTRICT APPROVED:

21833-1

APPRAISAL TITLE PAGE

(Form #)

53	08	SBD	247	4.58	Fed. Proj. No. 0F6601	N/A	0F6609	0800000146
Report	Dist	Co	Rte	P.M.	Control Exp Auth	R/W Exp Auth (PH9)	Program	

Project Limits: In and Near City of Yucca Valley from El Cortez Road to 1 mile North of Napa Road – Upgrade shoulders and paving and install rumble strips.

Type of Road and Title Required: Highway – Fee

DATES:

Frwy Agmt.	Env. Clear.	Appraisal	FY Acquisition	Certification	FY Const.
N/A	03/15/10	11/16/11	11/12	09/06/2013	13/14

District Approved

Parcels: New 1 Rev. 0

Headquarters Approved

Parcels: New 0 Rev. 0

The appraisals contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement and thereafter acquire said parcels by condemnation if the offer is refused.

The undersigned appraised the properties contained herein and recommend approval of this report:

Associate, R/W Agent

Thalia H. McElroy
Thalia H. McElroy

Calculations, content, and arrangement verified by:

[Signature]

The undersigned has reviewed and approves or recommends approval of this report and certifies that the requirements of the R/W Manual have been met.

APPROVED:

RECOMMENDED FOR APPROVAL:

Chief, Appraisal Branch

District 08

Susan Edwards
Susan Edwards

Date:

11/28/11

JUST COMPENSATION APPROVED
PER DELEGATED AUTHORITY: \$5,200.00

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
**SENIOR FIELD REVIEW CERTIFICATE AND
 APPRAISAL REVIEW REPORT**
 (Form #)

EXHIBIT
 7-EX-24(NEW 10/2005)

<u>DIST</u> 08	<u>CO</u> SBd	<u>RTE</u> 247	<u>KP</u>	<u>P.M.</u> 4.58	<u>EXP AUTH</u> 0F6609	<u>AR#</u> 53
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- I have personally viewed the subject property and all comparable data and am satisfied with relative comparability noted.
- The highest and best use of each property, as shown in the report, is reasonable and proper.
- Gross Income Multipliers are supported with factual data. Not applicable.
- The Cost Approach is supported by data from recognized sources. Not applicable.
- The Income Approach to value, including the interest rates, is supported by data from the market. Not applicable.
- Damages, Benefits and Construction Contract Work are correct and are supported in accordance with existing instructions. Not applicable.
- The amount listed for each parcel in the certificate is the market value amount approved or recommended for approval to govern negotiation and settlement.
- I understand that the approved value may be used in connection with a Federal-Aid highway project.
- I have no direct or indirect, present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.
- The amount approved or recommended for approval is not a directed amount; it was arrived at fairly, without coercion, and is based on appraisals and other factual data of record.

COMMENTS:

<u>PARCEL NO.</u>	<u>APPRAISED VALUE</u>	<u>DAMAGES</u>	<u>C. C. W.</u>	<u>BENEFITS</u>
21833-1	\$5,200.00	\$0.00	\$0.00	\$0.00

11/28/11
 Date


 SUSAN EDWARDS
 Chief, Appraisal Branch "A"
 San Bernardino Office

CERTIFICATE OF APPRAISER

RW 7-6 (REV 6/2003)

08-SBD-247-4.58
E.A. 0F6609
Project No. 0800000146
A.R. No. 53

I Hereby Certify:

That I have personally inspected the property herein appraised and that the property owners have been afforded an opportunity to be present at the time of the inspection. A personal field inspection of the comparable sales relied upon in making said appraisal has also been made. The subjects and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions therein set forth.

That I understand that such appraisal is to be used in connection with the acquisition of right of way for a highway to be constructed by the State of California with the assistance of Federal-aid highway funds, or other Federal funds.

That such appraisal has been made in conformity with the appropriate State laws, Title VI of the 1964 Civil Rights Act, and regulations, policies and procedures applicable to appraisal of right of way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.

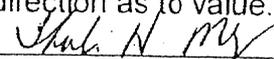
That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such properties or in any benefit from the acquisition of such properties appraised.

That I understand I may be assigned as the Acquisition Agent for one or more of the parcels contained in this report, but this has not affected my professional judgment nor influenced my opinions stated herein.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the California Department of Transportation or officials of the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the total fair market value, for Parcel No. 21833-1, included in this report and made a part hereof by reference, as of the 16th day of November, 2011, is \$5,200.00 and that such conclusion was derived without collusion, coercion or direction as to value.



THALIA H. MCELROY

11/16/2011

(Date)

INTRODUCTION

PURPOSE:

The purpose of this appraisal report is to estimate the fair market value of one parcel of real property that is required for the construction of standard shoulders with rumble strips along SR-247, in the County of San Bernardino. The interest appraised is a "fee simple estate". The parcel is located on SR-247 and both north and south of Aberdeen Road, in the Town of Yucca Valley. The construction in the manner proposed necessitates a partial fee acquisition from this unimproved property.

PROJECT DESCRIPTION:

The State of California, acting through the California Department of Transportation, proposes to upgrade and construct 8-foot standard shoulders with rumble strips on the centerline and shoulders in each direction along SR-247 in and near the Town of Yucca Valley. The primary objective of this project is to enhance the safety of SR-247 from El Cortez Road to 0.1 mile north of Napa Road between Post Miles 1.8 and 9.6 in the Town of Yucca Valley, an unincorporated area of San Bernardino County by using soft barriers to alert drivers crossing the centerline and to provide wider shoulders. This project will resurface the roadway in both directions. SR-247 is a two-lane conventional highway, which begins at state route 62 to the south near Morongo Valley in San Bernardino County, and travels northerly towards the City of Barstow. SR-247 is a major route between Southern California's low desert and high desert regions.

SCOPE OF THE REPORT:

The scope of an appraisal report relates to the extent of processing, collecting, and confirming data that was used by the appraiser. The Comparable Sales Data was obtained from: 1) Landvision Property Information System; 2) CoStar Realty Information; 3) MRMLS; 4) local realtors, appraisers, assessor's records and other real estate professionals; and 5) buyers and sellers. The sales search was conducted in the Town of Yucca Valley and in the unincorporated areas along State Routes 247 and 62. Zoning and planning information was obtained from both the County of San Bernardino and the Town of Yucca Valley.

FAIR MARKET VALUE:

This appraisal is being made pursuant to Section 7.01.01.01 of the Right of Way Manual as taken from Section 1263.320 of the Code of Civil Procedure.

Fair Market Value is defined as follows:

(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, not obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

The basis of value is this appraisal report in terms of cash or financial arrangements equivalent to cash.

HIGHEST AND BEST USE DEFINITION:

Highest and best use as defined by the Appraisal Institute in The Appraisal of Real Estate, 12th Edition is: the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value". The Institute goes on to state, "When the purpose of an appraisal is to estimate market value, highest and best use analysis identifies the most profitable, competitive use to which the property can be put. Therefore, highest and best use is a market-driven concept".

BASIS OF VALUE:

In determining the value of the subject property, the appraiser has utilized the Sales Comparison Approach to Value and the Cost Approach. Since the subject property is unimproved, the Income Approach to Value is not applicable, and therefore not utilized. An extensive search was undertaken for market information to aid in estimating the

value of the subject property. The market data utilized in this report is considered to be the most comparable in valuing the subject property and consists of recent sales and listings of parcels located within and near the proposed project area.

DEFINITION OF A LARGER PARCEL:

Larger parcel is defined in the Dictionary of Real Estate Appraisal (4th Ed.), as the following:

- (1) "In condemnation, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use".
- (2) "In condemnation, the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for the consideration of severance damages in most states. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use".

PROPERTY RIGHTS APPRAISED:

In the valuation of the subject property, the property rights appraised consist of the **fee simple estate**. Fee simple is defined in the Real Estate Appraisal Terminology (1984) as follows:

“An absolute fee; a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power, and taxation. An inheritable estate.”

AREA DESCRIPTION:

The project is located within the Town of Yucca Valley and unincorporated areas of San Bernardino County. Based on the 2000 census, the population for San Bernardino County was 1,709,434. As of 2007, the population was estimated by the California Department of Finance to have grown to 2,028,013. San Bernardino is the largest county in the United States by area, and is larger than each of the nine smallest states. Located in the southeast portion of the State of California, the deserts and mountains of this vast county stretch from the outskirts of the densely populated Riverside-San Bernardino Area to the Nevada border and the Colorado River. The County seat is San Bernardino; the more urbanized southwestern portions of the county are considered to be part of the Inland Empire region.

It is expected that San Bernardino County will continue to enjoy significant growth over the next ten to twenty years. The primary reasons for this projected growth pattern are as follows:

- Spill-over growth and demand from the Los Angeles area as Los Angeles becomes the financial center of the Pacific Rim. The availability of large parcels of vacant undeveloped land; lower land and housing costs; a strong, inexpensive labor pool; support by local government for new development; and easy access to the area by road, railroad, and/or air.
- Real estate values in the region are influenced by social, economical, governmental, and environmental forces. Social forces include population growth and density, public attitudes, and reputation. Economic factors include the availability of land, price, income levels, employment trends, rent levels, vacancy levels, absorption rates, and the availability of credit. Governmental forces include land use planning, zoning, building regulations, police power, and eminent domain.

The Town of Yucca Valley is approximately 65 miles east of the City of San Bernardino, and 25 miles northeast of the City of Palm Springs. The 29 Palms Marine Corps Base is approximately 24 miles to the east. The Joshua Tree National Monument, covering 870 square miles is 10 miles to the southeast.

The general area has an elevation of 3,334 feet above sea level and is termed "The High Desert" by San Bernardino County residents. The Town of Yucca Valley has a population of approximately 23,000 residents with an increase of approximately 20% in

employment. With its increasing population and employment, the Town of Yucca Valley's housing has continued to grow to approximately 7,000 households. The town is within the Morongo Unified School District and consists of 31 schools: 2 Pre-schools, 11 Elementary schools, 10 Middle Schools, and 9 High schools. Of the 31 schools, both private and public schools are available.

The air is pristine, humidity is low and the temperatures are moderate, which allow for starry nights and an ideal place for travelers. On occasion, in the winter, one can enjoy a slight dusting of snowfall. In the early 1900's, the town served as a resting point for the horse-drawn supply trains, which traveled between the town of Banning and the mining areas around 29 Palms.

While offering life without complications, residents enjoy large retail outlets right alongside small "mom and pop" establishments. The town is big enough to support its resident's needs, but small enough to maintain the friendly hometown atmosphere.

The Town of Yucca Valley, as well its neighboring desert communities, have experienced a decline in both the commercial and residential real estate market in the last few years which is similar to the majority of cities and towns throughout Southern California. Foreclosures continue to rise, vacancies have increased and new development is relatively non-existent. Due to the lack of demand for new development in this area and the current depressed real estate market, there is a vast number of properties for sale with little or no activity in the past several years. It is anticipated that demand in this area will not improve until the overall economy recovers.

CURRENT ZONING:

The zoning designations within the project area consist of Commercial, Industrial, and Residential.

UTILITIES:

The following utilities are available within the project area:

- | | | |
|-------------|---|---|
| Electricity | - | Southern California Edison Co. |
| Natural Gas | - | None – (private propane/butane) |
| Telephone | - | Verizon |
| Water | - | Hi-Desert Water District (Town of Yucca Valley) |
| Sewer | - | None – (private septic system) |

CERTIFICATE OF SUFFICIENCY:

The subject property has been valued based on the Right of Way Maps contained herein. The Certificate of Sufficiency for these maps was signed on December 9, 2010 by Patrick Hally Senior Design Engineer, certifying the right of way and degree of access control are correct for Parcel No. 21833.

HAZARDOUS WASTE AND MATERIALS:

The subject property has been valued as if free and clear of hazardous waste. This appraiser did not observe any existence of hazardous material; however the appraisal is

not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of the subject property and inquiries about the subject property did not reveal any information that indicated apparent significant hazardous substance or detrimental environmental conditions that would affect the property in a negative manner.

The subject property is considered free of significant hazardous material. If at a later date it is found that this property is contaminated, then the effect on the property's current or future use, the present and/or future remediation actions and costs, and the estimated impact on market value will be determined.

STATUS OF PLANS:

As of the date of value, the construction plans for the proposed project are tentative and incomplete. Construction is proposed to commence in May, 2014 and is estimated to be completed by January, 2015.

DATE OF VALUE:

The Date of Value of this appraisal report is November 16, 2011.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following general assumptions and limiting conditions:

1. It is assumed that title to subject lands is held in fee simple interest as of the effective date of valuation. The interest appraised is based on a fee simple estate. The date of value is November 16, 2011. The appraiser personally inspected the subject property on June 28, 2011, October 11 & 25, 2011 and November 16, 2011. The appraiser assumes no liability for economic or physical factors occurring at some later date, which may affect the opinions herein stated.
2. Factual information presented in this report has been furnished by or obtained from sources that are considered reliable and believed to be true and correct. No responsibility is assumed for errors and omissions, nor for information not disclosed which might otherwise affect the value estimate. The right is reserved to re-evaluate any such information that may be disclosed later.
3. It is assumed that the legal descriptions are accurate and titles are good and marketable.
4. The property is appraised free and clear of any and all encumbrances, except as may be specifically discussed in this report.
5. A land survey was made by Trent Lenfestey, a licensed land surveyor. The appraiser has relied on the markings as laid out in the field and the surveyor's notes. The property boundaries, dimensions, and areas shown and/or referred to herein are assumed to be correct.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover these conditions and/or their affect.
7. The appraiser has relied on the hazardous waste report supplied and assumes no responsibility for any subsequent findings.

8. It is assumed that the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, described, and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described, and considered in the appraisal report.
10. It is assumed that the utility of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the appraisal report.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to-cure the property's potential physical characteristic, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.
12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof, does not carry with it the right of publication nor may it be used for any purpose other than the client without the previous written consent of Caltrans.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or Caltrans) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Caltrans.
15. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.

16. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of the easements. It is assumed typical easements do not have an impact on the opinion(s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser, reserves the right to amend the opinion(s) of value.
17. The value premises cited are foundational and basic to the values reported herein and the right is reserved to revise and/or rescind the appraisal opinions in the event the conditions are modified to any extent.
18. This appraisal was performed to establish "*Fair Market Value*" for an acquisition under the Uniform Relocation and Real Properties Acquisition Act of 1970 as amended in 2005 (49 CFR, part 24.103a), The Uniform Standards of Professional Appraisal Practice, and The Uniform Appraisal Standards for Federal Land Acquisitions.
19. No one other than the appraisers signing this report have prepared the analysis, conclusions and opinions concerning real estate that are set forth in this appraisal.
20. This report is made for the exclusive use of the client: the Office of Right of Way Acquisition. The intended use of this report is for the acquisition of the property appraised herein. The intended users are the Office of Right of Way Acquisition and the grantor. The grantor will receive a copy of the appraisal in compliance with Assembly Bill 1322. Neither the report nor any conclusions set out therein have been divulged to anyone other than the client and their authorized agents. Parties other than those listed above are not authorized to reproduce this report without the express consent of District 08, Office of Right of Way, Appraisal Branch.

PARCEL NO. 21833-1



View looking easterly across SR-247 at sign in Right of Way (Intersection of SR-247 & Aberdeen Road), in County of San Bernardino

10/11/2011
THALIA H. MCELROY

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following general assumptions and limiting conditions:

1. It is assumed that title to subject lands is held in fee simple interest as of the effective date of valuation. The interest appraised is based on a fee simple estate. The date of value is November 16, 2011. The appraiser personally inspected the subject property on June 28, 2011, October 11 & 25, 2011 and November 16, 2011. The appraiser assumes no liability for economic or physical factors occurring at some later date, which may affect the opinions herein stated.
2. Factual information presented in this report has been furnished by or obtained from sources that are considered reliable and believed to be true and correct. No responsibility is assumed for errors and omissions, nor for information not disclosed which might otherwise affect the value estimate. The right is reserved to re-evaluate any such information that may be disclosed later.
3. It is assumed that the legal descriptions are accurate and titles are good and marketable.
4. The property is appraised free and clear of any and all encumbrances, except as may be specifically discussed in this report.
5. A land survey was made by Trent Lenfestey, a licensed land surveyor. The appraiser has relied on the markings as laid out in the field and the surveyor's notes. The property boundaries, dimensions, and areas shown and/or referred to herein are assumed to be correct.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover these conditions and/or their affect.
7. The appraiser has relied on the hazardous waste report supplied and assumes no responsibility for any subsequent findings.

8. It is assumed that the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, described, and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described, and considered in the appraisal report.
10. It is assumed that the utility of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the appraisal report.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to-cure the property's potential physical characteristic, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.
12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof, does not carry with it the right of publication nor may it be used for any purpose other than the client without the previous written consent of Caltrans.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or Caltrans) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Caltrans.
15. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.

16. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of the easements. It is assumed typical easements do not have an impact on the opinion(s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser, reserves the right to amend the opinion(s) of value.
17. The value premises cited are foundational and basic to the values reported herein and the right is reserved to revise and/or rescind the appraisal opinions in the event the conditions are modified to any extent.
18. This appraisal was performed to establish "*Fair Market Value*" for an acquisition under the Uniform Relocation and Real Properties Acquisition Act of 1970 as amended in 2005 (49 CFR, part 24.103a), The Uniform Standards of Professional Appraisal Practice, and The Uniform Appraisal Standards for Federal Land Acquisitions.
19. No one other than the appraisers signing this report have prepared the analysis, conclusions and opinions concerning real estate that are set forth in this appraisal.
20. This report is made for the exclusive use of the client: the Office of Right of Way Acquisition. The intended use of this report is for the acquisition of the property appraised herein. The intended users are the Office of Right of Way Acquisition and the grantor. The grantor will receive a copy of the appraisal in compliance with Assembly Bill 1322. Neither the report nor any conclusions set out therein have been divulged to anyone other than the client and their authorized agents. Parties other than those listed above are not authorized to reproduce this report without the express consent of District 08, Office of Right of Way, Appraisal Branch.

PARCEL NO. 21833-1



View looking easterly across SR-247 at sign in Right of Way (Intersection of SR-247 & Aberdeen Road), in County of San Bernardino

10/11/2011
THALIA H. MCELROY



**View looking southerly at Right of Way from west side of SR-247,
in County of San Bernardino**



**View looking easterly at Right of Way from west side of SR-247,
in County of San Bernardino**

10/11/2011
THALIA H. MCELROY

CONFIDENTIAL

This document contains personal information and pursuant to Civil Code 1798.21 it shall be kept confidential in order to protect against unauthorized disclosure.

F.P.: N/A
 APN: 0597-211-05

PARCEL NO. 21833-1

<u>Report No.</u>	<u>Date</u>	<u>Dist.</u>	<u>Co.</u>	<u>Rte.</u>	<u>P.M.</u>	<u>Exp. Auth.</u>	<u>Project No.</u>	<u>Map #</u>
53	11-16-11	08	SBD	247	4.58	0F6609	0800000146	RW000118-06, 7 & 8

Owner: **Town of Yucca Valley**

Property Address: **On SR-247 and both north and south of Aberdeen Road** Locale: **Yucca Valley**

Zone: **RL-5 and RHR-40** Present Use: **Unimproved Land** Best Use: **Residential**

Entire Property: Land.: "**Not**" Imps.: "**Appraised**" Total:

Possible Hazardous Waste (Incl. underground tanks) ___ Yes **X** No

Date Acquired: **Over 5 years** DTT: Consideration:

Total Prop. Area: **599.00 acres** ___ Full **X** Partial (Including Access Rights ___ Yes **X** No)

Market Value of Required Property: \$5,192.00 **Rounded To:** **\$5,200.00**

Land: **See Analysis**

Parcel No. 21833-1: **\$4,942.00**

Parcel No. 21833-1 Fee:
 190,595 s.f. or 4.38 acres @ \$900.00/Acre = **\$3,942.00**

Prescriptive Use/Maintained Section:
 286,650 s.f. or 6.58 acres @ "Nominal" = **\$1,000.00 (Nominal)**

Improvements:

Small sign (Relocate onto remainder) \$ 250.00

Damages Less Benefits: \$ 0.00

Damages	-	\$	0.00
Benefits	-	\$	<u>0.00</u>

Remarks:

There is an advertising sign on the property which is located in the Right of Way area.

Dates Inspected: **06/28/11, 10/11/11, 10/25/2011 & 11/16/11**

By: **Thalia H. McElroy**

PARCEL NO. 21833-1

PROPERTY DESCRIPTION:

The subject property is an unimproved parcel containing 26,098,323 square feet or approximately 599.0 acres, owned by the Town of Yucca Valley. The parcel is located on SR-247 and both north and south of Aberdeen Drive, in the Town of Yucca Valley. The property is square in shape with rolling terrain and is zoned RL-5, Rural Living and RHR-40, Rural Hills Reserve. A small advertising sign is located within the Right of Way at the intersection of SR-247 and Aberdeen Drive. This minor improvement will be affected by the proposed project. Access is from Route 247 and New Horizons Street at the southern end of the parcel and Route 247 and Aberdeen Drive at the northern end of the parcel. Water, electricity and telephone are the only utilities available. The property is referenced by the San Bernardino County Assessors' Office as A.P.N. 0597-211-05.

Construction in the manner proposed, referenced as Parcel No. 21833-1, is a 477,245 s.f. or approximately 10.96 acre fee requirement along the western boundary of the subject property. This required area is for the construction of shoulder widening, including rumble strips in the median and shoulders along SR-247. Included within this required area is 286,650 s.f. or 6.58 acres of maintained section/prescriptive use area with 190,595 s.f. or 4.38 acres of required additional fee. The maintained section is the area located within the existing roadway of Route 247 and the unimproved shoulder maintained by the State. The State is perfecting its title in this area by acquiring the owner's underlying fee interest. (Please note that the R/W Map references this area as "Prescriptive Use").

HIGHEST AND BEST USE ANALYSIS:

As discussed in the Introduction, the Appraisal Institute defines highest and best use as the reasonably probable and legal use of vacant land, or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.

Legally Permissible: The property is zoned RL-5, Rural Living and RHR-40, Rural Hillside Reserve. These zonings permit agricultural uses such as accessory crop production, structures and ponds. Residential uses include guest housing, single family and secondary dwellings, accessory structures such as

PARCEL NO. 21833-1

garages, greenhouses, storage sheds, studios, barns and workshops, row, field, tree and nursery crop cultivation. Retail uses include produce stands, offices, small family day care homes and social care facilities with no more than six clients. The Town's RL-5 and RHR-40 zoning requires a minimum parcel size of 2.5 acres for residential development.

Physically Possible: The physical characteristics of a property including size, topography, parcel shape, access, available infrastructure, and location are fundamental determinants of value and timing for development. Typically, larger sites allow for greater development flexibility by spreading fixed costs to make a project feasible. Level sites with infrastructure improvements in place incur less development costs and are typically more physically ready for development. Sites that are in the path of growth with good access to major transportation corridors offer greater near term development potential. The subject property is rolling with accessibility to Route 247. There are no natural barriers to any allowed use.

Financially Feasible: A use is financially feasible if it is both physically possible and legally permissible, and capable of producing a positive return to the land after payments of labor, capital, and coordination. There are three market factors to consider when assessing financial feasibility. The first is who will be the likely purchaser or user of the property. The second is over what time frame is the property likely to be sold or developed. The third is how much a typical market buyer is likely to pay for the property. The area surrounding the subject property is sporadically populated by residential/commercial uses. Due to the current depressed real estate market in the area, demand for development is minimal. Considering the current market conditions, it is financially feasible to hold for future residential development.

Maximally Productive: There is rarely one single highest and best use for a given property. Often, a property can be developed in a variety of ways which would result in a maximization of both value and investment return. The highest and best use analysis focuses on whether a given property use represents an optimal combination of legally permissible, physically possible, financially feasible, and maximally productive attributes. Due to the current depressed real estate market, it is feasible to hold the property for a future residential development once the market improves.

PARCEL NO. 21833-1

Based on the above analysis and the definition of highest and best use as shown in this report, it is this appraiser's opinion that the highest and best use of the subject property is for some type of future residential development, when the local real estate market improves.

LAND VALUATION ANALYSIS:

An extensive search was undertaken for market information to aid in estimating the value of the subject property. Unimproved speculative residential properties throughout San Bernardino County were reviewed. The following are believed to be the best available data for estimating the fair market value of the subject property as vacant. Based on the market data utilized and discussions with real estate professionals in the high desert area, no consideration was given for time. Consideration was given to location, accessibility, size, shape, and topography.

COMPARABLE DATA NO. SB11-39 is a listing of a 5,238,752 s.f. or 640.0 acres unimproved parcel for \$576,000.00 or \$900.00 per acre. The parcel is zoned Rural Living (RL) and is located at the intersection of La Brisa Drive and Route 247 just north of the subject property. The listing's topography is rolling with scatted brush. Water, electricity and telephone are available to the property. Access is from paved SR-247. This property has been listed for approximately two years. The price was recently dropped from \$1,000.00 per acre to \$900.00 per acre and is priced to sell. The estimated land value of the subject property from this comparable is \$900.00 per acre.

COMPARABLE DATA NO. SB11-44 is a listing of a 5,238,752 s.f. or 640.0 acres unimproved parcel for \$450,000.00 or \$703.13 per acre. The parcel is zoned Rural Living (RL-2.5) and is located approximately 3.5 miles east of the intersection of Reche Road and Route 247 in the Town of Yucca Valley. It is approximately 5.5 miles northeast of the subject property. The listing's topography is rolling. Water, electricity and telephone are available to the property. Access is from paved SR-247 and paved Reche Road. Since this is a listing a downward adjustment is believed necessary to a more probable sales price. An upward adjustment is believed necessary due to the listing's slightly inferior location. After adjustments, the estimated land value of the subject property from this comparable is \$800.00 per acre.

COMPARABLE DATA NO. SB11-42 is an April 25, 2010 sale of a 1,755,600 s.f. or 40.0 acre unimproved parcel for \$22,000.00 or \$550.00 per acre. The parcel is zoned Rural Living (RL-5) and is located approximately 5.5 miles east of Route 247 and the intersection of dirt Sharp Terrace Drive and dirt Nason Drive in the Town of

PARCEL NO. 21833-1

Yucca Valley. It is approximately 6 miles northeast of the subject property. The sale's topography is rolling. Water, electricity and telephone are available to the property. Access is from dirt Sharp Terrace Drive and dirt Nason Drive. Based on the above upward adjustments are believed warranted for the sale's inferior location. A downward adjustment is believed warranted for the sale's smaller size. After adjustments, the estimated land value for the subject property from this sale is \$850.00 per acre.

COMPARABLE DATA NO. SB11-43 is a December 18, 2010 sale of a 3,484,600 s.f. or 80.0 acre unimproved parcel for \$30,000.00 or \$375.00 per acre. The parcel is zoned Rural Living (RL-2.5) and is located approximately 2 ¾ miles southeast of Route 62 in the Town of Yucca Valley. It is approximately 6 ¾ miles southeast of the subject property. The sale's topography is rolling hillside. Water, electricity and telephone are available to the property. Access is from dirt Kickapoo Trail and dirt Gorgonio View Road. Based on the above upward adjustments are believed warranted for the sale's inferior location. A downward adjustment is believed warranted for the sale's smaller size. After adjustments, the estimated land value for the subject property from this sale is \$750.00 per acre.

The above comparables indicate a range in value between \$750.00 to \$900.00 per acre for the subject property. Comparable Data Nos. SB11-39 and SB11-44 appear to be the most comparable in valuing the subject property since they are the most similar as to location and size however Comparable Data No. SB11-42 is most similar to the subject property as to zoning. Based on all of the above comparables and the definition of fair market value, as shown in this report, the estimated land value for the subject property is \$900.00 per acre.

IMPROVEMENTS:

There are no major improvements located within the required Right of Way area. It should be noted that there is a minor improvement which includes a small sign located at the intersection of SR-247 and Aberdeen Road. In lieu of purchase, it is proposed to compensate the owner to relocate the existing sign onto the property's remainder.

PARCEL NO. 21833-1

CALCULATIONS:

LAND VALUE:

Parcel No. 21833-1- Fee:

Additional Fee Requirement:

190,595 s.f. or 4.38 acres @ \$900.00/Acre = \$3,942.00

Prescriptive Use/Maintained Section:

286,650 s.f. or 6.58 acres @ "Nominal" = \$1,000.00 ("Nominal")

477,245 s.f. Total Req. Area

TOTAL LAND VALUE = \$4,942.00

IMPROVEMENTS:

Small sign (Relocate onto remainder) = \$ 250.00

TOTAL LAND & IMPROVEMENTS = \$5,192.00

PARCEL NO. 21833-1

SEVERANCE DAMAGES:

The State's acquisition affects the area of the subject property within the current roadway and additional fee located along the westerly boundary of the subject property. The remainder property at 25,621,078 s.f or approximately 588.18 acres is still of adequate size and shape for numerous types of residential developments as in the before condition. Full access to the property from Route 247 remains unchanged. Based on these factors and considering the developments in this market area, there are no estimated damages accruing to the subject remainder.

BENEFITS:

Benefits are the measure of specific enhancements to the property based on the construction in the manner proposed. In the before condition the subject property is located on a conventional highway. In the after condition, the remainders will be located on the same highway. Based on the construction of rumble strips and the median widening for safety measures, there is a general benefit to all that use the traveled way. These benefits are not exclusive to the subject property, but are considered a general benefit to the entire area.

PARCEL NO. 21833-1

SUMMARY OF THE BASIS FOR JUST COMPENSATION:

The Sales Comparison Approach to value and the Cost Approach have been considered in this appraisal. This methodology is utilized in this report because the subject property is unimproved with only a minor sign proposing to be relocated onto the remainder. The Income Approach to value is not appropriate and therefore not utilized for this type of property.

Damages to the remainder due to the acquisition of the portion of the property required for the project have not been found. This is due to the fact that there will be no change in the property's highest and best use, degree of access will remain the same and there is no impairment of size or shape in the after condition.

No Benefits to the remainder due to the proposed construction of the project have been found.

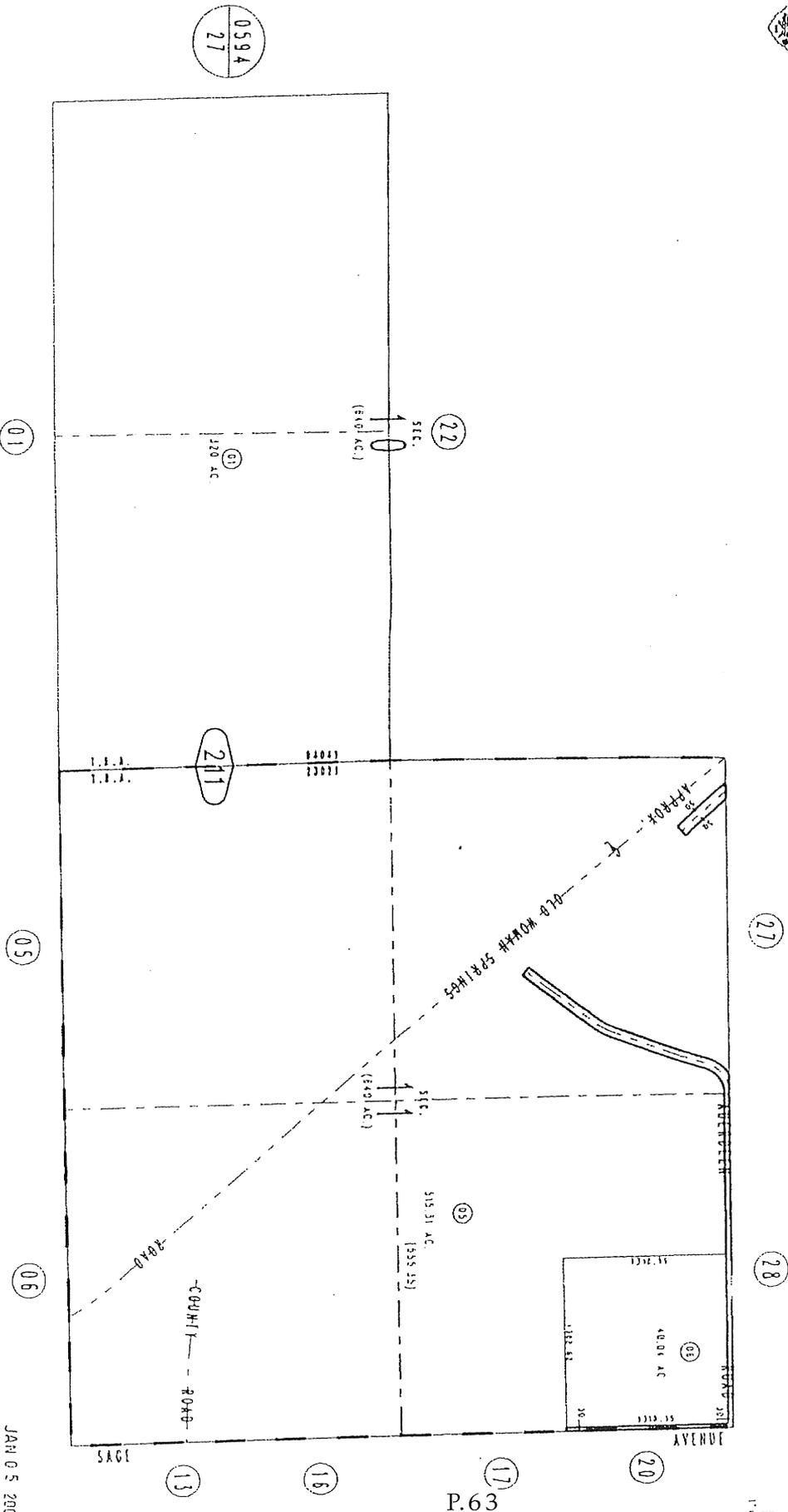
The estimate of Just Compensation for this parcel is the sum of the estimated Fair Market Value of the part acquired and any estimated net Severance Damages.

THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY



S.1/2 Sec.10 & Sec.11, T.1N.,R.5E., S.B.B.&M.

Town of Yucca Valley 0597-21
Mojongo Unified
Tax Role Area
2302194041



08-SBD-247-4.58
A.R. No. 53
E.A. 0F6609
Proj. #0800000146

TABULATION OF COMPARABLE DATA

SALES & LISTINGS:

<u>Comp. No.</u>	<u>Sale Date</u>	<u>Zoning</u>	<u>Sales Price</u>	<u>Area/ Acres</u>	<u>Unit Value per Acre</u>
SB11-39	Listing	HV/RL	\$576,000.00	640.0	\$900.00
SB11-42	04/25/10	HV/RL-5	\$ 22,000.00	40.0	\$550.00
SB11-43	12/18/10	RL-2.5	\$ 30,000.00	80.0	\$375.00
SB11-44	Listing	HV/RL-5	\$450,000.00	640.0	\$703.13

COMPARABLE DATA NO. SB11-39
TYPE OF TRANSACTION: LISTING
PROPERTY LOCATION: EAST SIDE OF SR-247, AT THE INTERSECTION OF LA
BRISA DRIVE & SR-247, IN THE COUNTY OF SAN
BERNARDINO
ASSESSOR'S PARCEL NO.: 0629-181-01
GRANTOR: ROBERT SHORR
GRANTEE: N/A

SALES/LISTING DATA:

LISTING DATE: FOR SALE
PRICE: \$576,000.00
ADJUSTMENTS:
RECORDING DATA:
Document No.: N/A
Recording Date: N/A
DTT: N/A
TERMS:
Down Payment: N/A
Financing: N/A

SITE DATA:

ZONING: HV/RL
PRESENT USE: UNIMPROVED LAND
HIGHEST & BEST USE: RESIDENTIAL/DESERT SPECULATIVE
APPROX. DIMENSIONS: 5280' X 5280'
PARCEL SIZE: 640.0 ACRES
UNIT VALUE: \$900.00/ACRE
IMPROVEMENTS: NONE P.65

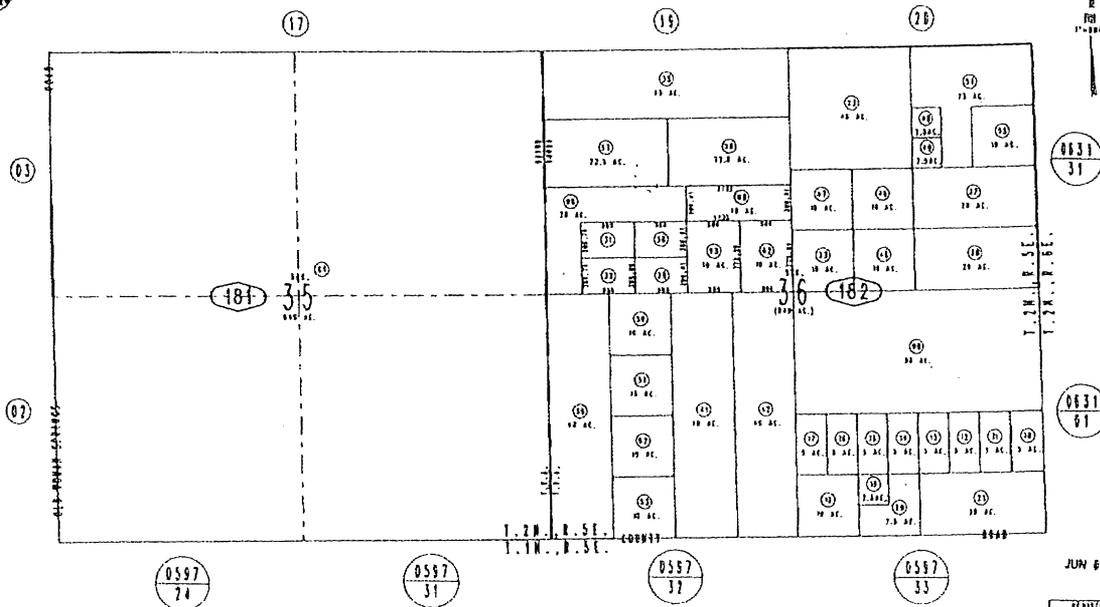


View of For Sale or Trade sign on subject property, in the County of San Bernardino

100,000 15 110 700 2000000
 W. 10 741000 1233300 0001

Sec.35 & Sec.36, T.2N.,R.5E., S.B.B.&M.

Morongo Unplatted
 Tax Role Area
 94024,94108 0629-18



March 2005

JUN 6 7 2005

Assessor's Map
 Book 0629 Page 18
 San Bernardino County

APN: 0629-181-01

ACCESS: OFF SR-247

TERRAIN: SLIGHTLY ROLLING, WITH SCATTERED BRUSH

UTILITIES: TELEPHONE & ELECTRICAL

IMPROVEMENTS: UNIMPROVED

TRANSACTION CONFIRMATION:

Confirmed With: THOM GOTTBORG, LISTING BROKER
TG COMMERCIAL REAL ESTATE SERVICES

Verifying Agent: THALIA H. MCELROY
Date Inspected: 06/28/2011 & 10/11/2011
Inspected By: THALIA H. MCELROY

REMARKS/COMMENTS:

THE PROPERTY HAS BEEN LISTED FOR APPROXIMATELY TWO YEARS. THE OWNERS SOLD IT TWO YEARS AGO BUT TOOK IT BACK DUE TO NON PAYMENT.

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
COMPARABLE DATA
RW7-11(Rev 1/09)

COMPARABLE DATA NO. SB11- 42
TYPE OF TRANSACTION: Sale
PROPERTY LOCATION: EAST SIDE OF SR-247, APPROXIMATELY 5.5 MILES
EAST OF SR-247 OFF DIRT SHARP TERRACE DRIVE,
IN THE COUNTY OF SAN BERNARDINO
ASSESSOR'S PARCEL NO.: 0631-173-23
GRANTOR: HERITAGE BARKSDALE TRUST
GRANTEE: JACK P. KENNEDY

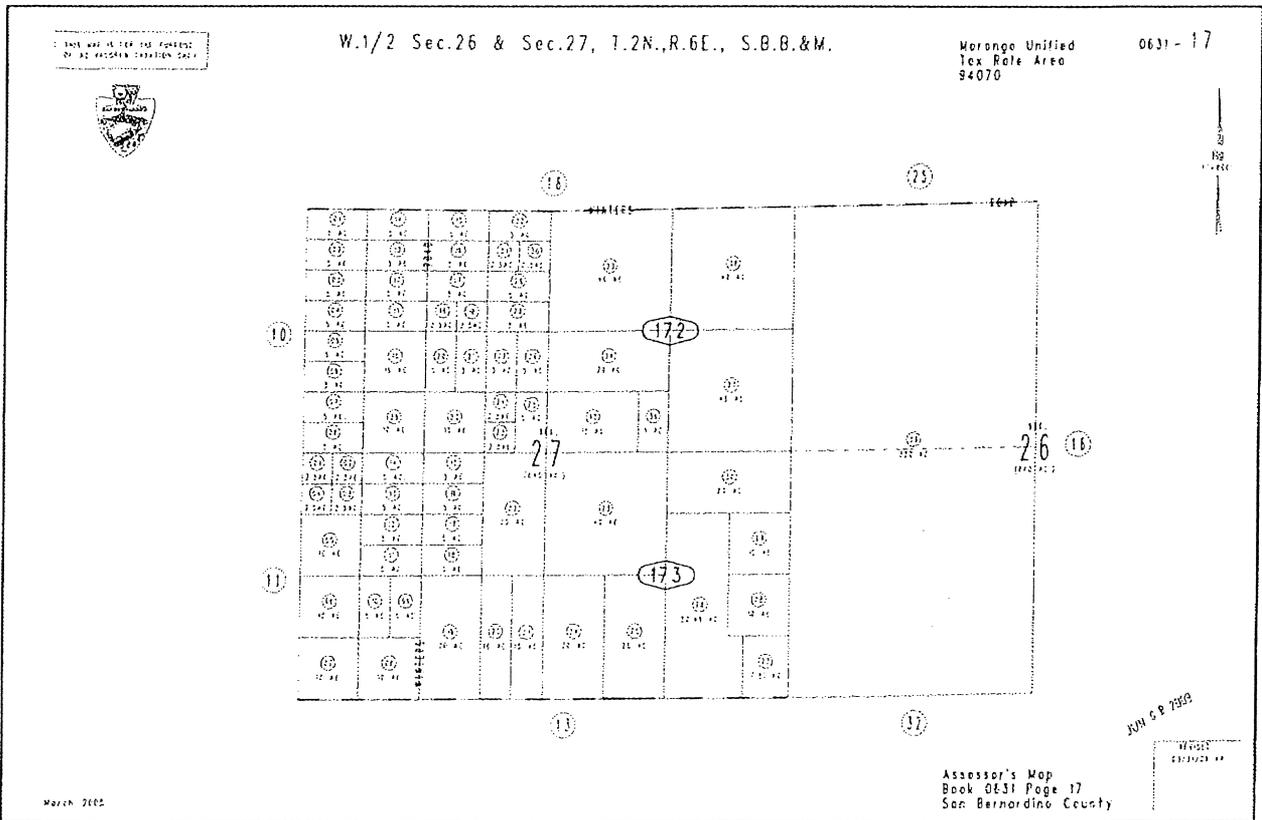
SALES/LISTING DATA:

SALES DATE: 04/25/2010
PRICE: \$22,000.00
ADJUSTMENTS:
RECORDING DATA:
Document No.: 2010-0318445
Recording Date: 08/06/2010
DTT: \$24.20 FULL VALUE
TERMS:
Down Payment: "ALL CASH"
Financing:

SITE DATA:

ZONING: HV/RL-5
PRESENT USE: UNIMPROVED LAND
HIGHEST & BEST USE: RESIDENTIAL/DESERT SPECULATIVE
APPROX. DIMENSIONS: 1330' X 1320'
PARCEL SIZE: 40.0 ACRES
UNIT VALUE: \$550.00/ACRE
IMPROVEMENTS: NONE

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
 COMPARABLE DATA
 RW7-11(Rev 1/09)



APN: 0631-173-23

ACCESS: DIRT ACCESS FROM SHARP TERRACE DRIVE &
DIRT NASON DRIVE

TERRAIN: ROLLING, WITH SCATTERED BRUSH

UTILITIES: TELEPHONE & ELECTRICAL

IMPROVEMENTS: UNIMPROVED

TRANSACTION CONFIRMATION:

Confirmed With: SHARON ROSE, REAL ESTATE BROKER
SHARON ROSE REALTY

Verifying Agent: THALIA H. MCELROY
Date Inspected: 10/25/2011
Inspected By: THALIA H. MCELROY

REMARKS/COMMENTS:

ALTHOUGH THIS WAS A CASH TRANSACTION, IT DOES NOT AFFECT ITS
VALIDITY AS AN INDICATOR OF MARKET VALUE.

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
COMPARABLE DATA
RW7-11(Rev 1/09)

COMPARABLE DATA NO. SB11- 43
TYPE OF TRANSACTION: SALE
PROPERTY LOCATION: APPROXIMATELY 2 ¾ MILES SOUTHEAST OF SR-62,
IN THE COUNTY OF SAN BERNARDINO
ASSESSOR'S PARCEL NOS.: 0585-131-46 & 0585-131-34
GRANTOR: BONNIE B. SMITH
GRANTEE: PAULA MARTINEZ, RON & PETRINA CRESSY, NANCY
A. EUBANKS & JOHN KYLE EUBANKS

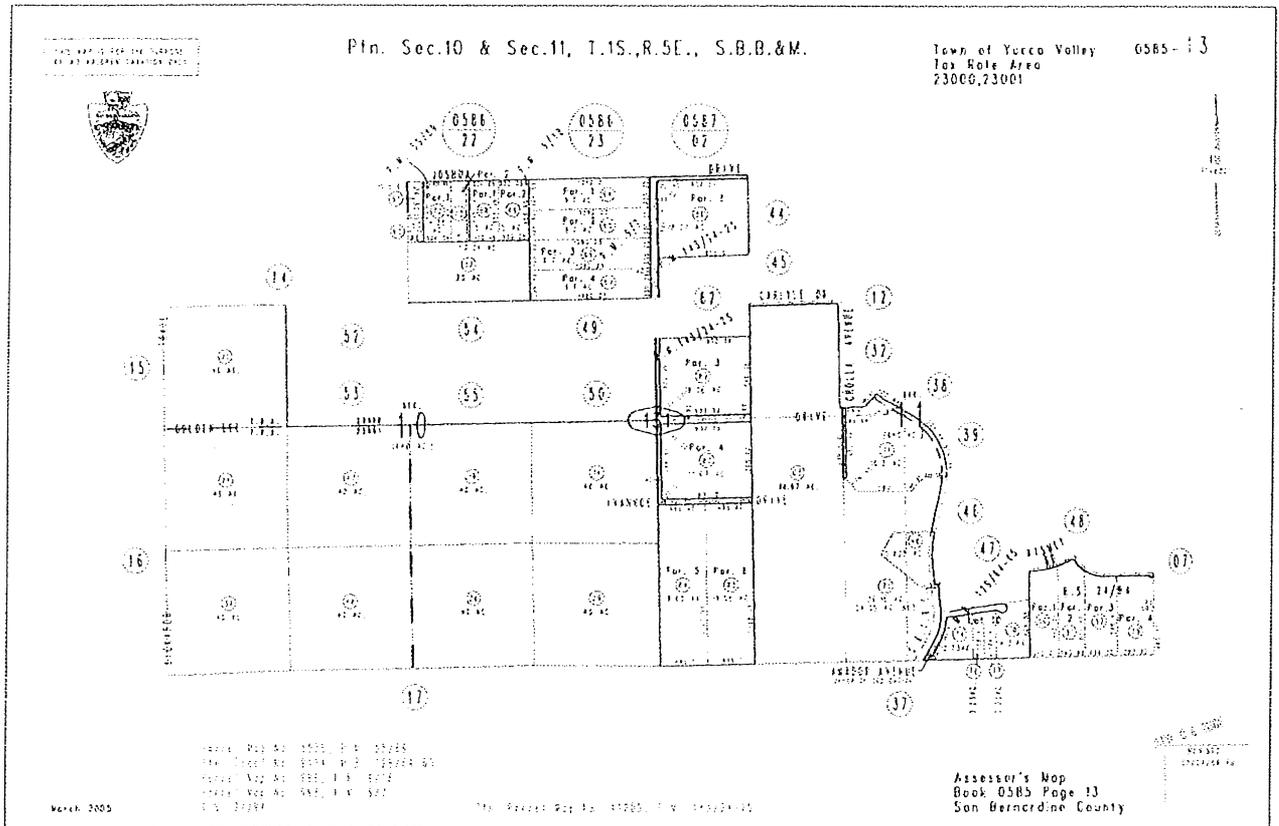
SALES/LISTING DATA:

SALES DATE: 12/18/2010
PRICE: \$30,000.00
ADJUSTMENTS:
RECORDING DATA:
Document No.: 2010-0066265 & 2010-0066264
Recording Date: 02/19/2010
DTT: \$33.00 FULL VALUE
TERMS:
Down Payment: \$30,000.00
Financing:

SITE DATA:

ZONING: RL-2.5
PRESENT USE: UNIMPROVED LAND
HIGHEST & BEST USE: RESIDENTIAL/DESERT SPECULATIVE
APPROX. DIMENSIONS: 1330' X 2620'
PARCEL SIZE: 80.0 ACRES
UNIT VALUE: \$375.00/ACRE
IMPROVEMENTS: NONE P.71

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
 COMPARABLE DATA
 RW7-11(Rev 1/09)



APN: 0585-131-46 & 0585-131-34

ACCESS: DIRT GORGONIO VIEW ROAD & DIRT KICKAPOO TRAIL

TERRAIN: ROLLING HILLSIDE, SCATTERED BRUSH & JOSHUA TREES

UTILITIES: TELEPHONE & ELECTRICAL

IMPROVEMENTS: UNIMPROVED

TRANSACTION CONFIRMATION:

Confirmed With: SHARON ROSE, REAL ESTATE BROKER
SHARON ROSE REALTY

Verifying Agent: THALIA H. MCELROY
Date Inspected: 10/25/2011
Inspected By: THALIA H. MCELROY

REMARKS/COMMENTS:

ALTHOUGH THIS WAS A CASH TRANSACTION, IT DOES NOT AFFECT ITS VALIDITY AS AN INDICATOR OF MARKET VALUE.

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
COMPARABLE DATA
RW7-11(Rev 1/09)

COMPARABLE DATA NO. SB11- 44
TYPE OF TRANSACTION: LISTING
PROPERTY LOCATION: EAST SIDE OF SR-247, APPROXIMATELY 3.5 MILES
EAST OF THE INTERSECTION OF SR-247 & RECHE
ROAD, IN THE COUNTY OF SAN BERNARDINO
ASSESSOR'S PARCEL NO.: 0630-111-01
GRANTOR: KIM SA T BOSS TEC AMERICA
GRANTEE: N/A

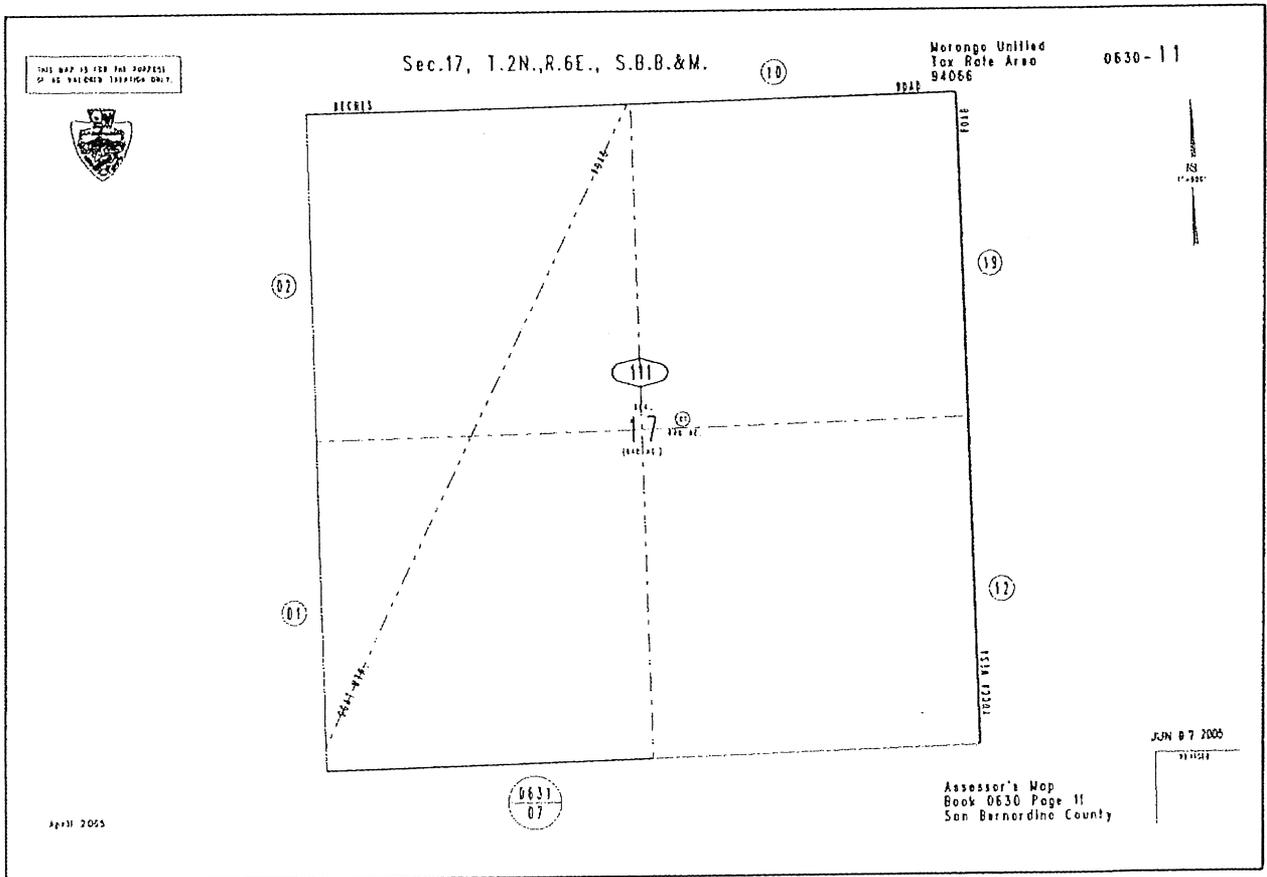
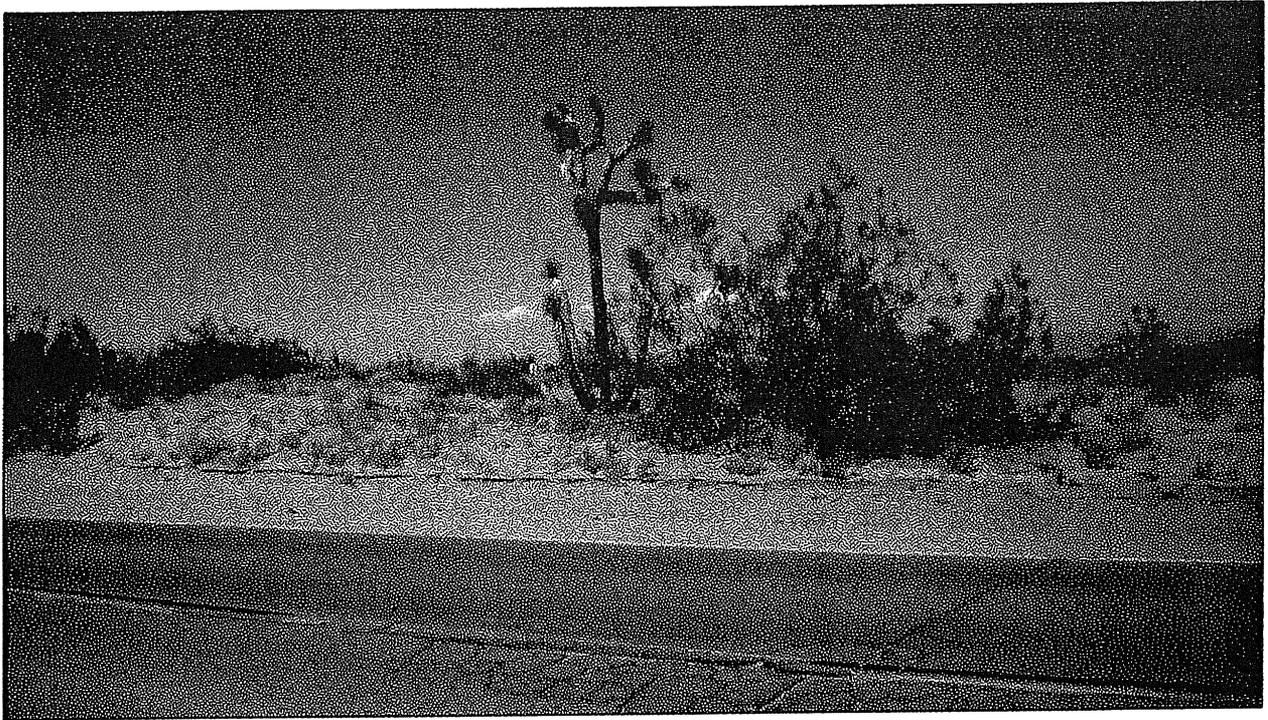
SALES/LISTING DATA:

SALES DATE: FOR SALE
PRICE: \$450,000.00
ADJUSTMENTS:
RECORDING DATA:
Document No.: N/A
Recording Date: N/A
DTT: N/A
TERMS:
Down Payment: N/A
Financing: N/A

SITE DATA:

ZONING: HV/RL-2.5
PRESENT USE: UNIMPROVED LAND
HIGHEST & BEST USE: RESIDENTIAL/DESERT SPECULATIVE
APPROX. DIMENSIONS: 5281' X 5280'
PARCEL SIZE: 640.0 ACRES
UNIT VALUE: \$703.13/ACRE
IMPROVEMENTS: NONE

STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION
COMPARABLE DATA
RW7-11(Rev 1/09)



APN: 0630-111-01

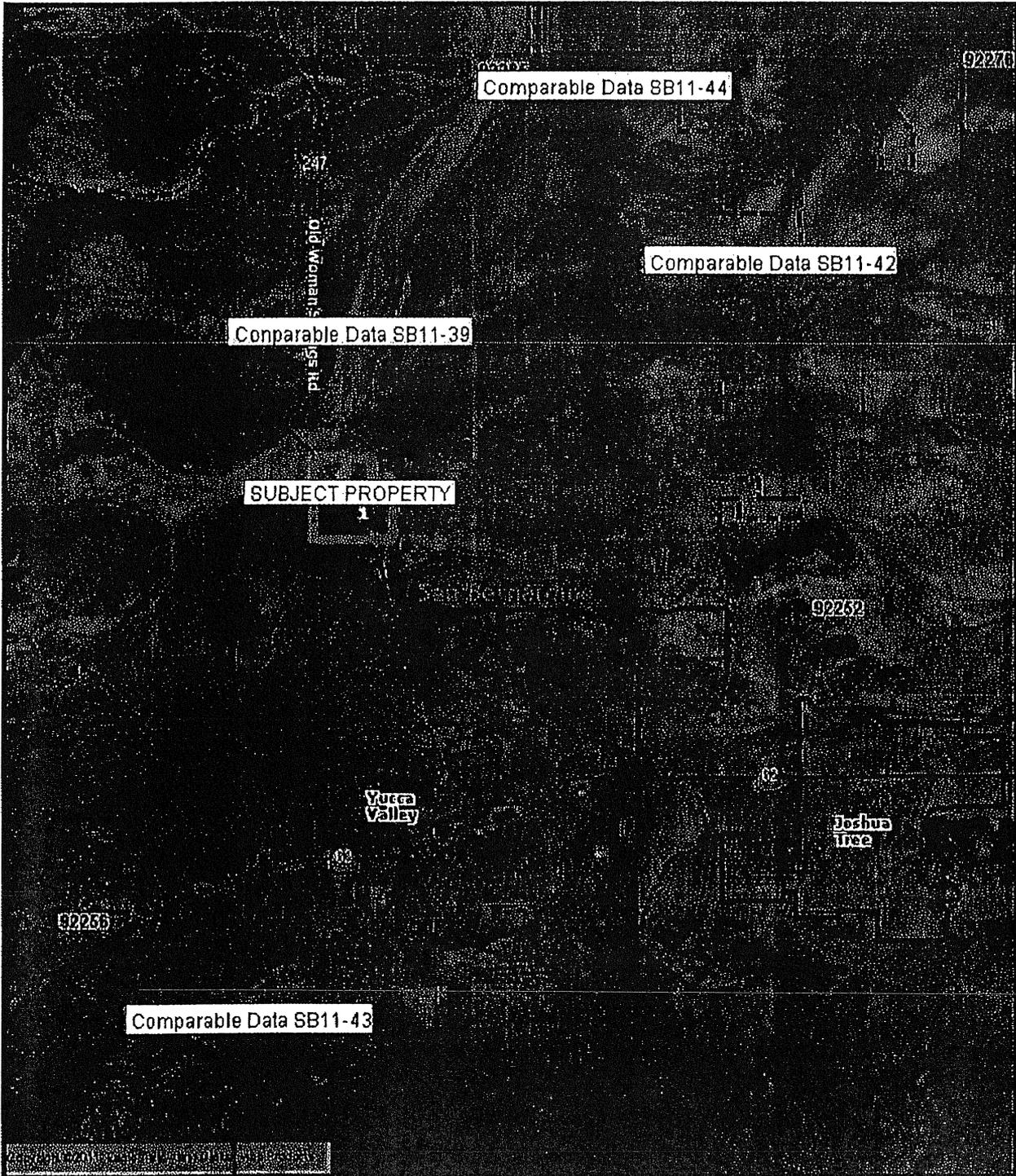
ACCESS: OFF SR-247 & RECHE ROAD
TERRAIN: SLIGHTLY ROLLING, WITH SCATTERED BRUSH
UTILITIES: TELEPHONE & ELECTRICAL
IMPROVEMENTS: UNIMPROVED

TRANSACTION CONFIRMATION:

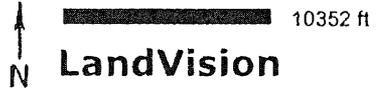
Confirmed With: SHARON ROSE, LISTING BROKER
SHARON ROSE REALTY

Verifying Agent: THALIA H. MCELROY
Date Inspected: 10/25/2011
Inspected By: THALIA H. MCELROY

REMARKS/COMMENTS:



SALES INDEX MAP



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APPRAISAL TERMS

Benefit to Remainder

Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is taken in the manner proposed (by the plaintiff) whether or not the benefit is caused by a portion of the project located on the part taken. (Section 1263.430-Statutes)

Comparable Sales

When relevant to the determination of the value of property, a witness may take into account as a basis for his opinion the price and other terms and circumstances of any sale or contract to sell and purchase comparable property if the sale or contract was freely made in good faith within reasonable time before or after the date of valuation. In order to be considered comparable, the sale or contract must have been sufficiently near in time to the date of valuation, and the property sold must be located sufficiently near the property being valued and must be sufficiently alike in respect to character, size, situation usability, and improvements, to make it clear that the property sold and the being valued are comparable in value and that the price realized for the property sold may fairly be considered as shedding light on the value of the property being valued. (California Statutes; Section 816)

Damage to Remainder

Damage to the remainder is the damage, if any, caused to the remainder by either or both of the following:

- (a) The severance of the remainder from the part taken.
- (b) The construction and use of the project for which the property is taken in the manner proposed (by the plaintiff) whether or not the damage is caused by a portion of the project located on the part taken. (Section 1263.420-Statutes)

Easement

An interest in real property that conveys use, but not ownership of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements. (The Dictionary of Real Estate Appraisal, 4th ed. Appraisal Institute)

Fair Market Value

- (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for doing so, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonable adaptable and available.
- (b) The fair market value of a property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable. (11 California Code of Civil Procedure Section 1263.320)

Fee Simple (Fee)

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police powers and escheat. (The Dictionary of Real Estate Appraisal, 4th ed. Appraisal Institute)

Highest and Best Use

"The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible and that results in the highest value"

Improvements Pertaining to Realty

- (a) As used in this article, "improvements pertaining to the realty include any machinery or equipment installed for use on property taken by eminent domain, or on the remainder of such property is part of a larger parcel, that cannot be removed without a substantial economic loss or without substantial damage to the property on which it is installed, regardless of the method of installation."

In determining whether particular property can be removed "without substantial economic loss" within the meaning of this section, the value of property in place considered as a part of the realty should be compared with its value if it were removed and sold. (Code of Civil Procedures 1263.205)

Items Pertaining to Realty

Personal property that cannot be removed without substantial physical damage or economic loss. (Code of Civil Procedures 1263.205)

Larger Parcel

An analytical premise unique to the field of eminent domain valuation. (11 Real Estate Valuation in Litigation, Eaton)

1. In condemnation, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.
2. In condemnation, the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for the consideration of severance damages in most states. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use. (The Dictionary of Real Estate Appraisal, 4th Edition)

Personal Information

The term "personal information" means any information that is maintained by an agency that identifies or describes an individual, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by, or attributed to, the individual. (Civil Code 1798.3)

Remainder

In eminent domain condemnation, that portion of a larger parcel remaining in the ownership of the property owner after a partial taking. (The Dictionary of Real Estate Appraisal, 4th ed. Appraisal Institute)

Unit Rule, or Undivided Fee Rule

The unit rule has two aspects; one relating to the interests, or estates, into which ownership of real estate may be carved, and the second relating to the various physical components of real estate.

The first aspect of the unit rule requires that property be valued as a whole rather than by the sum of the values of the various interests into which it may have been carved, such as lessor and lessee, life tenant and remainderman, and mortgagor and mortgagee, etc. This is an application of the principle that it is the property, not the various interests, that is being acquired. Appurtenant easements and similar use restrictions create an exception to this aspect of the unit rule. When lands are encumbered by such an appurtenant easement, they are valued as encumbered.

A second aspect of the unit rule is that different elements or components of a tract of land are not to be separately valued and added together. Such a procedure results in a summation or cumulative appraisal, which is forbidden in appraisals for federal acquisitions, as it is in general real estate appraisal practice. (Uniform Appraisal Standards for Federal Land Acquisitions 2000)

DEPARTMENT OF TRANSPORTATION
SOUTHERN RIGHT OF WAY REGION
SAN BERNARDINO OFFICE
464 W. 4TH STREET, MS-M
SAN BERNARDINO, CA 92401-1400
PHONE (909) 888-5429
FAX (909) 383-6877



January 24, 2012

Town of Yucca Valley
Attn: Shane Stueckle
58928 Business Center Dr.
Yucca Valley, CA 92284

RECEIVED

JAN 26 2012

TOWN OF YUCCA VALLEY

08-SBJD-247 PM 4.58
E.A. 0F6609
Parcel No. 21833-1

Dear Mr. Shane Stueckle:

Our acquisition department received an approved fair market value appraisal on the Town of Yucca Valley's property located on SR-247 and both north and south of Aberdeen Road. Also known as Assessor's Parcel Number (APN): 0597-211-05. I have been assigned this parcel for acquisition. The proposed project will require an area of approximately 190,595 square feet or 4.38 acres in fee and 286,650 square feet or 6.58 acres as prescriptive use. The parcel is shown on our Right of Way Map No. 000118-06, 7, & 8 (Parcel 21833-1 attached).

The State of California, acting through the California Department of Transportation, proposes to widen the existing shoulder 8' and remove existing planting, and adjusting existing drainage systems as needed.

Enclosed are a number of documents that need to be reviewed, completed and signed. These documents are required for all written offers to owners of real or personal property.

The following documents have been enclosed with their specific instructions for execution:

1. **Title VI Information Booklet**- titled "Your Rights Under Title VI." - this booklet states that all of Caltrans' services and benefits will be administered to the public without regard to race, color, national origin or sex in compliance with Title VI of the 1964 Civil Rights Act. If you feel that any rights have been violated, you may contact the District 8 Equal Opportunity Office. Please refer to the above named booklet for phone number and address.
2. **An Appraisal Map(s)** - with indicated Right of Way line(s) relative to the subject parcel. You may keep this document for your records.
3. **Copy of Title Report** - The information on this document shows vesting interest and recorded items affecting title.
4. **Summary Statement Relating to the Purchase of Real Property or an Interest Therein** - This document informs all interested parties of their rights as a person or entity affected by a Caltrans proposed highway project. You may keep this document for your records.
5. **1099-S Form and Payee Data Record** - a signed copy will be required from each property owner or if an entity will be receiving the proceeds of this transaction. These documents inform the Internal Revenue Service of this real estate transaction as required by law (**Note: only applies when an entity has been issued a TIN (tax identification number).**)

6. **Appraisal Report** – This report contains Purpose; Project Description; Project History; Need for the Project; Limiting Conditions; Scope of Report; Fair Market Value of the property. Highest & Best Use; Basis of Value; Regional Data; Zoning Utilities; and Status of Plans. You may keep this report for your records.
7. **Right of Way Contract** – This document represent the State’s offer of \$5,200.00. This offer represents the full amount of appraisal for land and improvement. Please Note: THESE DOCUMENTS DO NOT HAVE TO BE NOTARIZED. You may keep a copy of the contract for your records.
8. **Grant Deed**- This document transfers title from grantor to grantee. Please Note: THESE DOCUMENTS HAVE TO BE NOTARIZED. You may keep a copy of the deed for your records.

If you should decide to accept the State’s “offer” for the acquisition, please execute all necessary documents and return to the addressed: State of California, Department of Transportation, Office of Right of Way and Land Surveys, 464 W. 4th Street, 9th Floor, San Bernardino, CA 92401-1400, Attn: Hector Casillas, R/W Agent, Acquisitions.

If you do not accept the State’s offer to purchase the aforementioned property, please notify me of this decision as soon as possible. It is very important that I discuss the procedure for the other options available. I can be reached at (909) 888-5429.

Thank you in advance for your attention and prompt response in this matter.

Sincerely,

HECTOR CASILLAS
Right of Way Agent.
Enclosures



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

June 4, 2010

DEPARTMENT OF TRANSPORTATION
464 WEST FOURTH STREET
SAN BERNARDINO, CA 92401

Attention: SABINA GOMEZ

Customer Reference: 21833

YOUR REF: 21833
OUR NO.: **610672388**

Attached is your Litigation Guarantee, per your instructions.



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

LITIGATION GUARANTEE

Guarantee Number: **610672388**
Liability: **\$10,000.00**
Fee: **\$500.00**

SUBJECT TO THE limitations contained herein, the EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE.

Lawyers Title Insurance Corporation

a corporation, herein called the Company,

GUARANTEES

the assured named in Schedule A against loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurance which the Company hereby gives that, according to the public records, as of Date of Guarantee shown in Schedule A:

1. The title to the herein described estate or interest is vested in the vestee named in Schedule A.
2. Except for the matters shown in Schedule B, there are no defects, liens, encumbrances or other matters affecting title to the estate or interest in the land shown in Schedule A, which matters are not necessarily shown in the order of their priority.
3. a) The current interest holders claiming some right, title or interest by reason of the matters shown in Part II of Schedule B are as shown therein. The vestee named in Schedule A and parties claiming to have some right, title or interest by reason of the matters shown in Part II of Schedule B may be necessary to name defendant in action, the nature of which is referred to in Schedule A.
b) The current interest holders claiming some right, title or interest by reason of the matters shown in Part I of Schedule B may also be necessary to name defendant in an action, the nature of which is referred to in Schedule A. However, no assurance is given hereby as to those current interest holders.
4. The return addresses for mailing after recording, if any, as shown on each and every document referred to in Part II of Schedule B by specific recording information, and as shown on the document(s) vesting title as shown in Schedule A are as shown in Schedule C.

THIS LITIGATION GUARANTEE IS FURNISHED SOLELY FOR THE PURPOSE OF FACILITATING THE FILING OF THE ACTION REFERRED TO IN SCHEDULE A. IT SHALL NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE.

By: Melanie Bombardier
Authorized Signatory



Lawyers Title Company
3480 Vine Street Suite 100
Riverside, CA 92507
Phone: (951) 774-0825
Fax: ()

SCHEDULE A

1. Name of Assured:
State of California, Department of Transportation
2. Date of Guarantee:
May 28, 2010
3. This Litigation Guarantee is furnished solely for the purpose of facilitating the filing of an action for:
Condemnation
4. The estate or interest in the Land which is covered by this Guarantee is:
A Fee
5. Title to the estate or interest in the Land is vested in:
The Town of Yucca Valley, a municipal corporation
6. The land referred to in this Guarantee is situated in the County of **San Bernardino**, State of **California**, and is described in Exhibit "A" attached hereto and made a part hereof.

EXHIBIT "A"

All that certain real property situated in the County of San Bernardino, State of California, described as follows:

Section 11, Township 1 North, Range 5 East, San Bernardino Base and Meridian as shown on Certificate of Compliance No. 01-05 recorded April 26, 2005 as Instrument No. 2005-0290695 of Official Records

Excepting therefrom the East 41.84 acres of the North 80.00 acres of the Northeast quarter of said Section 11 as conveyed in deed recorded on May 5, 2005 as Instrument No. 2005-320420 of Official Records.

EXCEPT therefrom all oil, gas, minerals, and other hydrocarbon substances lying below the surface of said land, but with no right of surface entry, as provided in deeds of record.

Assessor Parcel No. 597-211-05

**SCHEDULE B
PART I**

- A. No taxes are due or payable at this time. Said Property is currently owned by a Governmental Agency.
1. Water rights, claims or title to water, whether or not shown by the public records.
 2. An easement in favor of the public over any existing roads lying within said land.
 3. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Purpose: highway and road purposes
 Recorded: in Book 6243, Page 651 of Official Records
 Affects: said land more particularly described therein
 4. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Purpose: pipelines
 Recorded: in Book 6486, Page 147 of Official Records
 Affects: said land more particularly described therein
 5. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Purpose: pipelines
 Recorded: in Book 6556, Page 827 of Official Records
 Affects: said land more particularly described therein
 6. An easement for the purpose shown below and rights incidental thereto as set forth in a document
 Purpose: above ground or underground conduits
 Recorded: November 20, 1980 as Instrument No. 80-266165 of Official Records
 Affects: said land more particularly described therein
 7. A waiver of any claims for damages to said land by reason of the location of a freeway or highway contiguous thereto as contained in a document

 In Favor of: The State of California
 Recorded: June 19, 1995 as Instrument No. 95-208685 of Official Records
 8. A waiver of any claims for damages to said land by reason of the location of a freeway or highway contiguous thereto as contained in a document

 In Favor of: The State of California
 Recorded: June 19, 1995 as Instrument No. 95-208686 of Official Records
 9. The following reservations and/or provisions contained in the patent from the United States of America.
 Recorded: March 3, 2005 as Instrument No. 2005-0149061 of Official Records

Subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts; also a right of way for ditches or canals constructed by authority of the United States as reserved in said patent.

10. The matters contained in a document entitled "**CERTIFICATE OF COMPLIANCE**" recorded April 8, 2005 as Instrument No. 2005-0246500 of Official Records and Re-recorded on April 26, 2005 as Instrument No. 2005-0290695 of Official Records .

Reference is made to said document for full particulars.

Among other things, said document provides for:

Easements over a portion of said land for the purpose therein shown, and rights incidental thereto.

11. Matters which may be disclosed by an inspection or by a survey of said land that is satisfactory to this Company, or by inquiry of the parties in possession thereof.
12. Any rights, interests or claims of the parties in possession of said land, including but not limited to those based on an unrecorded agreement, contract or lease.
13. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose, and which are not shown by the public records.
14. Any easements not disclosed by those public records which impart constructive notice and which are not visible and apparent from an inspection of the surface of said land.
15. Any and all parties known to the plaintiff to have or claim any interest in said land, or whose interest could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof, should also be named as parties defendant.

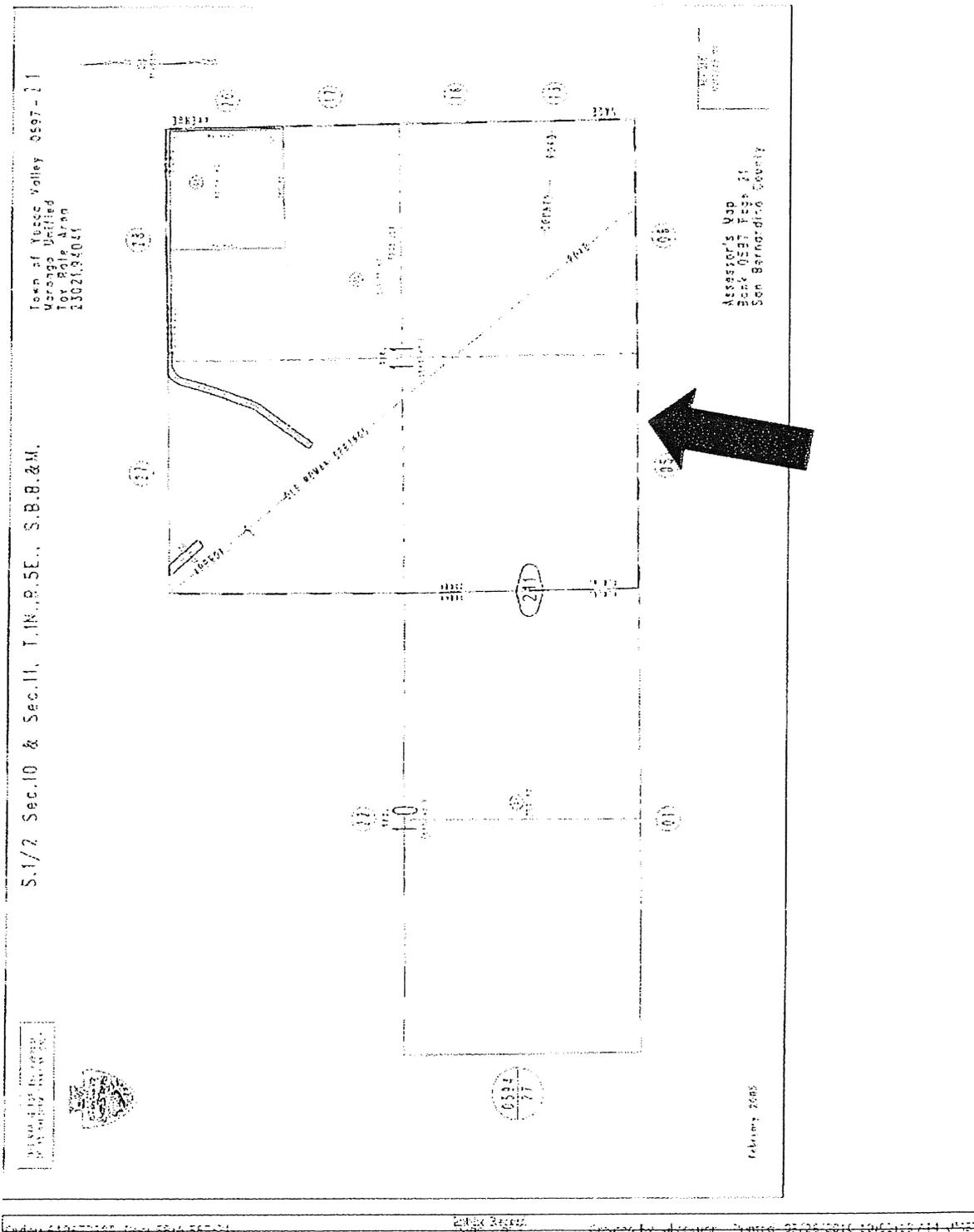
*****End of Exceptions*****

**SCHEDULE B
PART II**

16. Title search discloses no open deeds of trust.

**SCHEDULE C
ADDRESSES**

Town of Yucca Valley, a Municipal corporation
Community Development Department
58920 Business Center Drive
Yucca Valley, California 92284
(Record Owner)



Parcel No: 21833-1 EA OF6609

Any individual, group of individuals, or entity may file a complaint of discrimination with the State Department of Transportation if they feel they have been discriminated against in violation of Title VI of the 1964 Civil Rights Act. The Title VI Complaint Process involves three main procedures. However, every effort will be made to resolve complaints at the informal level.

I. Procedures for Processing Informal Title VI Complaints

All complaints of discrimination will be referred to the District Equal Opportunity Officer in that district in which the alleged discrimination has occurred. At this level, the District Title VI Coordinator will attempt to conduct an informal investigation and make every effort to reach a fair and equitable solution using the following procedures:

- A. Arrangements shall be made for a personal interview with the complainant to obtain the following information:
 - 1. The complainant's name, address, and telephone number.
 - 2. Names of individuals (if known) responsible for the action, decision or condition alleged to be discriminatory.
 - 3. Date and place of alleged discriminatory treatment.
 - 4. Discriminatory criterion (race, sex, national origin, or color).
 - 5. Nature of the action, decision or conditions of the alleged discrimination.
 - 6. Information known to the complainant in support of his/her allegation.
 - 7. Possible witnesses whom the complainant believes can provide factual information about alleged events.
 - 8. Other information specific to the complaint.
 - 9. Any indication of reprisal, intimidation, or harassment as a result of the complaint.
- B. Once this information is received, the functional unit involved shall be notified of the alleged complaint of discrimination.
- C. An inquiry shall be made of all parties involved in the alleged complaint.
- D. The complainant shall be notified within 60 days of the results of the inquiry and if he/she chooses to resolve the issue at this level, every effort should be made to find a fair and equitable solution.
- E. The District Title VI Coordinator shall keep a record of all discussions and retain all notes and documents relating to the case.
- F. A summary report of finding and the solution implemented shall be sent to the Equal Opportunity Office in Headquarters.

II. Procedures for Processing Formal Title VI Complaints

If informal resolution fails, and the complainant elects to file a formal complaint against the Department, the following procedures shall be implemented:

- A. Within 10 days of receipt of the formal complaint, the complainant will be notified that a formal investigation will be conducted. The investigation will be conducted and completed within 60 days of receipt of the formal complaint.
- B. The Title VI Officer in Headquarters will be the investigator of all formal complaints. The investigation will be conducted utilizing the information gained from the informal investigation along with any additional inquiries deemed necessary.
- C. The functional unit involved shall review the investigation report for response.
- D. Based upon all the information received, an investigation report will be written for submittal to the Chief, Equal Opportunity.
- E. The complainant will receive a copy of the investigation report along with a letter stating the final decision of the Chief, Equal Opportunity Office by the end of the 60-day time limit.

F. A copy of the discrimination complaint along with a completed copy of the investigation report will be sent to FHWA by the end of the 60-day time limit.

G. The complainant shall be notified of his/her right to appeal the decision.

Appeals are to be made to the following agency:

Federal Highway Administration
Division Administrator
980 9th Street, Suite 400
Sacramento, CA 95814-2724

III. Filing A Complaint with the U.S. Department of Transportation

The complainant has the right to file a complaint directly to the U.S. Department of Transportation. The complaint must be filed no later than 180 days after the alleged discriminatory act occurred.

Complaints should be filed to the following:

Secretary
U.S. Department of Transportation
400 - 7th Street, SW, Room 10200
Washington, DC 20590

**SUMMARY STATEMENT RELATING TO THE PURCHASE OF
REAL PROPERTY OR AN INTEREST THEREIN**

(Form #)

The California Department of Transportation is proposing to widening the road to provide 8 foot shoulders. It also involves removing existing planting, and adjusting existing drainage systems as needed.

Your property located at the Northwest corner of Butte Street and SR-247 is within the project area, and is also identified by your county assessor as Parcel No. 0597-211-05.

Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Assistance and Real Property Acquisition Guidelines require that each owner from whom the Department of Transportation purchases real property or an interest therein or each tenant owning improvements on said property be provided with at a minimum, a summary of the appraisal of the real property or interest therein, as well as the following information:

1. You are entitled to receive full payment prior to vacating the real property being purchased unless you have heretofore waived such entitlement. You are not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes which are allocable to any period subsequent to the passage of title or possession.
2. The State will offer to purchase any remnant(s) considered by the State to be an uneconomic unit(s) which is/are owned by you or, if applicable, occupied by you as a tenant and which is/are contiguous to the land being conveyed.
3. All buildings, structures and other improvements affixed to the land described in the referenced document(s) covering this transaction and owned by the grantor(s) herein or, if applicable, owned by you as a tenant, are being conveyed unless other disposition of these improvements has been made. The interest acquired is fee interest. The property being purchased comprises 10,809 s.f. or .25 AC fee; 16,398 s.f. or .38 AC prescriptive/maintained sections and is described in the attached deed and outlined in color on the attached map.
4. The market value of the property being purchased is based upon a market value valuation which is included in the attached Appraisal and such amount:
 - a. Represents the full amount of the appraisal of just compensation for the property to be purchased;
 - b. Is not less than the approved appraisal of the fair market value of the property as improved;
 - c. Disregards any decrease or increase in the fair market value of the real property to be acquired prior to the date of valuation caused by the public improvement for which the property is to be acquired or by the likelihood that the property would be acquired for such public improvement, other than that due to physical deterioration within the reasonable control of the owner or occupant; and
 - d. Does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits which the owner is entitled to receive under an agreement with the Department of Transportation.
5. Pursuant to Code of Civil Procedure Section 1263.025 should you elect to obtain an independent appraisal, the Department will pay for the actual reasonable costs up to five thousand dollars (\$5,000) subject to the following conditions:
 - a. You, not the Department of Transportation (Department), must order the appraisal. Should you enter into a contract with the selected appraiser, the Department will not be a party to the contract;

**SUMMARY STATEMENT RELATING TO THE PURCHASE OF
REAL PROPERTY OR AN INTEREST THEREIN (Cont.)**

(Form #)

EXHIBIT
8-EX-16 (REV 1/2008)
Page 2 of 2

-
- b. The selected appraiser is licensed with the Office of Real Estate Appraisers (OREA);
 - c. Appraisal cost reimbursement requests must be made in writing, and submitted to the Department of Transportation at 464 West Fourth Street, MS-950, San Bernardino, CA 92401-1400 within ninety (90) days of the earliest of the following dates: (1) the date the selected appraiser requests payment from you for the appraisal; or, (2) the date upon which you, or someone on your behalf, remitted full payment to the selected appraiser for the appraisal. Copies of the contract (if a contract was made), appraisal report, and the invoice for the completed work by the appraiser must be provided to the Department of Transportation concurrent with submission of the Appraisal Cost Reimbursement Agreement. The costs must be reasonable and justifiable.
6. The owner of a business conducted on a property to be acquired, or conducted on the remaining property which will be affected by the purchase of the required property, may be entitled to compensation for the loss of goodwill. Entitlement is contingent upon the ability to prove such loss in accordance with the provisions of Sections 1263.510 and 1263.520 of the Code of Civil Procedure.
 7. If you ultimately elect to reject the State's offer for your property, you are entitled to have the amount of compensation determined by a court of law in accordance with the laws of the State of California.
 8. You are entitled to receive all benefits that are available through donation to the State of California of all or part of your interest in the real property sought to be acquired by the Department of Transportation as set out in Streets and Highways Code Sections 104.2 and 104.12.

PAYEE DATA RECORD

Required when receiving payment from the State of California in lieu of IRS W-9
 10, 204 (Rev. 6-2003)

1

INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement.

NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.

2

PAYEE'S LEGAL BUSINESS NAME (Type or Print)

SOLE PROPRIETOR - ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)

E-MAIL ADDRESS

MAILING ADDRESS

BUSINESS ADDRESS

CITY, STATE, ZIP CODE

CITY, STATE, ZIP CODE

3

ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

PARTNERSHIP

CORPORATION:

MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)

ESTATE OR TRUST

LEGAL (n.g., attorney services)

EXEMPT (nonprofit)

ALL OTHERS

NOTE:

Payment will not be processed without an accompanying taxpayer I.D. number.

INDIVIDUAL OR SOLE PROPRIETOR
 ENTER SOCIAL SECURITY NUMBER:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(SSN required by authority of California Revenue and Tax Code Section 18646)

CHECK
 ONE BOX
 ONLY

4

California resident - Qualified to do business in California or maintains a permanent place of business in California.

California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding.

No services performed in California.

Copy of Franchise Tax Board waiver of State withholding attached.

PAYEE
 RESIDENCY
 STATUS

5

I hereby certify under penalty of perjury that the information provided on this document is true and correct.
 Should my residency status change, I will promptly notify the State agency below.

AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)

TITLE

SIGNATURE

DATE

TELEPHONE

()

6

Please return completed form to:

Department/Office: _____

Unit/Section: _____

Mailing Address: _____

City/State/Zip: _____

Telephone: (____) _____ Fax: (____) _____

E-mail Address: _____

PAYEE DATA RECORD

STD 204 (REV. 6-2003) (REVERSE)

Requirement to Complete Payee Data Record, STD. 204

A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.

Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.

Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.

Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).

The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).

Are you a California resident or nonresident?

A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.

A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.

For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

Withholding Services and Compliance Section:	1-888-792-4900	E-mail address:	wscs.gen@ftb.ca.gov
For hearing impaired with TDD, call:	1-800-822-6268	Website:	www.ftb.ca.gov

Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.

This section must be completed by the State agency requesting the STD. 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires payment for which the requested information is not provided is subject to federal backup withholding and State law imposes compliance penalties of up to \$20,000.

APPRAISAL SUMMARY STATEMENT

(Form #)

CONFIDENTIAL

This document contains personal information and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure

EXHIBIT

8-EX-15A (REV 6/2010)

Page 1 of 7

Dist.	Co.	Rte.	P.M.	Parcel No.	Federal Aid Project No.	Date / Revised Date
08	SBD	247	4.58	21833-1	N/A	12/12/11

Owner: Town of Yucca Valley

Date Acquired: Over 5 years

Property Address: On SR-247 on both north and south
of Aberdeen RoadProperty to be acquired: Part All

Locale: San Bernardino County

Total Property Area: 190,595 s.f. or 4.38 AC fee
286,650 s.f. or 6.58 AC
prescriptive useIncluding Access Rights Yes No **STATUTORY BASIS OF VALUATION**

The market value for the property to be acquired by the State is based upon an appraisal prepared in accordance with accepted appraisal principles and procedures.

Code of Civil Procedure Section 1263.320 defines Fair Market Value as follows:

- a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

Code of Civil Procedure Section 1263.321 defines the Value for Nonprofit, Special Use Property as follows:

A just and equitable method of determining the value of nonprofit, special use property for which there is no relevant, comparable market is as set forth in Section 824 of the Evidence Code, but subject to the exceptions set forth in subdivision (c) of Section 824 of the Evidence Code.

The market value for the property to be acquired by the State is based upon Code of Civil Procedure Section _____ as defined above.

BASIC PROPERTY DATA

Interest valued: FEE

Date of valuation: 11/16/11 Original Updated

Applicable zoning: RL-5 and RHR-40

Area to be acquired: 190,595 s.f. or 4.38 AC fee; 286,650 s.f. or 6.58 AC prescriptive use

Highest and best use: Residential

Current use: Unimproved Land

APPRAISAL SUMMARY STATEMENT

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EXHIBIT

8-EX-15A (REV 6/2010)

Page 2 of 7

AREAS WITHIN THE RIGHT OF WAY

Sub-parcel

Area

21833-1

190,595 s.f. or 4.38 AC fee

286,650 s.f. or 6.58 AC prescriptive use

Total Area = 477,245 s.f. or 10.96 AC

Land Value Total= \$4,942.00

IMPROVEMENTS WITHIN THE RIGHT OF WAY

Item

Compensation

Small sign (Relocate onto remainder)

=\$250.00

Improvements Total= \$250.00

Lump Sum Total = \$5,192.00

Value of the Entire Property: \$ _____ N/A

Value of the property being acquired
including the following improvements:

Land:	\$	_____	4,942.00
Imps:	\$	_____	250.00

\$ _____ 5,192.00

Value of the remainder as part of the
whole before the State's acquisition \$ _____ N/A

Value of the remainder as a separate parcel (cured) \$ _____ N/A

Severance Damages (see page 4):

Cost to Cure Damages: \$ _____ 0.00

Incurable Damages: \$ _____ N/A

Total Damages: \$ _____ 0.00

Benefits (see page 4): \$ _____ N/A

Net Damages: \$ _____ 0.00

The amount of any other compensation: \$ _____ 0.00

JUST COMPENSATION FOR ACQUISITION \$ _____ 5,192.00

Rounded To \$ _____ 5,200.00

Construction Contract Work \$ _____ N/A

APPRAISAL SUMMARY STATEMENT (Cont.)

(Form #)

EXHIBIT

8-EX-15A (REV 6/2010)

Page 4 of 7

SEVERANCE DAMAGES

COST TO CURE DAMAGE ITEMS

Item

Size

N/A

Lump Sum Total \$ 0.00

INCURABLE DAMAGES

(Narrative explanation and calculations, if applicable)

Lump Sum Total \$ 0.00

TOTAL DAMAGES \$ 0.00

BENEFITS

None

Lump Sum Total \$ 0.00

NET DAMAGES (Total Damages less Benefits) \$ 0.00

CONSTRUCTION CONTRACT WORK ITEMS

N/A

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

LIST OF PRINCIPAL TRANSACTIONS - VACANT

SB11-39

ADDRESS: East Side of SR-247, at the Intersection of La Brisa Drive & SR-247, in the County of San Bernardino

APN: 0629-181-01

SALE DATE: Listing

SALE PRICE: \$576,000.00

SB11-42

ADDRESS: East Side of SR-247, approximately 5.5 miles east of SR-247 off dirt terrace drive, in the County of S.B.

APN: 0631-173-23

SALE DATE: 04/25/2010

SALE PRICE: \$22,000.00

SB11-43

ADDRESS: Approximately 2 ¼ Miles Southeast of SR-62 in the County of San Bernardino

APN: 0585-131-46 & 0585-131-34

SALE DATE: 12/18/2010

SALE PRICE: \$30,000.00

SB11-44

ADDRESS: East Side of SR-247, approximately 3.5 miles east of the intersection of SR-247 & Reche Road, in the County of S.B.

APN: 0631-111-01

SALE DATE: Listing

SALE PRICE: \$450,000.00

LIST OF PRINCIPAL TRANSACTIONS - IMPROVED

N/A

ADDRESS:

APN:

SALE DATE:

SALE PRICE:

ADDRESS:

APN:

SALE DATE:

SALE PRICE:

_____, California

DISTRICT	COUNTY	ROUTE	POST MILE	R/W E.A.
8	SBD	247	4.58	0F6609

_____, 2012

Grantor(s)

Document No. 21833-1 in the form of a **Grant Deed** covering the property particularly described in the above instruments have been executed and delivered to HECTOR CASILLAS, Right of Way Agent for the State of California

1. In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

(A) The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve the State of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement.

(B) Grantee requires said property (APN 0597-211-05) described in Document No. 21833-1 for State highway purposes, a public use for which Grantee has the authority to exercise the power of eminent domain. Grantor(s) is compelled to sell, and Grantee is compelled to acquire the property.

(C) Both Grantor(s) and Grantee recognize the expense, time, effort, and risk to both parties in determining the compensation for the property by eminent domain litigation. The compensation set forth herein for the property is in compromise and settlement, in lieu of such litigation.

2. The State shall:

(A) Pay the undersigned grantor(s) the sum of \$5,200.00 for the property as conveyed by Deed when title to said property vests in the State free and clear of all liens, encumbrances, assessments, easements and leases (recorded and/or unrecorded) and taxes except:

a. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow

b. Covenants, conditions, restrictions and reservations of record, or contained in the above referenced document.

c. Easements or rights of way over said land for public or quasi public utility or public street purposes, if any.

- (B) Pay all escrow and recording fees incurred in this transaction and, if title insurance is desired by the State, the premium charges therefore.
- (C) Have the authority to deduct and pay from the amount shown in Clause 2(A) above, any amount necessary to satisfy any bond demands and delinquent taxes due for any year except the tax year in which this escrow closes, together with penalties and interest thereon and/or delinquent and unpaid non-delinquent assessments which have become a lien at the close of escrow.
3. In consideration of the State's waiving the defects and imperfections in all matters of record title, the undersigned Grantor(s) covenants and agrees to indemnify and hold the State of California harmless from any and all claims that other parties may make or assert on the title to the premises. The Grantor's obligation herein to indemnify the State shall not exceed the amount paid to the Grantor(s) under this contract.
4. Grantor(s) warrant(s) that there are no oral or written leases on all or any portion of the property exceeding a period of one month, and the Grantor(s) further agree(s) to hold the State harmless and reimburse the State for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor(s) for a period exceeding one month.
5. State agrees to indemnify and hold harmless the Grantor(s) from any liability arising out of State's operations under this agreement. State further agrees to assume responsibility for any damages proximately caused by reason of State's operations under this agreement and State, will, at its option, either repair or pay for such damage
6. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right of possession and use of the subject property by the State, including the right to remove and dispose of improvements, if any, shall commence on September 06, 2013 or the close of this escrow controlling this transaction, whichever occurs first, and that the amount shown in clause 2(A) herein includes, but is not limited to, full payment for such possession and use, including damages, if any, from said date.

In the event this information changes or property transfers, the owner shall notify State in writing of such occurrence at:

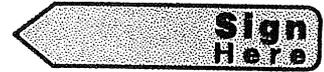
STATE DEPARTMENT OF TRANSPORTATION
464 W. 4th Street, 9th Floor
San Bernardino, California 92401-1400

ATTENTION: HECTOR CASILLAS (909) 888-5429

7. All work done under this agreement shall conform to all applicable building, fire and sanitary laws, ordinances, and regulations relating to such work, and shall be done in a good and workmanlike manner. All structures, improvements, or other facilities, when removed and relocated or reconstructed by the State, shall be left in as good condition as found.

8. The acquisition price of the property being acquired in this transaction reflects the fair-market value of the property without the presence of contamination. If the property being acquired is found to be contaminated by the presence of hazardous waste, which requires mitigation under Federal or State law, the State may elect to recover its cleanup costs from those who caused or contributed to the contamination.
9. This transaction will be handled through an escrow with Advantage Title 365 Company, 19500 Jamboree Road, 2nd Floor, Irvine, CA 92612. Attn: Jade Burrell.
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11. The undersigned Grantor(s) hereby agree(s) and consent(s) to the dismissal of any eminent domain action in the Superior Court wherein the herein described land is included and also waive(s) any and all claims to any money that may now be on deposit in said action.
12. It is understood and agreed that funding for this transaction may not be budgeted by the Legislature. The close of escrow may be delayed until funds are budgeted. In the event funds are not budgeted, this agreement may be cancelled by the grantors by giving written notice to Caltrans, and all documents will be returned to the Grantors.

In Witness Whereof, the parties have executed this agreement the day and year first above written.



By _____
Grantor(s)

By _____
Grantor(s)

RECOMMENDED FOR APPROVAL:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
Hector Casillas
Right of Way Agent
District 8

By: _____
Deena Lester
Senior R/W Agent, Acquisition Branch
San Bernardino Office
District 8

Date: _____

No Obligation Other Than Those Set Forth Herein Will Be Recognized.

_____, California

DISTRICT	COUNTY	ROUTE	POST MILE	R/W E.A.
8	SBD	247	4.58	0F6609

_____, 2012

(Grantor(s))

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(A) Pay the undersigned grantor(s) the sum of \$5,200.00 for the property as conveyed by Deed when title to said property vests in the State free and clear of all liens, encumbrances, assessments, easements and leases (recorded and/or unrecorded) and taxes except:

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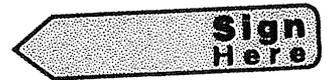
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By _____
Grantor(s)

By _____
Grantor(s)

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STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
Hector Casillas
Right of Way Agent
District 8

By: _____
Deena Lester
Senior R/W Agent, Acquisition Branch
San Bernardino Office
District 8

Date: _____

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_____, California
_____, 2012

(Grantor(s))

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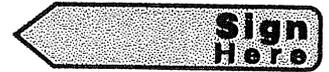
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By _____
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By _____
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STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
Hector Casillas
Right of Way Agent
District 8

By: _____
Deena Lester
Senior R/W Agent, Acquisition Branch
San Bernardino Office
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6. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right of possession and use of the subject property by the State, including the right to remove and dispose of improvements, if any, shall commence on September 06, 2013 or the close of this escrow controlling this transaction, whichever occurs first, and that the amount shown in clause 2(A) herein includes, but is not limited to, full payment for such possession and use, including damages, if any, from said date.

In the event this information changes or property transfers, the owner shall notify State in writing of such occurrence at:

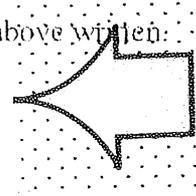
STATE DEPARTMENT OF TRANSPORTATION
464 W. 4th Street, 9th Floor
San Bernardino, California 92401-1400

ATTENTION: HECTOR CASILLAS (909) 888-5429

7. All work done under this agreement shall conform to all applicable building, fire and sanitary laws, ordinances, and regulations relating to such work, and shall be done in a good and workmanlike manner. All structures, improvements, or other facilities, when removed and relocated or reconstructed by the State, shall be left in as good condition as found.

8. The acquisition price of the property being acquired in this transaction reflects the fair-market value of the property without the presence of contamination. If the property being acquired is found to be contaminated by the presence of hazardous waste, which requires mitigation under Federal or State law, the State may elect to recover its cleanup costs from those who caused or contributed to the contamination.
9. This transaction will be handled through an escrow with Advantage Title 365 Company, 19500 Jamboree Road, 2nd Floor, Irvine, CA 92612. Attn: Jade Burrell.
10. The State will pay all escrow and recording fees incurred in this transaction, and if title insurance is desired by the State, the premium charged therefore.
11. The undersigned Grantor(s) hereby agree(s) and consent(s) to the dismissal of any eminent domain action in the Superior Court wherein the herein described land is included and also waive(s) any and all claims to any money that may now be on deposit in said action.
12. It is understood and agreed that funding for this transaction may not be budgeted by the Legislature. The close of escrow may be delayed until funds are budgeted. In the event funds are not budgeted, this agreement may be cancelled by the grantors by giving written notice to Caltrans, and all documents will be returned to the Grantors.

In Witness Whereof, the parties have executed this agreement the day and year first above written:



**SIGN
HERE**

By _____
Grantor(s)

By _____
Grantor(s)

RECOMMENDED FOR APPROVAL:

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION**

By: _____
Hector Casillas
Right of Way Agent
District 8

By: _____
Deena Lester
Senior R/W Agent, Acquisition Branch
San Bernardino Office
District 8

Date: _____

No Obligation Other Than Those Set Forth Herein Will Be Recognized.

RECORDING REQUESTED BY

When Recorded Mail To

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
464 W. 4th STREET, 6th FLOOR
SAN BERNARDINO, CA 92401-1400
Attention C. Camarillo - MS 650

FREE RECORDING:

This instrument is for the benefit of The State of California, and is entitled to be recorded without fee or tax. (Govt. Code 6103, 27383 and Rev. & Tax Code 11922)

Space above this line for Recorder's Use

GRANT DEED
(CORPORATION)

District	County	Route	Post	Number
08	SBd	247	4.58	21833

_____ A corporation organized
 and existing under and by virtue of the laws of the State of _____ California _____, does hereby
 GRANT to the STATE OF CALIFORNIA all that real property in the _____ City of Yucca Valley _____,
 County of _____ San Bernardino _____, State of California, described as:

See Exhibit "A"

08-SBd-247-PM 4.58-21833 (21833-1)

EXHIBIT "A"

That portion of Section 11, Township 1 North, Range 5 East, SAN BERNARDINO MERIDIAN, according to the Official plat thereof, in the City of Yucca Valley, County of San Bernardino, State of California, included within a strip of land, 79.98 feet wide, lying 39.99 feet on each side of the following described line:

BEGINNING at a point on the South line of said Section 11, distant thereon South $89^{\circ}18'47''$ West, 262.31 feet from the East 1/16 corner of Section 11/Section 14; thence North $24^{\circ}08'31''$ West, 1984.40 feet to the beginning of a curve concave Southwesterly and having a radius of 5000.00 feet; thence Northwesterly along said curve 622.42 feet through a central angle of $07^{\circ}07'57''$; thence North $31^{\circ}16'27''$ West, 598.61 feet to the beginning of a curve concave Southwesterly and having a radius of 1600.00 feet; thence Northwesterly along said curve 317.47 feet through a central angle of $11^{\circ}22'07''$; thence North $42^{\circ}38'35''$ West, 1491.31 feet to the beginning of a curve concave Southwesterly and having a radius of 5000.00 feet; thence Northwesterly along said curve 45.59 feet through a central angle of $00^{\circ}31'21''$; thence North $43^{\circ}09'56''$ West, 1097.34 feet to the beginning of a curve concave Southwesterly and having a radius of 15000.00 feet; thence Northwesterly along said curve 284.54 feet through a central angle of $01^{\circ}05'13''$ to the North line of said Section 11, distant thereon North $89^{\circ}15'16''$ East, 186.51 feet from the Northwest corner of said Section 11.

The sidelines of said strip of land shall be prolonged or shortened so as to terminate on said South line of Section 11.

TOGETHER WITH those portions of said Section 11 described as follows:

COMMENCING at the intersection of the Easterly sideline of said strip of land with said South line of Section 11; thence along said sideline, North $24^{\circ}08'31''$ West, 2001.75 feet to the beginning of a curve concave Southwesterly and having a radius of 5039.99 feet; thence Northwesterly along said curve and sideline 60.29 feet through a central angle of $00^{\circ}41'07''$ to the **POINT OF BEGINNING**; thence continuing Northwesterly along said curve and sideline 128.28 feet through a central angle of $01^{\circ}27'30''$; thence North $63^{\circ}42'52''$ East, 30.00 feet to the beginning of a non-tangent curve concave Southwesterly and having a radius of 5069.99 feet, a radial line to said point bears North $63^{\circ}42'52''$ East; thence Southwesterly along said curve 129.04 feet through a central angle of $01^{\circ}27'30''$; thence South $65^{\circ}10'22''$ West, 30.00 feet to the **POINT OF BEGINNING**.

ALSO COMMENCING at the intersection of said Easterly sideline, being a curve concave Southwesterly and having a radius of 15039.99 feet, with said North line of Section 11, a radial line to said point bears North $45^{\circ}53'32''$ East; thence Southeasterly along said curve and sideline 247.39 feet through a central angle of $00^{\circ}56'33''$; thence continuing along said sideline, South $43^{\circ}09'56''$ East, 1097.35 feet to the beginning of a curve concave Southwesterly and having a radius of 5039.99 feet; thence along said curve and sideline 45.96 feet through a central angle of $00^{\circ}31'21''$; thence continuing along said sideline, South $42^{\circ}38'35''$ East, 629.15 feet to the **POINT OF BEGINNING**; thence South $87^{\circ}38'51''$ East, 69.28 feet to the North line of Aberdeen Drive (80.00 feet wide) as described in an easement deed to the County of San

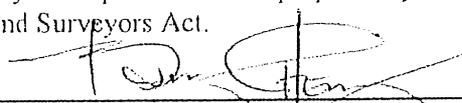
Bernardino recorded August 12, 1964 in Book 6209, Page 990 of Official Records of said County; thence South 57°45'25" East, 80.17 feet to the South line of said Aberdeen Drive; thence South 02°21'46" West, 98.83 feet to said Easterly sideline; thence along said sideline, North 42°38'35" West, 196.26 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFROM those certain parcels of land conveyed to the State of California in grant deeds recorded June 19, 1995 as Document No. 19950208685 and Document No. 19950208686 in said Official Records.

ALSO EXCEPTING THEREFROM all oil, gas, minerals, and other hydrocarbon substances lying below the surface of said land, but with no right of surface entry, as provided by deeds of record.

The bearings and distances used in the above description are based on the California Coordinate System of 1983, Zone 5. Divide distances shown by 0.9997984 to obtain ground level distances.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

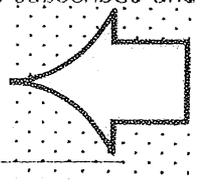
Signature: 
Professional Land Surveyor

Date: 6/29/11



The grantor further understands that the present intention of the grantee is to construct and maintain a public highway on the lands hereby conveyed in fee and the grantor, for itself, its successors and assigns, hereby waives any claims for any and all damages to grantor's remaining property contiguous to the property hereby conveyed by reason of the location, construction, landscaping or maintenance of said highway.

IN WITNESS WHEREOF, said corporation has caused its corporate name to be hereunto subscribed and its corporate seal to be affixed hereto, this _____ day of _____, 20____



**SIGN
HERE**

President By _____

Secretary By _____

[CORPORATE SEAL]

State of California }
County of _____ } ss

ACKNOWLEDGMENT

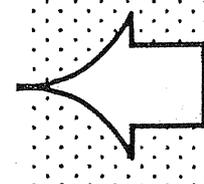
On _____ before me, _____
(here insert name and title of the officer)

, 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.



NOTARIZE

Signature _____ (Seal)

THIS IS TO CERTIFY, That the State of California, acting by and through the Department of Transportation (pursuant to Government Code Section 27281), hereby accepts for public purposes the real property described in the within deed and consents to the recordation thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____

Director of Transportation

By _____
Attorney in Fact

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: July 18, 2012
For Council Meeting: July 24, 2012

Subject: Authorization to Submit Grant Application
California Transportation Commission (CTC)
State & Local Partnership Program (SLPP, Proposition 1B)
5% Competitive Grant Program
Development Impact Fees

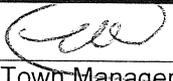
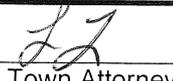
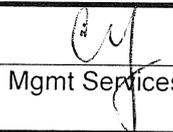
Prior Council Review: There has been no prior review of this item

Recommendation: That the Town Council authorizes the submittal of a grant application for the TCRP project, under the California Transportation Commission 5% competitive SLPP program, and approves the preliminary allocation of \$364,000 in Street and Traffic Public Facility Development Impact Fees as the Town's required match, and approves and authorizes the Town Manager to sign all applications and documents necessary to deliver the grant funds.

Executive Summary: Town Council authorizes the submittal of grant applications as part of grant administration procedures and the allocation of financial resources required for grant programs. Under Proposition 1 B, the State established the State and Local Partnership Program (SLPP) for street purposes. There are two categories of SLPP funding programs, and if approved by the Town Council, this grant application would be filed under the 5% Competitive Development Impact Fee category. This category requires that grant applications be matched only with local development impact fees.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Reviewed By:	 Town Manager	 Town Attorney	 Mgmt Services	SRS Dept Head
--------------	---	--	---	------------------

<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input checked="" type="checkbox"/> Consent	<input checked="" type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

Discussion: With adoption of the FY 2012/2013 Budget, staff identified the proposed financial structure for delivery of the TCRP project. The project entails the construction of raised medians from Kickapoo Trail to Elk Trail and from Cherokee Trail to Apache Trail, and sidewalk improvements from Palm Avenue to Dumosa Avenue. The Town is in the final PS&E phase of the project, Town submitted 100% plans and specifications for Caltrans Approval, and the final approval is contingent on the submittal of Appraisal Map, which shows easements and right-of way lines for the properties adjacent to the project. .

The Town has submitted a request to the San Bernardino Associated Governments (SANBAG) requesting both the allocation of SLPP and Regional Measure I funds for the TCRP project in the amount of \$867,600. SANBAG staff has verbally indicated that the Town's request is moving forward and will be presented at an upcoming meeting of the Morongo Basin Sub-Area, as well as the Mt./Desert Measure I Committee. The following outlines the project's approved financing structure based upon the 2012/2013 FY Budget.

Leverage Resources:

\$988,500 Highway Safety Improvement Program - Federal
\$138,000 Proposition 1B - State
\$777,600 Local Measure I
\$777,600 SLPP Measure I
\$90,000 Measure I Regional Funds (included in Local Measure I match total)

The receipt of 5% Competitive SLPP grant funds would be substituted for \$364,000 of Local Measure I funds, making those available for other Town street projects, as well as causing \$364,000 of SANBAG SLPP funds to be available for other projects within the Morongo Basin.

The grant application deadline is August 15, 2012.

Alternatives: Staff recommends no alternative action.

Fiscal impact: The receipt of 5% Competitive SLPP grant funds would be substituted for \$364,000 of Local Measure I funds, making those available for other street projects, as well as causing \$364,000 of SANBAG SLPP funds to be available for other projects. If the grant application is successful, staff will return to the Town Council with the necessary budget amendments to reflect the changes in the TCRP project revenues as well as the appropriation of Street and Traffic Public Facility Development Impact Fees in the amount of \$364,000 as the Town's required grant match.

Attachments: State SLPP Program materials

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 2/10)

General Instructions

<input type="checkbox"/> New Project <input checked="" type="checkbox"/> Amendment (Existing Project)				Date:	
Caltrans District 08		EA 1A790		PPNO	
				MPO ID	
TCRP No. 129					
County SB	Route/Corridor 62	PM Bk 9.6	PM Ahd 12.2	Project Sponsor/Lead Agency Town of Yucca Valley	
				MPO	Element
Project Mgr/Contact Alex Qishta		Phone 760.369.6575		E-mail Address aqishta@yucca-valley.org	
Project Title TCRP La Honda to Dumosa					
Location, Project Limits, Description, Scope of Work, Legislative Description Traffic Congestion Relief Program (TCRP); Safety and Utility Improvements on State Route 62 to install raised landscaped median islands, sidewalks, and associated drainage improvements, between Kickapoo Trail and Dumosa Ave.					
Component		Implementing Agency			Reimbursements
PA&ED		Town of Yucca Valley			
PS&E		Town of Yucca Valley			
Right of Way		Town of Yucca Valley			
Construction		Town of Yucca Valley			
Legislative Districts					
Assembly: 65			Senate: 31		
Congressional: 8					
Purpose and Need The purpose of the project is to provide safe and efficient interstate and interregional mobility of visitors and goods and an improved and safe transportation corridor through the Town of Yucca Valley for both visitors and local residents who use this route to access Joshua Tree National Park and the California Welcome Center as well as military vehicles accessing the Twentynine Palms Marine Corps Air Ground Combat Center.					
Project Benefits Project benefits include increased pedestrian safety, increased pedestrian and vehicular visibility resulting in a potential reduction of vehicular conflicts, elimination of non-standard ADA facilities and replacement with ADA compliant curb ramps, sidewalks, driveways, and signalization, elimination of two way center left turn lane and the construction of medians resulting in a reduction of vehicular turning movements and potential reduction in vehicular conflicts, improved street lighting.					
Project Milestone				Existing	Proposed
Project Study Report Approved					
Begin Environmental (PA&ED) Phase					05/01/02
Circulate Draft Environmental Document			Document Type CE		
Draft Project Report					02/01/09
End Environmental Phase (PA&ED Milestone)					09/01/09
Begin Design (PS&E) Phase					01/04/10
End Design Phase (Ready to List for Advertisement Milestone)					09/06/11
Begin Right of Way Phase					08/29/11
End Right of Way Phase (Right of Way Certification Milestone)					10/15/12
Begin Construction Phase (Contract Award Milestone)					12/18/12
End Construction Phase (Construction Contract Acceptance Milestone)					05/16/13
Begin Closeout Phase					05/19/13
End Closeout Phase (Closeout Report)					06/27/13

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 2/10)

Date:

County	CT District	PPNO	TCRP Project No.	EA
SB	08		129	1A790
Project Title: TCRP La Honda to Dumosa				

Existing Total Project Cost									Implementing Agency
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	
E&P (PA&ED)									Town of Yucca Valley
PS&E									Town of Yucca Valley
R/W SUP (CT)									
CON SUP (CT)									
R/W									Town of Yucca Valley
CON									Town of Yucca Valley
TOTAL									
Proposed Total Project Cost									
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON					2,616,700			2,616,700	
TOTAL					2,616,700			2,616,700	

Fund No. 1:	HSIP 526								Program Code
Existing Funding									Funding Agency
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	
E&P (PA&ED)									Federal
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									Existing funding
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON					899,500			899,500	
TOTAL					899,500			899,500	

Fund No. 2:	MEASURE I FUNDS								Program Code
Existing Funding									Funding Agency
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	
E&P (PA&ED)									Town of Yucca Valley
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									Existing funding
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON					425,600			425,600	
TOTAL					425,600			425,600	

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 2/10)

Date:

County	CT District	PPNO	TCRP Project No.	EA
SB	08		129	1A790
Project Title: TCRP La Honda to Dumosa				

Fund No. 3: SLPP Funds, San Bernardino Associated Governments									Program Code
Existing Funding									
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	Funding Agency
E&P (PA&ED)									San Bernardino Associated Gov.
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									Funding Requested
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				425,600				425,600	
TOTAL				425,600				425,600	

Fund No. 4: SLPP, 5% Competitive									Program Code
Existing Funding									
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	Funding Agency
E&P (PA&ED)									State of CA
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									Grant Application
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				364,000				364,000	
TOTAL				364,000				364,000	

Fund No. 5: Town of Yucca Valley Public Facility Development Impact Fees									Program Code
Existing Funding									
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	Funding Agency
E&P (PA&ED)									Town of Yucca Valley
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									Existing funding
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				364,000				364,000	
TOTAL				364,000				364,000	

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 2/10)

Date:

County	CT District	PPNO	TCRP Project No.	EA
SB	08		129	1A790
Project Title: TCRP La Honda to Dumosa				

Fund No. 6:	Proposition 1 B								Program Code
Existing Funding									
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	Funding Agency
E&P (PA&ED)									Town of Yucca Valley
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									Existing Funding
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON				138,000				138,000	
TOTAL				138,000				138,000	

Fund No. 7:									Program Code
Existing Funding									
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 8:									Program Code
Existing Funding									
Component	Prior	10/11	11/12	12/13	13/14	14/15	15/16+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

**SLPP APPLICATION
FOR FISCAL YEAR
2012-13**

**TOWN OF YUCCA VALLEY
TCRP PROJECT**

Project Description

The Town of Yucca Valley (Town) in San Bernardino County, California (see attached vicinity and project area map) is proposing to construct improvements to State Route 62 (SR-62). The improvements will be constructed in three different reaches of the highway. They are from Kickapoo Tr. to Elk Tr., from Cherokee Tr. to Acoma Tr. and from easterly of Palm Ave. to Dumosa Ave. All improvements will be constructed entirely within Caltrans right-of-way and consist of 12-foot wide landscaped / hardscaped raised medians between Kickapoo Trail and Elk Trail and also between Cherokee Trail to Acoma Trail; and sidewalk, curb and gutter, driveways, ADA compliant curb ramps at the various intersections from easterly of Palm Ave. to Dumosa Ave. The project does not propose additional capacity. The project will have a useful life of over 20 years.

SR-62 within the project limits is designated as part of the National Highway System (NHS). Under the NHS, SR-62 is included in the Strategic Highway Corridor Network (STRAHNET) as a Connector; therefore, it is a vital route in the national defense network serving the United States Marine Corps Air / Ground Combat Training Center in Twentynine Palms. SR-62 is also included in the Federal Surface Transportation Assistance Act (STAA) "National Network" for oversize trucks, which underscores the importance of the project on not only a local level for safety and circulation enhancements, but on a regional and national level as well.

The proposed improvements are intended to improve pedestrian and vehicular circulation and safety on SR-62 by improving pedestrian facilities, and by restricting vehicle left-turn movements from various driveways along SR-62. The existing alignment of SR-62 will be maintained with no changes to the existing topography.

Installation of raised medians by the project will restrict turning movements on SR-62, thus reducing the number of vehicular conflicts and providing an operational enhancement by restricting left-turns from the multiple driveways and also by channelizing left-turns on SR-62 to designated intersections. The sidewalk, signalized intersection modification (Acoma Trail-Mohawk Trail / SR-62), proposed signal at Church Street / SR-62, driveway, and curb ramp improvements would provide continuous ADA accessible pedestrian facilities along this reach of SR-62. The project proposes to supplement the existing

street lighting for consistency within the project limits, which will help increase pedestrian and vehicular visibility to reduce the number of conflicts.

The raised 12-foot wide Median landscape improvements include a themed approach that will echo the surrounding desert / dry wash environment. Proposed plant varieties are native or indigenous to the area and include shrubbery, succulents and perennials. The plantings will express visual interest through a variety of textures, colors and flowering seasons. Grouped plantings will be massed among outcroppings of boulders and swirling ribbons of rock cobble and decomposed granite. Plantings and stone materials will be sourced from local quarries and plantings will be sustained by the inclusion of automatic drip irrigation.

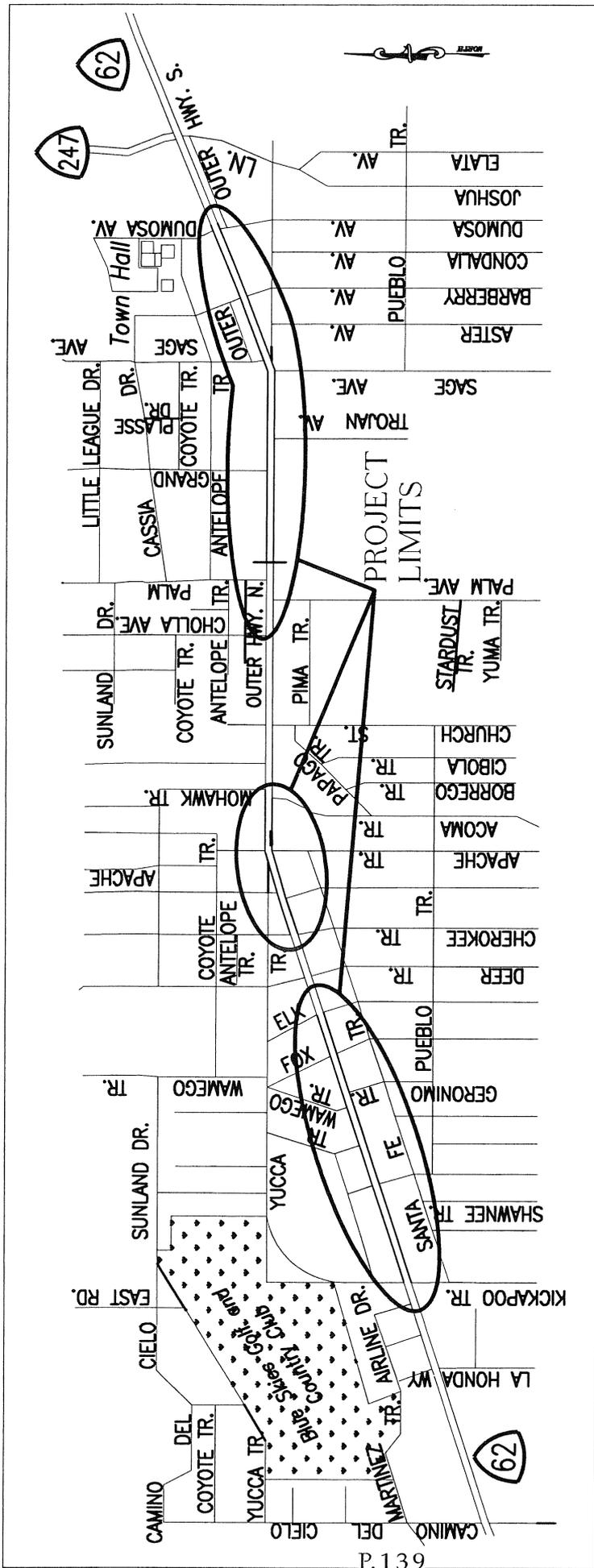
Project Status

The project has received Caltrans approval of the Environmental Review, the Project Report, and is currently in the review process for the project Plans and Specifications. The plans and specifications have just completed their 95% review. It is anticipated that all Caltrans plan reviews will be completed by the end of September 2012 as well as the Right of Way Certification. The project would then be ready for PS&E Certification through Caltrans. It is assumed that six months would be required to obtain PS&E Certification at which time the project would obtain our encroachment permit and be ready to go to bid for construction.

Regional Goals

The project consists of improvements to State Highway (SR 62) within the Town of Yucca Valley. SR 62 is the main access corridor to Joshua Tree National Park, a unit of the National Park System of the U.S. Department of Interior which abuts the southerly boundary of the Town of Yucca Valley as well as the California Welcome Center located on SR 62 which attracts and provides information to tourists and visitors, as well as providing access for military convoys to the Twenty-nine Palms Marine Corps Air Ground Combat Center.

The purpose of the project is to provide safe and efficient interstate and interregional mobility of visitors and goods and an improved and safe transportation corridor through the Town of Yucca Valley for both visitors and local residents who use this route to access Joshua Tree National Park, the California Welcome Center and the Marine Corps base.



VICINITY MAP

No Scale

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 27-28, 2012

Reference No.: 4.17
Action

From: BIMLA G. RHINEHART
Executive Director

Subject: **PROPOSITION 1B STATE-LOCAL PARTNERSHIP PROGRAM – FISCAL YEAR 2012-13**
FUNDING SHARE DISTRIBUTION
RESOLUTION SLP1B-G-1112-01

ISSUE:

Pursuant to the California Transportation Commission's (Commission) approved 2010-11 through 2012-13 State-Local Partnership Program (SLPP) Guidelines, adopted on April 8, 2010 and extended through 2012-13 on June 22, 2011, the Commission will adopt the annual funding share for each eligible applicant for the Voter-Approved Taxes and Fees sub-account, which will be determined using the most current data available through June 30th of each year. SLPP funding shares for 2012-13 have been calculated, and are attached.

RECOMMENDATION:

Commission staff recommends that the Commission adopt the Proposition 1B State-Local Partnership Program funding distribution for 2012-13 in accordance with attached Resolution SLP1B-G-1112-01 and share table.

BACKGROUND:

On November 7, 2006, the voters approved Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Proposition 1B authorized \$1 billion for the State-Local Partnership Program, to be available, upon appropriation by the Legislature, for allocation by the Commission over a five-year period to eligible transportation projects nominated by eligible transportation agencies. The program is divided into two sub-programs – a formula program to match local sales tax, property tax and/or bridge tolls (95%) and a competitive program to match local uniform developer fees (5%). The Legislature enacted implementing legislation (AB 268) in 2008 to add Article 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of the Government Code, and appropriated funds for the first year of this program. The proposed 2012-13 Budget includes an appropriation for the program's fifth and final year. The Commission is required by statute to adopt a program by October 2012, and allocations will be made when bond funds are available. All remaining SLPP funds must be programmed and allocated by June 2013, the end of the five-year period.

The Commission will, per Section 8879.72 of the Government Code, include in the annual formula program of projects each project nominated by an eligible applicant provided that the Commission determines that the nomination meets the requirements of the statute and that the project has a commitment of the required match and any supplementary funding needed for full funding.

The Commission will, per Section 8879.73 of the Government Code, select competitive grant projects from among eligible project nominations. No single competitive grant may exceed \$1 million. The Commission considers approval of a competitive grant only when the request meets the requirement of the statute and the project has a commitment of the required match and any supplementary funding needed for full funding.

Attached to this book item and resolution are the adopted SLPP Guidelines and the revised funding share distribution for 2012-13 calculated using the most recent data available for population and tax and toll revenues.

Attachments

CALIFORNIA TRANSPORTATION COMMISSION
State-Local Partnership Program (SLPP) Guidelines and Funding Shares
June 27-28, 2012

RESOLUTION SLP1B-G-1112-01

- 1.1 WHEREAS the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, authorized \$1 billion to be deposited in the State-Local Partnership Program (SLPP) Account, and
- 1.2 WHEREAS the Bond Act provides that funds in the SLPP Account shall be available to the California Transportation Commission, upon appropriation by the Legislature, for allocation over a five-year period to eligible transportation projects nominated by an applicant transportation agency, and
- 1.3 WHEREAS implementation legislation for the Bond Act enacted in 2007 (SB 88 and AB 193) designated the Commission as the administrative agency for the State-Local Partnership Program Account and mandated that program guidelines provide for audits of expenditures and outcomes, require that project nominations identify a project's useful life and delivery milestones, and require recipient agencies to report on progress made toward project implementation, and
- 1.4 WHEREAS implementing legislation specific to the SLPP was enacted as AB 268 (2008), which mandates that the Commission develop and adopt guidelines for the program, adopt the initial program of projects and make initial allocations to projects at the Commission's meeting in April 2009, and by October for each fiscal year thereafter, and
- 1.5 WHEREAS the Commission adopted the 2010-11 Guidelines, Resolution SLP1B-G-0910-02, in April 2010, with those guidelines remaining in effect through the end of the program in 2012-13, and
- 1.6 WHEREAS Government Code Section 8879.71 requires the Commission to distribute the funds from each annual appropriation to the SLPP Account between the Voter-Approved Taxes and Fees Subaccount (95%) and the Uniform Developer Fees Subaccount (5%), and
- 1.7 WHEREAS Government Code Section 8879.72 requires the Commission to establish funding shares for each eligible applicant for funding from the Voter-Approved Taxes and Fees Subaccount prior to the commencement of each annual funding cycle, and
- 1.8 WHEREAS Government Code Section 8879.72, subdivision f, requires the Commission to establish projected targets for SLPP funds that have not yet been appropriated, and
- 1.9 WHEREAS Commission staff, in accordance with Sections 8879.71 and 8879.72, has prepared a calculation of 2012-13 SLPP funding shares,
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission approves maintaining the 2010-11 Guidelines through the end of the State-Local Partnership Program in 2012-13, and adopts the 2012-13 SLPP funding shares, and

- 2.2 **BE IT FURTHER RESOLVED that 2012-13 is the final year of the five-year State-Local Partnership Program, and all SLPP formula and competitive funds must be programmed and allocated by the June 2013 Commission meeting, and**
- 2.3 BE IT FURTHER RESOLVED that the purpose of the SLPP guidelines is to identify the Commission's policy and expectations for the SLPP and thus to provide guidance to eligible applicants and implementing agencies in carrying out their responsibilities under the program, and
- 2.4 BE IT FURTHER RESOLVED that these guidelines do not preclude any project nomination or any project selection that is consistent with the Bond Act and the implementing legislation in Chapter 12.491 (commencing with Section 8879.50) of Division 1 of Title 2 of the Government Code, and
- 2.5 BE IT FURTHER RESOLVED that the Commission directs staff to post the 2012-13 funding distribution and formula funding shares, along with the Guidelines, on the Commission's website and requests that the Department assist Commission staff in making copies available to eligible applicants and implementing agencies.

STATE-LOCAL PARTNERSHIP PROGRAM FUNDING SHARES, 2012-13

June 27-28, 2012
Item 4.17

(Funding Shares in \$1,000's)

Funding Distribution of Appropriation				
Program Categories		Amount		
Total Annual Program		200,000		
Take-off for Bond administration (2%)		4,000	2011-12	Tot. Share
Subtotal		196,000	balance	Available
Discretionary grant program (5%)		9,800	1,045	10,845
Formula share program (95%)	100.00000%	186,200		
Tolls + parcel/property tax	9.79518%	18,239		
North sales tax	24.33472%	45,311		
South sales tax	65.87010%	122,650		

Funding Shares Based on Voter-Approved Tolls & Parcel/Property Taxes				
Applicant Agency	Revenue Factor	Funding Share	2011-12 balance	Tot. Share Available
Bay Area Transportation Authority	252,006,314	11,225	0	11,225
Alameda-Contra Costa Transit District	96,358,312	4,292	8,500	12,792
Bay Area Rapid Transit District	61,108,520	2,722	0	2,722
Total	409,473,146	18,239		26,739

Funding Shares Based on Voter-Approved Sales Taxes - North				
County/City	Population Factor	Funding Share	2011-12 balance	Tot. Share Available
Alameda	1,532,137	6,790	0	6,790
Contra Costa	1,065,117	4,721	0	4,721
Fresno	945,711	4,191	17,780	21,971
Madera	152,074	674	0	674
Marin	254,790	1,129	0	1,129
Mendocino - Fort Bragg	7,255	32	131	163
Mendocino - Point Arena	446	2	9	11
Mendocino - Willits	4,857	22	94	116
Nevada - Nevada City	3,062	14	27	41
Nevada - Truckee	15,918	71	0	71
Sacramento	1,435,153	6,360	9,917	16,277
San Francisco	812,538	3,601	15,765	19,366
San Joaquin	695,750	3,083	4,129	7,212
San Mateo	729,443	3,233	11,199	14,432
Santa Clara	1,816,486	8,051	0	8,051
Santa Cruz	265,981	1,179	4,633	5,812
Sonoma	487,011	2,158	4,279	6,437
Total	10,223,729	45,311		113,274

Funding Shares Based on Voter-Approved Sales Taxes - South				
County	Population Factor	Funding Share	2011-12 Balance	Tot. Share Available
Imperial	177,441	1,016	3,857	4,873
Los Angeles	9,884,632	56,570	20,149	76,719
Orange	3,055,792	17,488	57,806	75,294
Riverside	2,227,577	12,749	46,182	58,931
San Bernardino	2,063,919	11,812	2,608	14,420
San Diego	3,143,429	17,990	7,378	25,368
Santa Barbara	427,267	2,445	3,480	5,925
Tulare	450,840	2,580	0	2,580
Total	21,430,897	122,650		264,110

Several agencies have already programmed projects against the 2011-12 total share available, based on a prior estimate of 2011-12 shares. Programming will be adjusted accordingly.

STATE-LOCAL PARTNERSHIP PROGRAM TAX/TOLL REVENUES USED TO DETERMINE FUNDING SHARES FOR 2012-13

Voter-Approved Tolls, Parcel/Property Taxes	Annual Revenue
Bay Area Transportation Authority (BATA)	252,006,314
Alameda-Contra Costa Transit District	96,358,312
Bay Area Rapid Transit District	61,108,520
Total toll/parcel/property tax	409,473,146

N/S	BOE Code	Voter-Approved Transportation Sales Taxes	Total	Quarterly Gross Receipts (reported by Bd of Equalization)			
				1st Q, 2012	4th Q, 2011	3rd Q, 2011	2nd Q, 2011
N	002	San Mateo County Transit District	68,717,702.00	16,634,422.00	18,196,803.00	17,217,602.00	16,668,875.00
N	003	Santa Clara County Transit District	164,642,515.00	39,876,766.00	43,519,760.00	41,119,837.00	40,126,152.00
N	004	Santa Cruz Metropolitan Transit District	15,873,404.00	3,659,350.00	4,086,334.00	4,075,288.00	4,052,432.00
S	005	Los Angeles County Transportation Commission	645,253,095.00	156,982,756.00	168,852,083.00	160,281,873.00	159,136,383.00
N	006	Santa Clara County Traffic Authority	4,882.00	1,803.00	1,198.00	1,118.00	763.00
N	010	Alameda County Transportation Authority	45.00	-15,675.00	8,785.00	3,329.00	3,606.00
N	012	Fresno County Transportation Authority	57,635,242.00	14,025,729.00	14,823,418.00	14,408,709.00	14,377,386.00
S	013	San Diego County Regional Transportation Commission	238,213,862.00	58,293,536.00	62,125,807.00	59,181,597.00	58,612,922.00
N	018	San Mateo County Transportation Authority	68,719,262.00	16,636,089.00	18,193,249.00	17,220,597.00	16,669,327.00
N	023	Sacramento Transportation Authority	91,979,577.00	21,595,854.00	24,328,061.00	23,115,822.00	22,939,840.00
N	024	Contra Costa Transportation Authority	68,705,589.00	16,557,614.00	18,299,862.00	16,968,287.00	16,879,826.00
S	026	Riverside County Transportation Commission	133,177,294.00	33,386,443.00	35,727,662.00	31,149,737.00	32,913,452.00
N	027	San Francisco County Transportation Authority	80,477,939.00	18,789,963.00	21,540,470.00	20,416,039.00	19,731,467.00
S	029	Imperial County Local Transportation Authority	12,594,907.00	3,061,150.00	3,444,480.00	2,999,940.00	3,089,337.00
S	030	Santa Barbara County Local Transportation Authority	31,909,670.00	7,783,804.00	8,246,378.00	7,975,985.00	7,903,503.00
S	031	San Bernardino County Transportation Authority	130,864,475.00	32,506,781.00	33,727,819.00	32,801,056.00	31,828,819.00
N	034	Madera County Transportation Authority	3,333.00	0.00	1,643.00	622.00	1,068.00
S	035	Los Angeles County Transportation Commission	645,336,453.00	157,005,430.00	168,860,544.00	160,325,577.00	159,144,902.00
S	037	Orange County Transportation Authority	248,068,544.00	59,758,198.00	65,413,283.00	61,140,195.00	61,756,868.00
N	038	San Joaquin Transportation Authority	43,148,905.00	10,104,126.00	11,426,326.00	10,936,153.00	10,682,300.00
N	068	Town of Truckee Road Maintenance Tax	1,747,331.00	359,413.00	442,819.00	539,527.00	405,572.00
N	079	Alameda County Transportation Improvement Authority	112,408,564.00	27,287,483.00	29,484,642.00	28,222,944.00	27,413,495.00
N	084	City of Willits Road System Tax	847,661.00	195,401.00	197,519.00	229,479.00	225,262.00
N	085	City of Point Arena	50,120.00	9,842.00	12,768.00	11,029.00	16,481.00
N	094	City of Fort Bragg Maintain City Streets	787,791.00	204,189.00	187,458.00	205,813.00	190,331.00
N	102	Transportation Authority Marin County	21,298,463.00	5,003,587.00	5,714,327.00	5,272,277.00	5,308,272.00
N	115	Sonoma County Transportation Authority	17,847,645.00	4,120,082.00	4,686,681.00	4,620,662.00	4,420,220.00
N	123	Santa Clara County Valley Transportation Authority	164,198,208.00	39,861,519.00	43,432,807.00	41,104,372.00	39,799,510.00
N	144	Madera County Transportation Authority, 2006	7,736,762.00	1,824,300.00	1,857,093.00	1,997,126.00	2,058,243.00
N	146	Nevada City Street Improvements Tax	598,571.00	119,604.00	150,233.00	148,876.00	179,858.00
S	162	Tulare County Transportation Authority	25,842,019.00	6,228,633.00	6,877,694.00	6,218,976.00	6,516,716.00
N	174	City of El Cerrito Streets Improvements Tax (eff 7-1-08)	1,489,763.00	347,513.00	416,073.00	370,562.00	355,615.00
N	193	Sonoma Marin Area Rail Transit District (eff 4-1-09)	28,358,001.00	6,622,104.00	7,510,293.00	7,193,426.00	7,032,178.00
S	217	Los Angeles County Metro Transp. Authority (eff 7-1-09)	642,343,156.00	156,633,968.00	168,394,039.00	158,814,626.00	158,500,523.00
		Total, Voter-Approved Sales Tax	3,770,880,750.00	915,461,777.00	990,188,411.00	936,289,058.00	928,941,504.00
		Voter-Approved Sales Tax, North	1,017,277,275.00	400,455,046.00	436,912,661.00	414,214,122.00	408,038,602.00
		Voter-Approved Sales Tax, South	2,753,603,475.00	515,006,731.00	553,275,750.00	522,074,936.00	520,902,902.00

	Distribution Factor	Percentage
Total, voter-approved tolls + taxes	4,180,353,896.00	100.00000%
Tolls + parcel/property tax	409,473,146.00	9.79518%
North sales tax	1,017,277,275.00	24.33472%
South sales tax	2,753,603,475.00	65.87010%

CALIFORNIA TRANSPORTATION COMMISSION
State-Local Partnership Program
2010-11 Guidelines
April 2010
RESOLUTION SLP1B-G-0910-02

General Program Policy

1. Authority and purpose of guidelines. The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, authorized \$1 billion to be deposited in the State-Local Partnership Program (SLPP) Account to be available, upon appropriation by the Legislature, for allocation by the California Transportation Commission over a five-year period to eligible transportation projects nominated by an applicant transportation agency. The Bond Act required a dollar for dollar match of local funds for an applicant agency to receive state funds under the program.

In 2008, the Legislature enacted implementing legislation (AB 268) to add Article 11 (commencing with Section 8879.66) to Chapter 12.491 of Division 1 of Title 2 of the Government Code. Article 11 defines the purpose and intent of the program, defines the eligibility of applicants, projects, and matching funds, and provides that 95% of program funds will be distributed by formula to match voter-approved transportation taxes and fees and that the remaining 5% will be available for a competitive grant application program to match uniform developer fees. Section 8879.74 requires the Commission to adopt an annual program of projects for the program and to develop and adopt guidelines to implement the program, consistent with Article 11. Project allocations are to be made beginning no later than October of each year.

Earlier legislation to implement the Bond Act (SB 88, Chapter 181, Statutes of 2007) designated the Commission as the administrative agency for the SLPP and mandated that various administrative and reporting requirements be incorporated in the guidelines for all programs established by Proposition 1B.

2. Program of Projects. The Commission will adopt an annual program of projects for the SLPP, by October of each fiscal year. The program will consist of projects nominated by eligible applicants for the formula program and projects selected by the Commission under the competitive grant program to match uniform developer fees. SLPP project funding will match eligible local funding for project construction or equipment acquisition, consistent with Section 8879.70. The Commission will not program or allocate SLPP funding to match local funding for preconstruction work.

The program of projects for each fiscal year will include, for each project, the amount to be funded from the SLPP, the source of the dollar-for-dollar match of SLPP funding, and the estimated total cost of project construction or equipment acquisition, including any additional supplementary funding. The source of the dollar-for-dollar match will include only revenues from the transportation tax or fee that qualifies the applicant for SLPP funding. The match must be in the Construction component, the same component as

SLPP funds, except in the case of a design build project, where a portion of the match may be in design (PS&E). Eligible match funds must be expended after Commission allocation of the SLPP funds, and concurrently and proportionally to the SLPP funds.

The Commission will program and allocate funding to projects in whole thousands of dollars and will include a project only if it is fully funded from a combination of SLPP and other committed funding. The Commission will regard funds as committed when they are programmed by the Commission or when the agency with discretionary authority over the funds has made its commitment to the project by ordinance or resolution. For federal formula funds, including RSTP, CMAQ, and federal formula transit funds, the commitment may be by federal TIP adoption. For federal discretionary funds, the commitment may be by federal approval of a full funding grant agreement or by grant approval.

The Commission's annual SLPP program of projects will also include multiyear programs of projects for SLPP funding that eligible applicants may elect to adopt and submit to the Commission. The Commission will include these multiyear programs for informational purposes, acknowledging the future plans and intent of the eligible applicants. The inclusion of an applicant multiyear program, however, will not constitute a programming commitment by the Commission for future year funding, except in the case of a project for which the Commission has approved a Letter of No Prejudice based on future year formula funding.

Formula Program for Voter-Approved Taxes and Fees

3. **Annual Funding Shares.** The Commission will adopt the annual funding share for each eligible applicant for the Voter-Approved Taxes and Fees Subaccount with the adoption of these guidelines and at the beginning of each subsequent fiscal year. These shares will be determined in accordance with Government Code Section 8879.72 and rounded to the nearest whole thousand dollars. In establishing funding shares, the Commission will use the most current data available through June 30 of each year, as follows:
 - For toll revenues, the sum of revenues from Regional Measures 1 and 2 for the most recent fiscal year, as reported in audited financial statements from the Bay Area Toll Authority.
 - For parcel and property tax revenues, the revenues for the most recent fiscal year, as reported to the State Controller pursuant to Government Code Section 53891.
 - For local sales tax revenues, the sum of gross revenues for the most recent four quarters as reported for each local tax by the Board of Equalization.
 - For population, the annual population estimate for cities and counties issued by the Department of Finance in May prior to the beginning of each fiscal year.

The Commission will determine a funding share for each eligible applicant with a voter-approved tax or toll that was approved prior to the adoption of the funding shares and will be collected during the fiscal year. Where a city has a voter-approved local sales tax and is located within a county without a countywide sales tax, the Commission will adopt a

funding share for the city based on the city's population. Where there are multiple eligible applicants with a voter-approved local sales tax within a county with a countywide sales tax, the Commission will adopt a single countywide funding share based on the population for the county.

The Commission will set aside up to 2 percent of the total amount appropriated each year for the program as a reserve for bond administrative expenses. In the absence of an enacted state budget, the Commission may establish the funding shares based on its best estimate of the amount that the Legislature will appropriate to the SLPP Account, subject to adjustment based on the final appropriation in the Budget Act.

4. Project nominations. The Commission will include in the annual program of projects each project nominated by an eligible applicant for a formula funding share provided that the Commission finds that the nomination meets the requirements of statute and that the project has a commitment of the required match and any supplementary funding needed for full funding. Each applicant should submit its nomination by August 15. The Commission's program of projects shall not include a project nomination that exceeds the applicant's formula funding share, except in the case where an agreement has been reached among agencies to pool shares or borrow from existing formula shares, with repayment to be made out of future formula shares. In the case of such an agreement, a copy of the agreement shall be attached to the project nomination. A nomination shall include the signature of the Chief Executive Officer or other officer authorized by the applicant's governing board. Where the project is to be implemented by an agency other than the applicant, the nomination shall also include the signature of the Chief Executive Officer or other authorized officer of the implementing agency. Applicants for funding from a formula share should submit three hard copies of each nomination. The nominations should be addressed or delivered to:

Bimla G. Rhinehart, Executive Director
California Transportation Commission
Mail Station 52, Room 2231
1120 N Street
Sacramento, CA 95814

A project nomination may be for supplemental funding of a project that was allocated SLPP funding in a prior year, provided that the supplemental SLPP funding and the match for that supplemental funding will not be expended until after the allocation of the supplemental funding. The supplemental SLPP funding may be to replace local funding already committed to the project, subject to the required one-to-one match.

For each nominated project, the applicant should submit project information using the Project Programming Request form in use for STIP projects. The nomination should identify the implementing agency, which may be different from the applicant agency. As specified in statute, the nomination shall include:

- A description of the nominated project, including its cost and scope and the specific improvements and benefits it is anticipated to serve. The description should identify the project's useful life.

- A description of the project's current status, including the current phase of delivery, and the schedule for the completion of construction or acquisition.
- A description of how the project would support transportation and land use planning goals within the region.
- The amount and source of matching funds.
- The amount of SLPP funds requested.

An eligible applicant may adopt and submit a multiyear program for SLPP funding, either in addition to or in lieu of project nominations for the program year. As described in section 2, the Commission's acknowledgement of an applicant's multiyear program will not constitute a Commission programming commitment of future year SLPP funding.

5. Balance of funding share. If the program of projects adopted by the Commission does not program the full amount of an applicant's formula funding share, the balance will remain available for later program amendments supported by eligible project nominations. A balance not programmed in one fiscal year will carry over and be available in the following fiscal year.

Competitive Grant Program to Match Uniform Developer Fees

6. Project selection. The Commission will select projects from among eligible project nominations for the competitive grant program from the Uniform Developer Fees Subaccount pursuant to Government Code Section 8879.73. No single competitive grant for the SLPP may exceed \$1 million. The Commission will consider approval of a competitive grant only when it finds that the grant request meets the requirements of statute and that the project has a commitment of the required match and any supplementary funding needed for full funding. The selected projects will be included in the Commission's annual program of projects for the SLPP. The Commission will consider only projects for which five hard copies of a complete nomination are received in the Commission office by August 15. A nomination shall include the signature of the Chief Executive Officer or other officer authorized by the applicant's governing board. Where the project is to be implemented by an agency other than the applicant, the nomination shall also include the signature of the Chief Executive Officer or other authorized officer of the implementing agency. The nominations should be addressed or delivered to:

Bimla G. Rhinehart, Executive Director
California Transportation Commission
Mail Station 52, Room 2231
1120 N Street
Sacramento, CA 95814

7. Project applications. For each project nominated for the competitive grant program, the applicant should submit project information using the Project Programming Request form in use for STIP projects. The nomination should identify the implementing agency,

which may be different from the applicant agency. As specified in statute, the nomination shall include:

- A description of the nominated project, including its cost and scope and the specific improvements and benefits it is anticipated to serve. The description should identify the project's useful life.
- A description of the project's current status, including the current phase of delivery, and the schedule for the completion of construction or acquisition.
- A description of how the project would support transportation and land use planning goals within the region.
- The amount and source of matching funds.
- The amount of SLPP funds requested.

In addition, the grant request should include a copy of the ordinance or resolution adopted by a city, county or city and county that establishes the uniform developer fee to be matched by the grant.

An agency may apply for supplemental funding of up to \$1 million for a project that was allocated SLPP funding in a prior year or years, provided that the supplemental SLPP funding and the match for that supplemental funding will not be expended until after the allocation of the supplemental funding. The supplemental SLPP funding may be to replace local funding already committed to the project, subject to the required one-to-one match. Prior year funding of a project under the SLPP discretionary grant program is not a selection criterion for funding in a subsequent year. The Commission will evaluate applications competitively in each year.

8. Project selection criteria. In approving grants for inclusion in the program of projects, the Commission will give consideration to geographic balance and to demonstrated project cost-effectiveness. The Commission will give higher priority to projects that are more cost-effective, that can commence construction or implementation earlier, that leverage more uniform developer fees and other funds per program dollar, and that can demonstrate quantifiable air quality improvements, including a significant reduction in vehicle-miles traveled. In addition, the Commission intends to give higher priority to projects nominated by agencies that are located in areas without formula funding shares.
9. Balance of grant program funds. If the program of projects adopted by the Commission does not program the full amount of the share for the competitive grant program, the balance will remain available for later program amendments supported by eligible project grant requests. A balance not programmed in one fiscal year will carry over and be available for the competitive grant program in the following fiscal year.

Project Allocations and Delivery

10. Amendments to program of projects. The Commission may approve an amendment of the SLPP program of projects at any time. An amendment need only appear on the

agenda published 10 days in advance of the Commission meeting. It does not require the 30-day notice that applies to a STIP amendment.

11. Allocations from the SLPP Account. The Commission will consider the allocation of funds from the SLPP Account for a project when it receives an allocation request and recommendation from the Department of Transportation, in the same manner as for the STIP (see section 64 of the STIP guidelines). The recommendation will include a determination of the availability of appropriated funding from the SLPP Account and the availability of all identified and committed matching and supplementary funding. The Commission will approve the allocation if the funds are available, the allocation is necessary to implement the project as included in the adopted SLPP program, and the project has the required environmental clearance.
12. Letter of No Prejudice. The Commission will consider approval of a Letter of No Prejudice (LONP) to advance a programmed SLPP project. Approval of the LONP will allow the agency to begin work and incur eligible expenses prior to allocation. The LONP Guidelines were adopted in December 2009 and are available on the Commission's website.

The Commission shall establish, using the distribution formula set forth in Government Code Section 8879.71, subdivision (a), projected targets for distribution of formula funds not yet appropriated for the purpose of planning consistent with Section 8879.501 (LONP). These projected targets will be annually reviewed and revised. If an implementing agency requests and receives approval for a LONP against future, not yet appropriated formula funds, that agency proceeds at its own risk, as there is no guarantee of when those future funds will be made available for allocation. Allocation to reimburse expenses under an approved LONP cannot occur prior to appropriation and availability of formula funds in each funding cycle. In no case shall an allocation exceed the agency's formula share in that funding cycle year.

13. Timely Use of Funds. Under statute, projects receiving an SLPP allocation shall encumber the funds no later than two years after the end of the fiscal year in which the Commission makes the allocation. Commission policy, however, is that SLPP allocations are requested in the fiscal year of project programming, and are valid for award for six months from the date of approval unless the Commission approves an extension. Applicants may submit and the Commission will evaluate extension requests in the same manner as for STIP projects (see section 66 of the STIP guidelines).
14. Semiannual delivery reports: As a condition of the project allocation, the Commission will require the implementing agency to submit semiannual reports on the activities and progress made toward implementation of the project.

As mandated by Government Code Section 8879.50, the Commission shall forward these reports to the Department of Finance. The purpose of the reports is to ensure that the project is being executed in a timely fashion and is within the scope and budget identified when the decision was made to fund the project. If it is anticipated that project costs will exceed the approved project budget, the implementing agency shall provide a plan to the

Commission for achieving the benefits of the project by either downscoping the project to remain within budget or by identifying an alternative funding source to meet the cost increase. The Commission may either approve the corrective plan or direct the implementing agency to modify its plan.

15. Final delivery report. Within six months of the project becoming operable, the implementing agency shall provide a final delivery report to the Commission on the scope of the completed project, its final costs as compared to the approved project budget, its duration as compared to the project schedule in the project agreement, and performance outcomes derived from the project as compared to those described in the project agreement. The Commission shall forward this report to the Department of Finance as required by Government Code Section 8879.50.

For the purpose of this section, a project becomes operable when the construction contract is accepted or acquired equipment is received.

16. Audit of project expenditures and outcomes. The Department of Transportation will ensure that project expenditures and outcomes are audited. For each SLPP project, the Commission expects the Department to provide a semi-final audit report within 6 months after the final delivery report and a final audit report within 12 months after the final delivery report. The Commission may also require interim audits at any time during the performance of the project.

Audits will be performed in accordance with Generally Accepted Government Auditing Standards promulgated by the United States Government Accountability Office. Audits will provide a finding on the following:

- Whether project costs incurred and reimbursed are in compliance with the executed project agreement or approved amendments thereof; state and federal laws and regulations; contract provisions; and Commission guidelines.
- Whether project deliverables (outputs) and outcomes are consistent with the project scope, schedule and benefits described in the executed project agreement or approved amendments thereof.

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Jim Schooler, Community Services Director
Date: July 18, 2012
For Council Meeting: July 24, 2012

Subject: Fall 2012 Program Offerings – Community Services Department

Prior Council Review: None

Recommendation: That the Council move to receive and file the report outlining the Fall 2012 programs and events to be organized and conducted by the Community Services Department.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion / Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote-Consent Agenda Item)

Discussion: The programming staff of both the Hi Desert Nature Museum and the Recreation division of the Community Services Department has developed a schedule of programs and events that will be offered in the fall of 2012 (September, October, November). Descriptions are being prepared to be included in the printed Experience Yucca Valley fall activity guide that will be distributed throughout the community in mid-August.

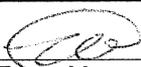
The Parks, Recreation and Cultural Commission reviewed the list of intended program offerings at their July 10th meeting and forwarded a recommendation that the Council receive and file the report.

Alternatives: None recommended

Fiscal impact: None

Attachments: Hi Desert Nature Museum fall 2012 program summary
Recreation Division fall 2012 program summary

Reviewed By:


Town Manager


Town Attorney


Mgmt Services

JAS
Dept Head

<input type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

HI-DESERT NATURE MUSEUM PROGRAMS SEPTEMBER, OCTOBER & NOVEMBER 2012

Temporary Exhibitions:

Ride 'em Cowboy! The West in Popular Culture

September 22, 2012 – January 19, 2013

Return with us to those fabled days of yesteryear, when cowboys were heroes, gunslingers lurked around every corner, six-shooters were worn in gun belts slung low on the hip, and a Stetson hat and trustworthy horse were the most valuable possessions you could own. Today America's colorful wild west history continues to resonate in our popular culture. From the dime novels of the 1800s to radio, movies and television, the ideal solitary and righteous hero was characterized in the stories of the American west, saving communities from the evils of an untamed wilderness. "Ride 'em Cowboy!" will present information on the romanticizing of the west since the Louisiana Purchase and its influence on American popular culture including movies and television shows, some filmed locally in Pioneertown.

Special Events:

Starry Nights Festival, September 15, 1:00 – 10:00 p.m., Free Admission
Astronomy Lectures, Twilight Reception, Stargazing

Wild West Family Fun Day, September 29, 10:00 a.m. – 4:00 p.m., Free
Western themed crafts, gold panning, face painting, shoot-out

Archaeopalooza, Saturday, October 20, 9:00 a.m. – 3:00 p.m., Free
Hosted by Copper Mountain College at the Bell Center
The museum partners with CMC, MBHS, JTNP to present lectures & hands-on activities

Western Museums Association Tour, Saturday, October 20,
9:00 a.m. – 8:00 p.m.
Museum staff will lead 30 WMA conference attendees on a tour of the Hi-Desert Nature Museum, JTNP, and finish with dinner at Pappy & Harriet's

Halloween Spooktacular, Saturday, October 27, 10:00 a.m. – 4:00 p.m., Free
Hands-on crafts, games, costumes, trick-or-treating

Educational Programs:

Science Saturdays, 11:00 – 11:30 a.m., Free

Each program presents information and performs experiments relating to biological and physical sciences suitable for school age children.

September 8: Astrobiology

September 22: Physics & Momentum

October 13: Biodiversity
November 3: Water Cycle
November 17: Chemical Reactions

Winter Lecture Series, One Thursday a month, November through March,
12:00 – 1:00 p.m., Free

November 8: “Cowgirls: Women of the Wild West” presented by Lynne
Richardson

Community Services Department
Planned Recreation Programs - Fall 2012

Special Events

Holiday Events			
Friday, October 26, 2012	Halloween Flashlight Candy Scramble		no charge
Saturday, October 27, 2012	Howl-oween Costume Pet Parade		no charge
Saturday, October 27, 2012	Kid's Halloween Dance		\$3 per person
Sunday, October 28, 2012	Pumpkin Splash!		\$3 per person
NFL Punt, Pass & Kick			
Saturday, September 22, 2012	Youth ages 8-15		no charge
Softball Tournament			
Saturday, September 08, 2012	Men's Tournament		\$140 per team
Fitness Fun Run (tentative)			
TBD	Run for the Arts		\$20, \$18
Senior Dances			
Saturday, September 22, 2012	Dance for Seniors & Adults		\$3, \$5
Youth Programs			
Classes			
Beginning Guitar	14 & older, Tuesday evenings		\$40/6 weeks
Bellydance (Beginning & Advanced)	10 & older, Wednesday evenings		\$35/6 weeks
Gymnastics (Beginning)	6 & older, Monday afternoons		\$35/4 weeks
Gymnastics (Intermediate)	10 & older, Monday afternoons		\$35/4 weeks
Kinder Gym	3-5 year olds, Monday afternoons		\$25/4 weeks
Paradise Park After School Program			
Ages 5 -16, Monday through Thursday beginning August 27th, 3-5 pm			no charge
Adults & Seniors			
Enrichment Classes			
Beginning Guitar	14 & older, Tuesday evenings		\$40/6 weeks

Bellydance	10 & older, Wednesday evenings	\$35/6 weeks
Yucca Valley Bridge Club	18 & older, Friday afternoons	\$2 per session
Dog Obedience	18 & older, Friday evenings	\$135/6weeks
Harmonica	5 & older, Friday evenings	\$2 per session
Scrabble	18 & older, Tuesday afternoons	\$2 per session
Pinochle	18 & older, Friday afternoons	\$2 per session
Knit & Crochet	18 & older, Thursday mornings	\$2 per session
Stretch N Tone	18 & older, Monday thru Friday mornings	\$2 per session
Table Tennis	18 & older, Wednesday afternoons	\$2 per session
Tai Chi Chuan	All ages, Wednesday evenings	\$30 per month
Open Art Studio Workshop	18 & older, Thursday mornings	\$2 per session
Western Line Dancing (Instructional)	18 & older, Mon evenings & Thurs afternoons	\$2 per session
Western Line Dancing (Intermediate)	18 & older, Mon evenings & Thurs afternoons	\$2 per session
Woodcarving	16 & older, Tuesday evenings	\$2 per session
Wii for Seniors	Wednesday afternoons & Thursday mornings	no charge
Walking Club	18 & older, ongoing	\$15 one-time fee

Seniors & Adult Trips

October or November	One Fall Trip - Destination TBD	TBD
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Softball Leagues

Ladies	Monday evenings	\$400 / team
Co-ed Traditional	Tuesday & Thursday evenings	\$400 / team
Mens	Wednesday evenings	\$400 / team
Co-ed Casual	Tuesday & Thursday evenings	\$400 / team

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Alex Qishta, Project Engineer
Date: July 17, 2012
For Council Meeting: July 24, 2012

Subject: Resolution No. 12- Measure I Plan
Resolution No. 12- Budget Amendment
Measure I Five-Year Plan 2012/2013 to 2016/2017
Measure I Expenditure Strategy

Prior Council Review: There has been no prior Town Council review of the recommended action.

Recommendation: That the Town Council:

- Adopts the Resolution for the annual Measure I, Five-Year Capital Improvement Plan and Expenditure Strategy for Fiscal Years 2012/2013 to 2016/2017 under Measure I 2010-2040.
- Adopts the Resolution amending the FY 2012-13 Adopted Budget.

Executive Summary: The Town is required to adopt a Measure I Plan annually to identify projects, the estimated Measure I expenditures on those projects, and a brief project description to be undertaken in each year.

This is an administrative requirement of both the original and subsequent voter approved Measures.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Discussion: Jurisdictions receiving program revenues from the Local Streets Program must annually adopt by action of the Council a Five-Year Plan, which outlines the specific projects upon which those funds shall be expended.

Reviewed By:	 _____ Town Manager	 _____ Town Attorney	 _____ Mgmt Services	_____ Dept Head
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<input type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input checked="" type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

Measure I 2010-2040 has a modified formula of funding for the program, compared to Measure I 1990-2010.

Under the new measure, seventy percent of revenue collected shall be apportioned for local street projects (with 2% reserved in a special account to be expended on Project Development and Traffic Management Systems), 25% for new Measure I Major Local Highways Program (MLH), and 5% for Senior and Disabled Transit Service. For this reason, a decrease in revenue going to the Local Street Program, starting in FY 2010/2011 reflects the new funding distribution approved by the voters in Measure I 2010-2040.

The regional funds, defined as 25% of total revenues, are held and allocated by SANBAG, and may only be expended (in the case of the Morongo Basin) on the state highways and major transportation links that aid regional mobility. SANBAG holds final authority over the approval of individual projects that these funds may be expended on.

There are extensive roadway improvement needs throughout the community which far exceed the available funds for construction or reconstruction of roadways. There are approximately 168 centerline miles of roadways within the Town's Maintained Roadway System. Most of the roadways are not improved to their ultimate widths. Additionally, many of the roadways are extremely aged and distressed as a result of having not been adequately maintained over their life span by the County. Current estimates indicate that in excess of an approximately \$15 million investment in reconstruction and rehabilitation would be necessary in order to bring all existing roadways within the maintained system up to acceptable standards. With approximately \$655,000 in Measure I roadway improvement revenues for FY 2012/2103, the Town does not have the financial ability to address all the roadway improvement needs of the existing Roadway System. Nor does the Town have sufficient existing revenue sources to add new roadways into the Maintained System.

Since incorporation, the Town has placed a high priority on completion and rehabilitation of the backbone major arterial system and on traffic safety improvements. Prioritization of local roadway funds has been directed toward high traffic volume roadways and those roadways providing access to community areas with higher population density.

The Town utilizes a Pavement Management System (PMS) as a guide in determining cost effective maintenance treatments, budget planning and project identification. The rationale behind the PMS is to get all pavement segments to the condition where preventative maintenance is the primary strategy being applied on a 5 to 7 year interval basis. In simple terms, it costs 1/5 to 1/10 the cost to effectively maintain a roadway segment compared to complete reconstruction costs after the pavement is 80% deteriorated and allowed to lapse into the poor and failed condition, then followed by the rehabilitation cycle.

Alternatives: Staff recommends no alternative actions. Plan consistency with expenditures is required for Measure I compliance review.

Fiscal impact: Adoption of the Measure I Resolution will have no financial impacts and will allow the Town to access the Measure I funds. According to SANBAG, the available Measure I funds for FY 2012/13 and the projected funds for the next four fiscal years are as follows:

<u>FY 2012/13</u>	<u>FY 2013/14</u>	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>FY 2016/17</u>
\$656,447	\$671,545	\$686,990	\$702,791	\$718,955

Adoption of the proposed budget resolution will amend the FY 2012-13 adopted budget to reflect the current Measure I project listing. Additionally, one new street project is established in Fund 507 – Palm, Hwy 62 – Onaga, in the amount of \$48,000.

Attachments: Resolution No. 12-
Resolution No. 12-
Expenditure Strategy
Measure I 2012/13 through 2016/2017 Transportation Project List

RESOLUTION NO 12-

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, ADOPTING THE FIVE-YEAR MEASURE I CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2012/2013 TO 2016/2017.

WHEREAS, San Bernardino County voters approved passage of Measure I 1990-2010 in November 1989 and renewed as Measure I 2010-2040 in November 2004 authorizing San Bernardino Associated Governments, acting as the San Bernardino County Transportation Authority, to impose a one-half of one percent retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of San Bernardino; and

WHEREAS, Revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plans set forth in Ordinance No. 89-1 of the Authority; and

WHEREAS, Expenditure Plans of the Ordinance require each local jurisdiction receiving revenue from the tax to expend those funds pursuant to a Capital Improvement Program adopted by resolution of the local jurisdiction; and

WHEREAS, Expenditure Plans of the Ordinance also require that each local jurisdiction annually adopt and update its Capital Improvement Plan; and

WHEREAS, the Five-year Transportation Project List, attached hereto as "Attachment A", and this reference made a part hereof, has been prepared for the Town of Yucca Valley; and

WHEREAS, the Town's Measure I Expenditure Strategy is attached hereto as "Attachment B".

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY DOES RESOLVE AS FOLLOWS.

Section 1. That the Five-Year Transportation Project List is hereby adopted, for fiscal years 2012/2013 to 2016/2017.

Section 2. That the Town Council adopts the Measure I Expenditure Strategy for Fiscal Year 2012/2013.

Section 3. That the Town Clerk of the Town of Yucca Valley is hereby directed to forward a copy of this Resolution to the San Bernardino Associated Governments.

PASSED, APPROVED AND ADOPTED THIS 24th day of July, 2012.

MAYOR

ATTEST:

TOWN CLERK

**TOWN OF YUCCA VALLEY
MEASURE I FIVE YEAR PLAN 2012/13 TO 2016/17**

YEAR	STREET & LIMITS	IMPROVEMENT	COST EST.
2012/2013	524 -UNRESTRICTED LOCAL STREET PROJECTS (68%)		
8310-8098	SANBAG - STP		5,000
8310-8105	Traffic Surveys & Warrant Studies	Speed Surveys & Traffic	10,000
8310-8097	Annual Traffic Census	Traffic Count Analysis	6,000
8310-8347	SHOPP - Minor A/Caltrans	Project Application through	5,000
8310-8507	Congestion Management Plan (CMP)	Planning & Analysis	2,500
8310-8103	Utilities	Street Lights	40,000
8310-8421	Pueblo Trail: Condalia Ave/Valley Vista Ave	AC Overlay	40,213
8310-8422	Acoma: Golden Bee/Onaga Tr.	Cape	78,425
8310-8423	Amador: Kismet/Joshua Dr.	Seal	20,665
8310-8424	Grand: Kismet/Joshua Dr.	Seal	21,134
8310-8340	Town Wide Slurry Seal	Seal or Cape	332,541
	SR62: LaHonda/Dumosa (SLPP Match)	Design/Engineering	170,000
			731,478
2012/2013	522 -MEASURE I MAJOR ARTERIAL PROJECTS (1990-2010 Measure I)		
8310-8325	SR62/SR247 Medians & Signal Upgrade	Design/Engineering	262,000
	SR62: LaHonda Way/Dumosa Av	Design/Engineering	517,600
	SR62: Apache Trail/Palm Ave	SLPP Grant Match	588,120
	TOTAL MEASURE I ARTERIALS (1990-2010 MEASURE I)		1,367,720

**TOWN OF YUCCA VALLEY
MEASURE I FIVE YEAR PLAN 2012/13 TO 2016/17**

YEAR	STREET & LIMITS	IMPROVEMENT	COST EST.
2013/2014	524 -UNRESTRICTED LOCAL STREET PROJECTS (68%)		
8310-8098	SANBAG - STP		5,000
8310-8105	Traffic Surveys & Warrant Studies	Speed Surveys & Traffic	10,000
8310-8097	Annual Traffic Census	Traffic Count Analysis	6,000
8310-8347	SHOPP - Minor A/Caltrans	Project Application through	5,000
8310-8507	Congestion Management Plan (CMP)	Planning & Analysis	2,500
8310-8103	Utilities	Street Lights	40,000
	Carmelita Cir: Santa Barbara Dr/Carmelita Cir	Seal	29,611
	Golden Bee Dr: Cholla Ave/Grand Ave	Cape	29,502
	Joshua Lane: Onaga Trail/Joshua Drive	Cape	44,590
	Sage Ave: S of LaCadena Dr/Joshua Dr.	Cape/Seal	54,602
	Santa Fe Trail: Kickapoo Trail/Apache Trail	Seal	36,586
	Palomar: Joshua Ln/Yucca Tr.	Seal	62,682
	Paxton: SR247/Avalon	Seal	32,641
	Sunnyslope: PiTown/SR247	Seal	70,766
8310-8340	Town Wide Slurry Seal	Cape/Seal	92,556
	Townwide Street Striping	Striping	150,000
		TOTAL	672,036

**TOWN OF YUCCA VALLEY
MEASURE I FIVE YEAR PLAN 2012/13 TO 2016/17**

YEAR	STREET & LIMITS	IMPROVEMENT	COST EST.
2014/2015	524 -UNRESTRICTED LOCAL STREET PROJECTS (68%)		
8310-8098	SANBAG - STP		5,000
8310-8105	Traffic Surveys & Warrant Studies	Speed Surveys & Traffic	10,000
8310-8097	Annual Traffic Census	Traffic Count Analysis	6,000
8310-8347	SHOPP - Minor A/Caltrans	Project Application through	5,000
8310-8507	Congestion Management Plan (CMP)	Planning & Analysis	2,500
8310-8103	Utilities	Street Lights	40,000
	Joshua Lane: Joshua Drive - San Marino Dr	Cape	235,226
	Joshua Drive: Acoma Trail - Joshua Lane	Cape	66,190
8310-8340	Town Wide Slurry Seal	Cape/Seal	198,584
		TOTAL	568,500

**TOWN OF YUCCA VALLEY
MEASURE I FIVE YEAR PLAN 2012/13 TO 2016/17**

YEAR	STREET & LIMITS	IMPROVEMENT	COST EST.
2015/2016	524 -UNRESTRICTED LOCAL STREET PROJECTS (68%)		
8310-8098	SANBAG - STP		5,000
8310-8105	Traffic Surveys & Warrant Studies	Speed Surveys & Traffic	10,000
8310-8097	Annual Traffic Census	Traffic Count Analysis	6,000
8310-8347	SHOPP - Minor A/Caltrans	Project Application through	5,000
8310-8507	Congestion Management Plan (CMP)	Planning & Analysis	2,500
8310-8103	Utilities	Street Lights	40,000
8310-8340	Town Wide Slurry Seal	Cape/Seal	500,000
		TOTAL	568,500

**TOWN OF YUCCA VALLEY
MEASURE I FIVE YEAR PLAN 2012/13 TO 2016/17**

YEAR	STREET & LIMITS	IMPROVEMENT	COST EST.
2016/2017	524 -UNRESTRICTED LOCAL STREET PROJECTS (68%)		
8310-8098	SANBAG - STP		5,000
8310-8105	Traffic Surveys & Warrant Studies	Speed Surveys & Traffic	10,000
8310-8097	Annual Traffic Census	Traffic Count Analysis	6,000
8310-8347	SHOPP - Minor A/Caltrans	Project Application through	5,000
8310-8507	Congestion Management Plan (CMP)	Planning & Analysis	2,500
8310-8103	Utilities	Street Lights	40,000
8310-8340	Town Wide Slurry Seal	Cape/Seal	500,000
		TOTAL	568,500

**TOWN OF YUCCA VALLEY
MEASURE I 2012/2016
EXPENDITURE STRATEGY
FY 2012/2013**

Elderly/Handicapped Fund: All revenue in the Elderly and Handicapped fund is expended by the Morongo Basin Transit Authority for necessary programs.

Local Street Program (LSP): Measure I Local Streets revenues are allocated to a number of projects, including reconstruction/rehabilitation, maintenance and engineering/design of arterials and residential roads, annual studies and/or reports such as pavement management program updates, traffic census reports, and similar activities.

Major Local Highways Program (MLH): Measure I Major Local Highway revenues are managed by SANBAG. By September 30th of each year, the Town shall submit a written request to SANBAG specifying the scope of the project(s), the requested amount and other fund sources required to fully fund the project(s).

RESOLUTION NO. 12-

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY, CALIFORNIA, AMENDING THE FY 2012-13 BUDGET

WHEREAS, the Town adopts an annual operating and special revenue budget; and

WHEREAS, from time to time it is necessary to amend the budget based upon changing circumstances; and

WHEREAS, programs and projects are expanded as opportunities become available.

NOW THEREFORE THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY RESOLVES AS FOLLOWS.

Section 1. Amend the Fiscal Year 2012-13 Special Revenue Fund budgets as reflected in Exhibit A.

APPROVED AND ADOPTED THIS 24th day of July, 2012.

MAYOR

ATTEST:

TOWN CLERK

Town of Yucca Valley
FY 2012-13 Adopted Budget
Special Revenue Funds

507 - Traffic Safety
Amended 7/24/2012

RECEIPTS

	Actual 2010-2011	Adopted 2011-12	YTD-May 2012	Projected 2011-12	Adopted 2012-13
Traffic Fine Revenue	\$ 61,309	\$ 50,000	\$ 40,434	\$ 50,000	\$ 50,000
Interest	1,328	1,200	1,000	200	200
TOTAL RECEIPTS	62,637	51,200	41,434	50,200	50,200

EXPENDITURES

Indirect Cost	1,500	1,500	-	1,500	2,000
TOTAL EXPENDITURES	1,500	1,500	-	1,500	2,000

CAPITAL OUTLAY

Work in Progress	-	50,000	-	-	229,828
TOTAL CAPITAL OUTLAY	-	50,000	-	-	229,828

OPERATING TRANSFERS IN (OUT)

Transfer OUT - Fund 522	-	(20,000)	(20,000)	(20,000)	-
Transfer OUT - Fund 515	(25,000)	-	-	-	-
Transfer OUT - Fund 524	-	-	-	-	-
Transfer OUT - Fund 527	(25,000)	(225,000)	-	-	-
TOTAL OPERATING TRANSFERS IN (OUT)	(50,000)	(245,000)	(20,000)	(20,000)	-

**INCREASE (DECREASE) IN
FUND BALANCE**

11,137	(245,300)	21,434	28,700	(181,628)
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BEGINNING FUND BALANCE

256,954	268,091	268,091	268,091	296,791
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ENDING FUND BALANCE

\$ 268,091	\$ 22,791	\$ 289,525	\$ 296,791	\$ 115,163
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Work in Progress Detail

Project	Account	Actual 2010-2011	Adopted 2011-12	YTD-May 2012	Projected 2011-12	Adopted 2012-13
Special Activities	507 25-05 7820 0000	-	50,000	-	-	-
Palm:SR62 - Onaga	507 55-59 8310 8425	-	-	-	-	48,000
Pueblo:Inca-Church	507 55-59 8310 8418	-	-	-	-	21,828
Townwide Striping/Slurry Seal	507 55-59 8310 8326	-	-	-	-	150,000
Infrastructure Maint	507 55-59 8310 8419	-	-	-	-	10,000
		-	50,000	-	-	229,828

Town of Yucca Valley
FY 2012-13 Adopted Budget
Special Revenue Funds

	Actual 2010-2011	Adopted 2011-12	YTD-May 2012	Projected 2011-12	Adopted 2012-13
524 - Measure I - 2010 Unrestricted					
Amended 7/24/2012					
RECEIPTS					
Revenue SANBAG 2010 Unrestricted	\$ 554,027	\$ 574,296	\$ 536,014	\$ 600,000	\$ 655,000
Interest	880	2,000	608	500	500
TOTAL RECEIPTS	554,907	576,296	536,622	600,500	655,500
EXPENDITURES					
Indirect Cost Recovery 524 00-00 7999 0000-000	-	32,000	-	-	-
Street Lights 524 55-59 8310 8103-000	47,128	40,000	39,700	40,000	40,000
09/10 Townwide Slurry Repl 001 20-01 7111 8340-000	-	-	-	-	-
TOTAL EXPENDITURES	47,128	72,000	39,700	40,000	40,000
CAPITAL OUTLAY					
Work in Progress	354,759	651,234	495,130	686,907	521,478
TOTAL CAPITAL OUTLAY	354,759	651,234	495,130	686,907	521,478
OPERATING TRANSFERS IN (OUT)					
Transfer OUT - Fund 513	-	-	-	-	(170,000)
Transfer IN - Fund 516	-	-	-	-	-
Transfer IN - Fund 528	50,000	-	-	-	-
TOTAL OPERATING TRANSFERS IN (OUT)	50,000	-	-	-	(170,000)
INCREASE (DECREASE) IN					
FUND BALANCE	203,021	(146,938)	1,792	(126,407)	(75,978)
BEGINNING FUND BALANCE					
	-	203,021	203,021	203,021	76,614
ENDING FUND BALANCE					
	\$ 203,021	\$ 56,083	\$ 204,813	\$ 76,614	\$ 636

Town of Yucca Valley
FY 2012-13 Adopted Budget
Special Revenue Funds

		Actual	Adopted	YTD-May	Projected	Adopted
		2010-2011	2011-12	2012	2011-12	2012-13
524 - Measure I - Unrestricted						
SANBAG STP	524 55-59 8310 8098		5,000	655	-	5,000
Traffic Studies	524 55-59 8310 8105	7,198	10,000	1,435	1,435	10,000
SHOPP, proj applic thru CT	524 55-59 8310 8347	-	5,000	-	-	5,000
Congestion Management Plan	524 55-59 8310 8507	-	2,500	2,483	2,500	2,500
Annual Traffic Census	524 55-59 8310 8097	6,300	6,000	6,000	6,000	6,000
Pueblo:Condalia-Valley Vista	524 55-59 8310 8421	-	-	-	-	40,213
Acoma: Golden Bee to Onaga	524 55-59 8310 8422	-	-	-	-	78,425
Amador: Kismet to Golden Bee	524 55-59 8310 8423	-	-	-	-	20,665
Grand: Kismet to Joshua Dr.	524 55-59 8310 8424	-	-	-	-	21,134
Town Wide Slurry Seal	524 55-59 8310 8340	-	-	-	-	332,541
Acoma Ct.: Acoma to cul-de-sac		-	-	-	-	-
Acoma: Papago to SR62; Onag	524 55-59 8310 8400	-	23,330	25,142	23,827	-
Acoma: Pueblo to Papago	524 55-59 8310 8383	-	27,600	93	27,600	-
Anaconda: Cholla to Amador		-	-	-	-	-
Anaconda: cul-de-sac to Rubid	524 55-59 8310 8389	-	7,133	9,744	9,841	-
Anaconda: Grand to Sage		-	-	-	-	-
Apache: Onaga to Santa Fe	524 55-59 8310 8401	-	14,912	16,215	16,303	-
Apache: Santa Fe to SR62	524 55-59 8310 8384	-	13,800	47	13,800	-
Aranza: Bolero to End		-	-	-	-	-
Arcadia: Del Monte to Goleta		-	-	-	-	-
Arcadia: Palomar to cul-de-sac	524 55-59 8310 8381	-	10,920	-	10,920	-
Arcadia;Goleta-End		-	-	-	-	-
Asio: Golden Meadow to Jarana		-	-	-	-	-
Balsa: Joshua Ln to Joshua Dr.	524 55-59 8310 8390	-	4,462	16,906	17,003	-
Bannock Ct;Golden Bee/End		-	-	-	-	-
Bannock: Onaga to SR62	524 55-59 8310 8402	-	14,763	16,374	16,471	-
Barberry: Golden Bee to Juarez		-	-	-	-	-
Bolera: Selecta to Cul-de-sac		-	-	-	-	-
Bonanza: Carlyle to Palomar	524 55-59 8310 8381	-	14,307	19,265	19,362	-
Bonanza: Cholla to Amador		-	-	-	-	-
Bonanza: Grand to Sage		-	-	-	-	-
Borrego: Yuma to Papago	524 55-59 8310 8403	-	10,257	10,875	10,972	-
Camarills;Delano-Yucca Tr		-	-	-	-	-
Carlyle: Cholla to Amador		-	-	-	-	-
Carlyle: Grand to Sage		-	-	-	-	-
Carlyle: Warren Vista to Palom	524 55-59 8310 8392	-	26,757	28,194	28,291	-
Carlyle;W End-Sage		-	-	-	-	-
Cherokee: Onaga to SR62	524 55-59 8310 8404	-	14,909	15,652	15,749	-
Chippewa;Pueblo-N End		-	-	-	-	-
Cholla: Carlyle to Joshua Dr.,		-	-	-	-	-
Cibola: Yuma to Papago	524 55-59 8310 8405	-	11,642	13,249	13,346	-
Condalia: Juarez to Golden Bee		-	-	-	-	-
Deer: Golden Bee to Desert Gold		-	-	-	-	-
Deer: Onaga to Pueblo	524 55-59 8310 8406	-	7,337	10,179	10,276	-
Deer: Pueblo to SR62	524 55-59 8310 8385	-	48,047	-	48,047	-
Del Monte, San Andreas/San B	523 55-59 8310 8344	309,290	-	-	-	-
Del Monte: Delano to Yucca Trail		-	-	-	-	-
Delano;Camarilla to Chippewa		-	-	-	-	-
Delano;Chippewa to End		-	-	-	-	-
Desert Gold: Grand to Sage		-	-	-	-	-
Desert Gold: Warren Vista to P	524 55-59 8310 8393	-	27,514	19,646	22,714	-
Desert Gold: West End to Elk Tr		-	-	-	-	-
Desert Gold; Cholla-Amador		-	-	-	-	-
Desert Gold;Elk-Acoma		-	-	-	-	-
Dumosa Ct: Dumosa to Cul-de-sac		-	-	-	-	-
Dumosa: San Andreas to Juarez		-	-	-	-	-
El Dorado, SR62 OHN to Barro	524 55-59 8310 8361	-	4,087	-	-	-
El Dorado: Cholla to Amador		-	-	-	-	-
El Dorado: Deer to Cul-de-sac		-	-	-	-	-
El Dorado: Desert Gold to Free Gold		-	-	-	-	-
El Dorado: Grand to Sage		-	-	-	-	-
El Dorado: Warren Vsita to Kea	524 55-59 8310 8394	-	25,673	26,292	26,389	-
Elk Ct: Elk/Desert Gold to Cul-de-sac		-	-	-	-	-

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: July 18, 2012
For Council Meeting: July 24, 2012

Subject: Amendment No. 3 to the Settlement Agreement For Incorporation Debt
Town of Yucca Valley
County of San Bernardino
County Flood Control District
\$120,042.50

Prior Council Review: There has been no prior review of Amendment No. 3. Amendment No. 2 was approved by the Town Council on October 7, 2004. The Council approved Amendment No. 1 in August 2002. The original agreement was entered into on November 23, 1999.

Recommendation: That the Town Council approves Amendment No. 3 to the Settlement Agreement for Incorporation Debt between the County of San Bernardino, the County Flood Control District, and Town of Yucca Valley, authorizing the Mayor, Town Manager, and Town Attorney to sign all necessary documents.

Summary: Amendment No. 3 would allow additional time for the County to expend funds or in-kind services for flood control projects within the Town. The funding is in the amount of \$120,042, which was paid to the County in 2000.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Discussion: In November 1999 the Town of Yucca Valley, County of San Bernardino, and the San Bernardino County Flood Control District entered into an agreement to settle incorporation debt. The Town agreed to pay the County \$120,042.50 and the County agreed to expend these monies on the construction of one of more flood control detention basins within the Town consistent with the Yucca Valley Master Plan of Drainage.

Reviewed By:


Town Manager


Town Attorney


Mgmt Services

SRS
Dept Head

Department Report
 Consent

Ordinance Action
 Minute Action

Resolution Action
 Receive and File

Public Hearing
 Study Session

The County agreed to expend these funds within two (2) years of payment. The County received the payment August 20, 2000, but was unable to expend the funds by August 20, 2002. The Town and County approved Amendment No. 1 of the Settlement Agreement allowing the funds to be expended within three (3) years of payment, that is, by August 20, 2003. Amendment No. 2 allowed the funds to be expended within eight (8) years of receipt of payment, with an ending period of August 20, 2008.

The Town, County Flood Control, and the Corps of Engineers have been attempting to qualify a Town flood control project to be eligible for federal funding since approximately 2004. The Corps of Engineers is close to completing the second tier feasibility analysis for the Long Canyon Basin and Channel projects. If Long Canyon is determined to be eligible, staff anticipates that the \$120,042.50 will be allocated towards the design of the Long Canyon Basin.

Amendment No. 3 extends the time period for expenditure of the funds to 2017.

Alternatives: No alternatives are identified.

Fiscal impact: There is no fiscal impact to the Town from approval of Amendment No. 3.

Attachments: Original Agreement for Settlement of Incorporation Debt
Amendment No. 1
Amendment No. 2
Amendment No. 3

AMENDMENT NO. 3

**FOR SETTLEMENT AGREEMENT WITH TOWN
OF YUCCA VALLEY FOR INCORPORATION DEBT**

WHEREAS, the County of San Bernardino (County), Flood Control District (District), and Town of Yucca Valley (Town) agree to amend the original agreement dated November 23, 1999 as follows:

Clause 1 is changed to read:

1. PAYMENT The Town shall pay to County, as soon as funds have been made available from California State Water Resources Board, no later than one (1) year after this Agreement is entered into the sum of \$120,042.50 ("agreed payment"). Said sums shall be used by County within seventeen (17) years of receipt to fund flood control activities within the incorporated boundaries of the Town.

All other terms and conditions remain the same.

TOWN OF YUCCA VALLEY

By: _____
Mayor

Date: _____

Attest

By: _____
Town Clerk

Date: _____

APPROVED AS TO LEGAL FORM

By: _____
Town Attorney

Date: _____

COUNTY OF SAN BERNARDINO

By: _____
Josie Gonzales, Chair, Board of Supervisors

Date: _____

**COUNTY OF SAN BERNARDINO
FLOOD CONTROL DISTRICT**

By: _____
Josie Gonzales, Chair

Date: _____

ATTEST
SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE
CHAIR OF THE BOARD

Laura H. Welch, Secretary

By: _____
Deputy

Date: _____

**SETTLEMENT AGREEMENT FOR
INCORPORATION DEBT**

This Agreement is entered into as of November 23, 1999, by and among the County of San Bernardino ("County"), the Town of Yucca Valley ("Town"), and the San Bernardino County Flood Control District ("District"). County, Town and District hereby agree as follows:

Recitals

A. The County and Town acknowledge that County provided post-incorporation services to Town pursuant to Government Code section 57384. The County and Town dispute the cost of the services provided by County. County and Town acknowledge that Town has not paid any of the incorporation debt.

B. The County seeks to recover the incorporation debt. The County and Town desire to resolve the matter without litigation. The Town desires to pay the incorporation debt but its ability to make cash payment is limited by the unavailability of immediate funds and potential restrictions on their use. However, Town can provide within one (1) year cash and/or "in-kind" property in a total amount or value of \$120,042.50 to County to be used for flood control projects within the Town's incorporated boundaries and County is willing to accept said cash and/or "in-kind" property.

C. To implement the aforementioned purposes, the parties desire to enter into this agreement.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. PAYMENT. Town shall pay to County as soon as funds have been made available from the California State Water Resources Board but no later than one year after this Agreement is entered into the sum of \$120,042.50 ("agreed payment"). Said sums shall be used by County within two (2) years of receipt, to purchase land to be used for the construction of one (1) or more detention basins within the Town's incorporated boundaries as depicted in the Yucca Valley Master Plan of Drainage ("Master Plan") prepared for and approved by the San Bernardino County Flood Control District, provided, however, Town reserves the right in lieu of cash to purchase real property at locations to be approved by District and appraised at up to the agreed payment to be transferred to County to be used as described above. Any balance due above the appraised value of the land of the agreed payment shall be paid in cash to County to be applied to flood control projects within the Town's incorporated boundaries and described in the Master Plan.

2. OBLIGATIONS OF DISTRICT. District hereby represents and agrees that within two (2) years after the date County receives cash from Town as required by paragraph 1 above, District, shall purchase land to construct one (1) or more detention basins within the Town's

incorporated boundaries as depicted in the Master Plan. District further represents and agrees that it will construct detention basins as soon as funds are available on any land received from Town as depicted in the Master Plan.

3. COMPROMISE AND SETTLEMENT. The County accepts the payment provided in this Agreement in full and complete compromise and settlement of any and all claims, disputes and causes of action it may have against the Town based on the costs of providing post-incorporation services to the Town pursuant to Government Code section 57384. County releases and forever discharges Town from any and all claims, causes of action, in law or equity, suits, debts, liens, promises, demands, liabilities or any expense of any kind whatsoever, known or unknown, which County may have, or hereinafter acquire, relating to or pertaining to the costs of providing post-incorporation services to the Town pursuant to Government Code section 57384. County acknowledges that it is aware of the provisions of California Civil Code section 1542, which states:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Nevertheless, County hereby expressly waives any and all rights it may have under California Civil Code section 1542 or under any other state or federal statute with legal principles of equal effect relating to or pertaining to the costs of providing post-incorporation services to the Town pursuant to Government Code section 57384.

4. COOPERATION. The County, Town and District will reasonably cooperate with each other in completing and implementing the terms of this Agreement.

5. DEFAULT. In the event Town fails to transfer over the assets due under this Agreement within thirty (30) days after written notice of default from County, County may declare the entire amount to be immediately due and payable without further demand or notice.

6. NOTICE. Any notice to be given under this Agreement shall be in writing and shall be deemed to be properly given if delivered or mailed first class, postage prepaid, as follows:

If to Town:
Town Manager
Town of Yucca Valley
57090 Twenty-nine Palms Highway
Yucca Valley, CA 92284

If to County:

Michael E. Nuby
Director of Redevelopment Programs
County Administrative Office
County of San Bernardino
385 North Arrowhead Avenue
San Bernardino, CA 92415-0120

If to District:

Director
San Bernardino County Flood Control District
825 East Third Street
San Bernardino, CA 92415-0835

7. AMENDMENT. Any amendment to this Agreement must be made in writing and signed by all parties.

8. WAIVER. The waiver by any party to this Agreement of a breach hereof by the other shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision hereunder.

Effective on the date herein above set forth.

TOWN OF YUCCA VALLEY

By Robert J. Leone
Mayor

Date 11/18/99

Attest:

COUNTY OF SAN BERNARDINO

By Jon D. Melick
Chairman, Board of Supervisors

Date NOV 23 1999

SIGNED AND CERTIFIED THAT A
COPY OF THIS DOCUMENT HAS
BEEN DELIVERED TO THE
CHAIRMAN OF THE BOARD

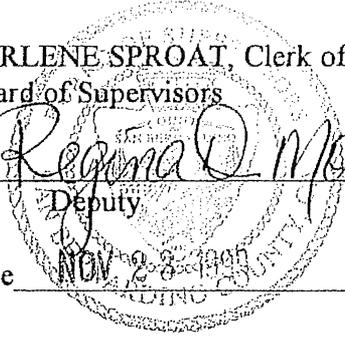
By [Signature]
Town Clerk

Date 11/18/99

EARLENE SPROAT, Clerk of the
Board of Supervisors

By [Signature]
Deputy

Date NOV 23 1999



SAN BERNARDINO COUNTY
FLOOD CONTROL DISTRICT

By [Signature]
Chairman, Board of Supervisors

Date NOV 23 1999

APPROVED AS TO LEGAL FORM:

APPROVED AS TO LEGAL FORM:

ALAN K. MARKS, County Counsel
San Bernardino County

By [Signature]
Town Attorney

By [Signature]
Deputy

Date 11/18/99

Date 11/23/99

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

Agreement 02-906

August 20, 2002

FROM: KEN A. MILLER, Director
Department of Public Works – Flood Control

**SUBJECT: AMENDMENT NO. 1 TO SETTLEMENT AGREEMENT FOR INCORPORATION
DEBT WITH TOWN OF YUCCA VALLEY**

RECOMMENDATION: Approve as the governing body of the County and as the governing body of the Flood Control District (District), Amendment No. 1 to Settlement Agreement dated November 23, 1999 for Incorporation Debt with Town of Yucca Valley (Town), allowing one additional year for the District to purchase land for construction of a future flood control basin within the Town's incorporated boundaries.

BACKGROUND INFORMATION: The County provided post-incorporation services to the Town pursuant to Government Code Section 57384. The County and Town disputed the cost of the services provided by the County and had acknowledged that the Town had not paid any of the incorporation debt.

As a way to recover the incorporation debt and to resolve the matter without litigation, the County, District and the Town agreed to settle the debt per the Settlement Agreement for Incorporation Debt. The Agreement stipulates that the Town will pay to the County a sum of \$120,042.50, which shall be used by the District for specific purposes within two years of the payment date. The County received this amount from the Town on August 20, 2000.

The District, in coordination with the Town, has been pursuing the purchase of right of way for a future flood control basin in the Town's master plan of drainage, which would satisfy the terms of the agreement. Delays in the acquisition of the land are expected to extend beyond the current agreement period (August 20, 2002). After consulting with the Town, the District is requesting an extension on the term of the agreement from two years to three years to allow for additional time to purchase the required land. Approval of this item would extend the period for the expenditure of the \$120,042.50 to August 20, 2003. All other terms and conditions of the Agreement shall remain unchanged.

REVIEW BY OTHERS: This item was reviewed by Deputy County Counsel Charles S. Scolastico on August 7, 2002 and by the County Administrative Office (Tom Forster, Administrative Analyst) on August 5, 2002.

FINANCIAL IMPACT: The approval of this Amendment has no financial impact. The \$120,042.50 received from the Town has been set aside in a separate District fund (RFW) that was specifically created for the recommended purpose. This fund, which earns interest, currently has a cash balance of \$131,129.

SUPERVISORIAL DISTRICT(S): 3rd

PRESENTER: Patrick J. Mead 387-7916

cc: Flood Control-Miller
Flood Control-Ignatius
w/agreement
Contractor c/o Flood Control
w/agreement
IDS w/agreement
Auditor-S. Kelly w/agreement
Risk Management
County Counsel-Scolastico
CAO-Forster
Flood Control-Mead
ED/PSG-Goss
File w/agreement

Record of Action of the Board of Supervisors
AGREEMENT 02-906

**APPROVED BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO**

MOTION	ABSENT	AYE	SECOND	AYE	MOVE
	1	2	3	4	5

J. RENEE BASTIAN, CLERK OF THE BOARD

BY *[Signature]*

DATED: August 20, 2002

P.180

ITEM 025



**SAN BERNARDINO COUNTY
FLOOD CONTROL DISTRICT
F A S
CONTRACT TRANSMITTAL**

FOR COUNTY USE ONLY

E	<input checked="" type="checkbox"/>	New	Vendor Code		SC	Dept.	A	Contract Number		02-906
M	<input type="checkbox"/>	Change						Contractor's License No.		
X	<input type="checkbox"/>	Cancel						Amount of Contract		
County Department					Dept.	Orgn.	Contractor's License No.			
FLOOD CONTROL DISTRICT					097	097				
County Department Contract Representative					Ph. Ext.		Amount of Contract			
Annesley Ignatius					387-8120					
Fund	Dept.	Organization	Appr.	Obj/Rev Source	Activity	GRC/PROJ/JOB Number				
Commodity Code				FY	Estimated Payment Total by Fiscal Year					
Project Name				Amount	I/D	FY	Amount	I/D		
Yucca Valley Settlement				_____	_____	_____	_____	_____		
Agreement Amendment for				_____	_____	_____	_____	_____		
Post-Incorporation Debt				_____	_____	_____	_____	_____		

CONTRACTOR Town of Yucca Valley

Birth Date _____ Federal ID No. or Social Security No. _____

Contractor's Representative David R. Burkett

Address 59090 Twentynine Palms Highway Phone (760) 369-7207

Nature of Contract: *(Briefly describe the general terms of the contract)*

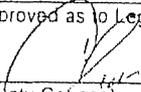
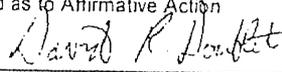
AGREEMENT AMENDMENT NO. 1

The County of San Bernardino, the Flood Control District, and the Town of Yucca Valley agree to amend the original agreement dated 11/23/99. The amendment extends the time frame that said sums shall be used by County to within three years instead of two.

THIS IS NOT A CONTRACT

THIS IS A COVER TRANSMITTAL ONLY

Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form  County Counsel Date <u>8-5-02</u>	Reviewed as to Affirmative Action  Date <u>8/2/02</u>	Reviewed for Processing  Agency Administrator/CAO Date <u>8/12/02</u>
---	--	--

AMENDMENT NO. 1

FOR

DUPLICATE ORIGINAL

SETTLEMENT AGREEMENT
WITH TOWN OF YUCCA VALLEY
FOR INCORPORATION DEBT

WHEREAS, the County of San Bernardino, the Flood Control District, and the Town of Yucca Valley agree to amend the original agreement dated 11/23/99 as follows:

Clause 1 is changed to read:

1. PAYMENT Town shall pay to County as soon as funds have been made available from the California State Water Resources Board no later than one year after this Agreement is entered into the sum of \$120,043 ("agreed payment"). Said sums shall be used by County within **three (3)** years of receipt, to purchase land to be used for the construction of one (1) or more detention basins within the Town's incorporated boundaries as depicted in the Yucca Valley Master Plan of Drainage ("Master Plan") prepared for and approved by the San Bernardino County Flood Control District, provided, however, Town reserves the right in lieu of cash to purchase real property at locations to be approved by District and appraised at up to the agreed payment to be transferred to County to be used as described above. Any balance due above the appraised value of the land of the agreed payment shall be paid in cash to County to be applied to flood control projects within the Town's incorporated boundaries and described in the Master Plan.

All other terms and conditions remain the same.

TOWN OF YUCCA VALLEY

By: Bill Keef
Mayor

Date: 8-2-02

Attest:
By: James M. Ardine
Town Clerk

Date: 8-2-02

APPROVED AS TO LEGAL FORM

By: Naomi Shuehler
Town Attorney

Date: July 31, 2002

COUNTY OF SAN BERNARDINO

By: Med Aguirre
Chairman, Board of Supervisors

Date: AUG 20 2002

COUNTY OF SAN BERNARDINO
FLOOD CONTROL DISTRICT

By: Med Aguirre
Chairman, Board of Supervisors

Date: AUG 20 2002

J. RENE ESPINOSA
Clerk of the Board of Supervisors
By: Alan K. Marks
Deputy
Date: AUG 20 2002

APPROVED AS TO LEGAL FORM

ALAN K. MARKS, County Counsel
San Bernardino County

By: Alan K. Marks
Date: 9-3-02

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION

November 23, 2004

FROM: PATRICK J. MEAD, Director
Department of Public Works – Flood Control

SUBJECT: AMENDMENT NO. 2 TO SETTLEMENT AGREEMENT FOR
INCORPORATION DEBT WITH TOWN OF YUCCA VALLEY

RECOMMENDATION: Acting as the governing body of the County and of the Flood Control District (District), approve Amendment No. 2 to Settlement Agreement dated November 23, 1999 for Incorporation Debt with Town of Yucca Valley (Town), allowing five additional years for the District to purchase land for construction of a future flood control basin within the Town's incorporated boundaries.

BACKGROUND INFORMATION: The County provided post-incorporation services to the Town pursuant to Government Code Section 57384. The County and Town disputed the cost of the services provided by the County and had acknowledged that the Town had not paid any of the incorporation debt.

As a way to recover the incorporation debt and to resolve the matter without litigation, the County, District and the Town agreed to settle the debt per the Settlement Agreement for Incorporation Debt. The Agreement stipulates that the Town will pay to the County a sum of \$120,042.50, which shall be used by the District for specific purposes within two years of the payment date. The County received this amount from the Town on August 20, 2000.

The District, in coordination with the Town, has been pursuing the purchase of right of way for a future flood control basin per the Town's Master Plan of Drainage, which would satisfy the terms of the agreement. Since the District experienced delays in the acquisition of the land, on August 20, 2002, the Board approved Amendment No. 1 with the Town to extend the initial agreement deadline by one year to August 20, 2003.

Due to further delays in the acquisition of land, the District anticipates a second extension on the term of the agreement. After consulting with the Town and obtaining its concurrence, the District is requesting an extension for a period of 5 years to allow for additional time to purchase the required land or give both the Town and the District the flexibility to expend the funds on another project. Approval of this item would extend the period for the expenditure of the \$120,042.50 to August 20, 2008. All other terms and conditions of the Agreement shall remain unchanged.

Page 1 of 2

cc: FCD-Ignatius w/agree.
Town of Yucca Valley w/agree.
c/o FCD
Auditor-Valdez w/agree.
IDS w/agreement
Risk Management
Co. Counsel-Scolastico
CAO-Forster
ED/PSG-Kanold
File w/agreement

mll

Record of Action of the Board of Supervisors

AGREEMENT NO. 02-906 A-2

APPROVED (CONSENT CALENDAR)

BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO

MOTION	AYE	AYE	AYE	AYE	MOVE
	1	2	3	4	5

J. RENEE BASTIAN, CLERK OF THE BOARD

BY *Mary Louise Leona*

DATED: November 23, 2004

P.183

ITEM 020



County of San Bernardino
Flood Control District

F A S

CONTRACT TRANSMITTAL

FOR COUNTY USE ONLY

<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Cancel	Vendor Code	SC	Dept. A	Contract Number 02-906 A-2		
County Department Flood Control District		Dept. 097	Orgn. 097	Contractor's License No.		
County Department Contract Representative Annesley Ignatius		Telephone 387-8120		Total Contract Amount		
Contract Type <input type="checkbox"/> Revenue <input type="checkbox"/> Encumbered <input type="checkbox"/> Unencumbered <input type="checkbox"/> Other:						
If not encumbered or revenue contract type, provide reason:						
Commodity Code		Contract Start Date	Contract End Date	Original Amount	Amendment Amount	
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
Project Name Yucca Valley Settlement Agreement Amendment for Post-Incorporation Debt			Estimated Payment Total by Fiscal Year			
			FY	Amount	I/D	FY Amount I/D

CONTRACTOR Town of Yucca Valley

Federal ID No. or Social Security No. _____

Contractor's Representative Duane Gasaway

Address 59090 Twentynine Palms Highway, Yucca Valley Phone 760 369-7207

Nature of Contract: *(Briefly describe the general terms of the contract)*

AGREEMENT AMENDMENT NO. 2

The County of San Bernardino, the Flood Control District and the Town of Yucca Valley agree to amend the original agreement dated 11/23/99. The amendment extends the time frame that said sums shall be used by County to within eight (8) instead of three (3).

THIS IS NOT A CONTRACT
THIS IS A COVER
TRANSMITTAL ONLY

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.)

Approved as to Legal Form County Counsel	Reviewed by Contract Compliance Date <u>11/16/04</u>	Presented to BOS for Signature Department Head Date <u>11/15/04</u>
---	---	---

Auditor/Controller-Recorder Use Only

<input type="checkbox"/> Contract Database	<input type="checkbox"/> FAS
Input Date	Keyed By

AMENDMENT NO. 2

FOR

SETTLEMENT AGREEMENT
WITH TOWN OF YUCCA VALLEY
FOR INCORPORATION DEBT

WHEREAS, the County of San Bernardino, the Flood Control District, and the Town of Yucca Valley agree to amend the original agreement dated 11/23/99 as follows:

Clause 1 is changed to read:

1. PAYMENT Town shall pay to County as soon as funds have been made available from the California State Water Resources Board no later than one year after this Agreement is entered into the sum of \$120,043 ("agreed payment"). Said sums shall be used by County within **eight (8)** years of receipt, to purchase land to be used for the construction of one (1) or more detention basins within the Town's incorporated boundaries as depicted in the Yucca Valley Master Plan of Drainage ("Master Plan") prepared for and approved by the San Bernardino County Flood Control District, provided, however, Town reserves the right in lieu of cash to purchase real property at locations to be approved by District and appraised at up to the agreed payment to be transferred to County to be used as described above. Any balance due above the appraised value of the land of the agreed payment shall be paid in cash to County to be applied to flood control projects within the Town's incorporated boundaries and described in the Master Plan.

All other terms and conditions remain the same.

TOWN OF YUCCA VALLEY

By: Robert J. Leone
Mayor

Date: November 1, 2004

Attest:
By: [Signature]
Town Clerk

Date: November 1, 2004

APPROVED AS TO LEGAL FORM

By: Naomi Schlegel
Town Attorney

Date: October 20, 2004.

COUNTY OF SAN BERNARDINO

By: [Signature]
Chairman, Board of Supervisors

Date: NOV 23 2004

COUNTY OF SAN BERNARDINO
FLOOD CONTROL DISTRICT

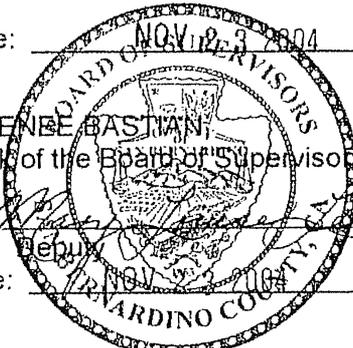
By: [Signature]
Chairman, Board of Supervisors

Date: NOV 23 2004

J. RENEE BASTIAN,
Clerk of the Board of Supervisors

By: [Signature]

Date: NOV 23 2004



APPROVED AS TO LEGAL FORM

CHUCK SCOLASTICO, County Counsel, Deputy
San Bernardino County

By: [Signature]

Date: 11-16-04

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Shane R. Stueckle, Deputy Town Manager
Date: July 18, 2012
For Council Meeting: July 24, 2012

Subject: General Plan Advisory Committee (GPAC)
Roles and Responsibilities
GPAC Application Period

Prior Council Review: There has been no prior review of this item. The Town Council approved the formation and structure of the GPAC at its meeting of June 26, 2012, and the Town Clerk has advertised for applications.

Recommendation: That the Town Council approves the Roles and Responsibilities of the General Plan Advisory Committee contained in Attachment "A", and establishes August 23, 2012, as the application deadline to apply to serve on the General Plan Advisory Committee.

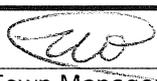
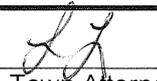
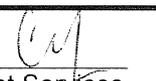
Executive Summary: A General Plan Advisory Committee (GPAC) is an ad hoc Committee commonly established during a general plan update for the purposes of assisting staff and consultants in the preparation of a general plan. The Town Council establishes roles and responsibilities for all advisory Committees and commissions.

Order of Procedure:

- Request Staff Report
- Request Public Comment
- Council Discussion/Questions of Staff
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote, Consent Agenda)

Discussion: As outlined in the work program for the General Plan Update, a GPAC was scheduled to be formed following Council's approval of the preliminary land use plan. The primary purpose of the GPAC is to assist Town staff and the consultant team in the review of the General Plan Elements, as well as to function as a conduit between the community, staff and the consultant team.

GPAC members will play an important role in encouraging broader community participation throughout the General Plan element(s) review process. The GPAC members are charged

Reviewed By:	 Town Manager	 Town Attorney	 Mgmt Services	SRS Dept Head
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<input checked="" type="checkbox"/> Department Report	<input type="checkbox"/> Ordinance Action	<input type="checkbox"/> Resolution Action	<input type="checkbox"/> Public Hearing
<input checked="" type="checkbox"/> Consent	<input checked="" type="checkbox"/> Minute Action	<input type="checkbox"/> Receive and File	<input type="checkbox"/> Study Session

with the responsibility to provide input to the update process along with providing on-going feedback to various community groups.

The roles and responsibilities of the GPAC are included in Attachment "A". The General Plan Advisory Committee's primary function is defined as follows.

PRIMARY FUNCTION: *The General Plan Advisory Committee is created for the purpose of assisting Town staff and the consultant team with the preparation of the draft General Plan Elements and to build community support for the updated plan that the community helps create. Members will play an important role in encouraging broader community participation throughout the General Plan update process. However, it is important to note that the residents of Yucca Valley will hold the primary role in developing the General Plan update through direction provided at public workshops and other public outreach venues. The Committee is charged with providing input to the update process along with providing ongoing feedback to various community groups. Members must represent the perspectives of their constituents and carry out their responsibilities in the best interest of the public.*

The GPAC is not a voting body and shall make recommendations based upon consensus of the Committee. No chair or vice-chair shall be appointed. The Planning Center staff will facilitate all GPAC meetings, and Town staff will provide liaison support to the GPAC. The GPAC will be dissolved at the completion of its role in the General Plan Update process.

The GPAC is not a replacement for either the Town Council or Planning Commission. It is not a decision-making body, except as it may offer advice and direction to Town staff and the consultant team regarding General Plan Elements. The GPAC is not a forum for taking political positions, nor is it a substitute for the public hearing process as required by law.

The recommended also includes establishing the application deadline, to serve on the GPAC, of August 23, 2012. Applications are to be submitted to the Town Clerk's office. Each Town Council member shall appoint two members to the GPAC. The Commissions shall select their representatives to the GPAC.

Alternatives: Staff recommends no alternative actions. The Council may modify the roles and responsibilities as deemed necessary.

Fiscal impact: This activity was programmed in the contract with The Planning Center as well as within the Town's annual budget.

Attachments: Attachment "A"

ATTACHMENT "A"

ROLES AND RESPONSIBILITIES FOR THE GENERAL PLAN ADVISORY COMMITTEE

MISSION STATEMENT: The Mission of the General Plan Advisory Committee is to provide on-going, organized, effective and publicly based input to the consultant team and Town staff, and share information with, and seek feedback from, the constituencies they represent. Members will assist Town staff and the consultant on issues affecting the Town of Yucca Valley General Plan Update.

GENERAL PLAN UPDATE: The General Plan Advisory Committee will be focused during the General Plan Update on goals and policies to be developed to address recent court cases and state law or guidelines that have been enacted or otherwise arisen since the existing General Plan was adopted in 1995. It is anticipated that the General Plan Update will address new policy issues such as sustainable communities, healthy communities, climate change, and green building; and strengthen existing policies such as walkability, environment, economic sustainability, and circulation. The General Plan Advisory Committee will not be making recommendations on the land use plan.

PRIMARY FUNCTION: The General Plan Advisory Committee is created for the purpose of assisting Town staff and the consultant team with the preparation of the draft General Plan Elements and to build community support for the updated plan that the community helps create. Members will play an important role in encouraging broader community participation throughout the General Plan update process. However, it is important to note that the residents of Yucca Valley will hold the primary role in developing the General Plan update through direction provided at public workshops and other public outreach venues. The Committee is charged with providing input to the update process along with providing ongoing feedback to various community groups. Members must represent the perspectives of their constituents and carry out their responsibilities in the best interest of the public.

MEMBERSHIP: The Committee will consist of 10 members from the general community and one representative each from the Planning Commission, Parks, Recreation and Cultural Commission, and the Youth Commission. The Committee shall be dissolved upon the completion of the work program.

PRINCIPLES OF PARTICIPATION: Committee members must adhere to the following principles:

- Provide on-going, organized, effective and publicly based input to the consultant team including reviewing and commenting on major work elements.

- Assist the consultant team to gain a broader understanding of public and interest group perspectives.
- Provide a forum for interaction and communication.

In addition to attending all Committee meetings, members will be expected to be engaged throughout the work program and encouraged to attend the community workshops, educational series, and other public events advertised to the general public.

From time to time, assignments may be given to members to become familiar with the issues surrounding the community. Members may also be asked to research issues and review documents in order to prepare for upcoming meetings and participation on sub-committees.

Members must communicate with their constituencies on a regular basis in order to keep them informed of the update process and to solicit additional input. The facilitator will develop a “tool kit” of materials for members to share with the constituency that they represent.

If a Committee member resigns from his or her appointment at any point during the work program or no longer represents the group, the Town Council shall fill the position in a timely manner.

GROUND RULES: The Committee shall, at the first regular meeting, review and discuss ground rules about protocol and the manner in which members should conduct themselves. The Committee is also expected to discuss member roles and responsibilities, as well as complete other organizational and introductory tasks.

- Turn cell phones and other communication items off.
- Be courteous and listen while others are speaking. Treat others in the group the way that you would like to be treated. Make an effort to understand each other’s position.
- Address the facilitator and members of the Committee rather than the public in a manner that allows the group to hear your comments. Members shall speak one at a time. If you have spoken once during a round of discussion, allow others to contribute before providing additional input.

- Build on collaboration and provide constructive feedback to the consultant team and Committee. Keep an open mind and be interested in finding areas of understanding and/or agreement.
- Participate actively, review documents by agreed upon deadlines, and adhere to the General Plan Update work program schedule.
- Use the various tools to share information with and, as appropriate, request feedback from your constituency group.
- Committee members shall maintain a positive outlook. This, along with providing constructive feedback, maintaining an open mind, and finding areas of understanding and agreement, will help the consultant team to facilitate the meetings with positive results.

Brown Act: All meetings and Committee members are subject to the open meeting requirements of the Brown Act. (The Brown Act is contained in section 54950 et seq. of the Government Code.)

Quorum: For meeting purposes, a quorum shall consist of a simple majority of the constituent membership of the Committee.

Meeting Schedule: The Committee agrees to work in a manner to accomplish their role within approximately 6 months. The regular meeting schedule shall be established to accomplish this.

Attendance: Members are expected to attend all scheduled meetings.

Business: The Committee is not a voting body. The Committee will operate by consensus and provide comments to the consultant team and Town staff. Regular meetings shall continue until all agendaized business is concluded unless adjourned earlier by Town staff or the consultant team. Any scheduled meeting of the Committee may be canceled for lack of business or quorum by Town staff or the consultant team.

Facilitator: The consultant team is responsible for the flow of the meetings and ensuring that the group works as a constructive and cohesive unit. The consultant team will facilitate and manage the meeting, maintain order, respond to inquiries or points raised, and keep the meeting on time so the agenda can be completed. No chairperson or vice-chairperson will be appointed.

Agenda: Town staff shall prepare, post, and give proper notice of the agenda for each meeting. No matter may be considered or acted upon by the Committee unless it is included on the posted agenda or supplemental notice. The minutes of previous meeting shall be approved, with additions, corrections, and deletions made by the Committee. Minutes of the previous meeting(s) and supplemental reading material (if any) are to be provided with the Committee agenda.

Public Comment: Time will be set aside at the end of each agenda for the public to comment and address the Committee on any matter under its purview. It is important to note that the Committee is not a public hearing body. The consultant team needs to hear from each Committee member, and significant public input and outreach will be provided through the Committee's meetings.

Location: Unless otherwise stated, regular meetings of the Committee shall be held at the Town of Yucca Valley Community Center, 57090 29 Palms Highway, Yucca Valley, CA 92284.

COMPENSATION: The members of the Committee shall serve without compensation.

LIAISON: Town staff shall serve as a liaison to the Committee. Town staff and members of the consultant team will provide support to the Committee to develop agendas, minutes, and other required materials. Staff will advise the Committee of all matters and provide administrative support and other functions as required. All documents will be distributed through Town staff to ensure that all members have the same information. In the event that there is information that should be shared with other Committee members, the information should be given to staff for timely distribution to the entire Committee.

COMMUNICATIONS WITH THE MEDIA: Committee members agree not to characterize their viewpoints as representative of the entire Committee when contacted by the media. Members agree not to use the media to unilaterally influence the process. Should members speak to the media, members are encouraged to provide accurate, factual information to inform the public about the program, but are asked to refrain from speaking on behalf of the Committee unless authorized by the Committee to do so. Town staff and the consultant team will be available to assist in any communications to the media, if desired.

CHANGES: The provisions of the By-laws may be changed, amended, or repealed by the Town Council.



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Curtis Yakimow, Administrative Services Director
Date: July 19, 2012
For Council Meeting: July 24, 2012

Subject: Treasurer's Report for Quarter Ending June 30, 2012

Recommendation: Receive and File the Treasurer's Report for the fourth Quarter of FY2011-12.

Order of Procedure:

- Staff Report
- Public Comment
- Questions of Staff
- Council Discussion
- Motion/Second
- Discussion on Motion
- Roll Call Vote (Consent)

Discussion: The investment policy and Town Code of the Town of Yucca Valley requires that quarterly Treasurer's reports be filed with the Town Council. Effective January 1, 2010, State law no longer requires nor provides for submission of any such quarterly investment report to the California Debt and Investment Advisory Commission (CDIAC). The attached Treasurer's Reports are for the 4th Quarter of FY 2011-12.

Attachments: Treasurer's report, 4th Quarter FY2011-12

Reviewed:



Town Manager



Town Attorney



Admin Svcs

Department Report
 Request of other Agency
 Ordinance
 Receive and File
 Consent
 Presentation
 Resolution
 Public Hearing

Town of Yucca Valley
Treasurer's Report
As of June 30, 2012

Institution/Investment	Market Value	Percent of Portfolio	Yield	Maturity Date
US Trust Bank - Checking Acct	\$ -	0.00%	0.00%	Liquid
Pacific Western-Checking Acct	\$ 2,237,976	10.55%	0.00%	Liquid
US Trust Bank - Money Market	-	0.00%	0.20%	Liquid
Local Agency Investment Fund (LAIF)	10,033,072	47.29%	0.36%	Liquid
Pac Western-Successor Agency	8,942,888	42.15%	0.00%	Liquid
Petty Cash	3,600	0.02%	0.00%	Liquid
Total Cash & Investments	<u>\$ 21,217,536</u>	<u>100.00%</u>	<u>0.17%</u>	Fully Liquid

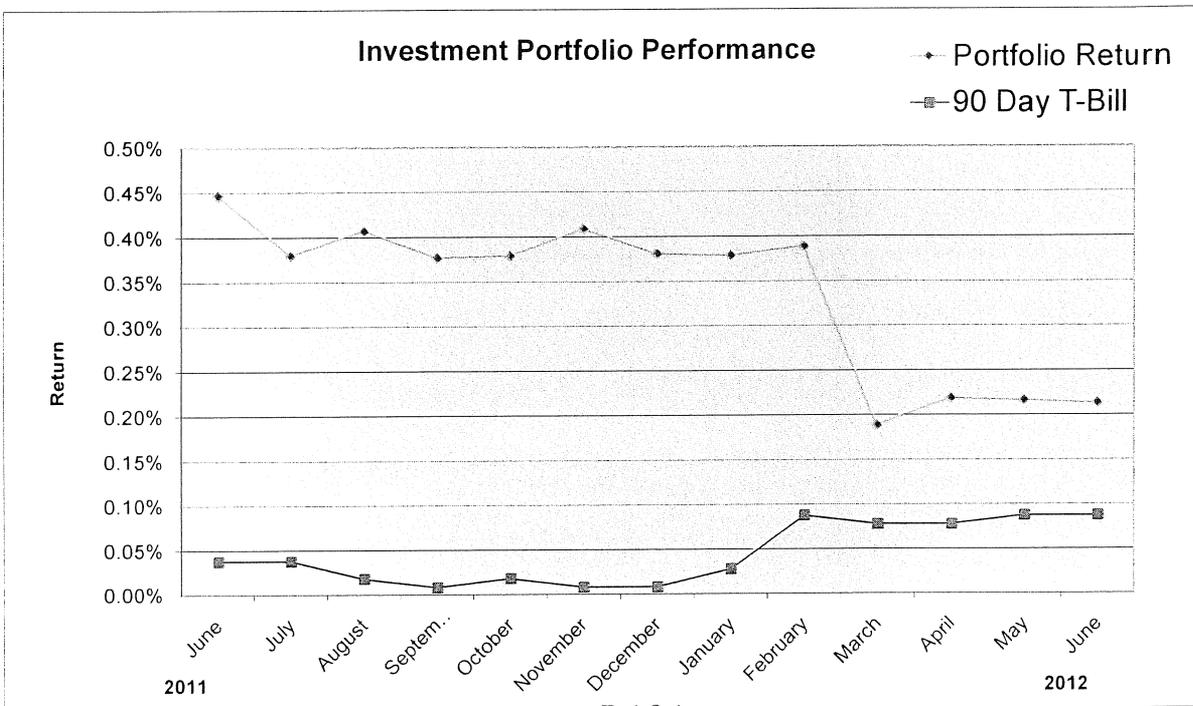
* Note - Drop in Yield in March 2012 reflective of movement of RDA monies to separate bank account.

I certify that to the best of my knowledge, this report accurately reflects all pooled investments, and is in conformity with the Town's investment policy effective February 2010, which complies with the California Government Code. A copy of this investment policy, along with the supporting banking and investment statements, is available in the office of the Town Clerk. This investment program provides sufficient cash flow liquidity to meet the next six months of budgeted expenditures.



Curtis Yakimow

Administrative Services Director



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Curtis Yakimow, Administrative Services Director
Date: July 18, 2012
For Council Meeting: July 24, 2012
Subject: Warrant Register: July 24, 2012

Recommendation:

Ratify the Warrant Register total of \$ 574,477.71 for checks dated July 6, 2012 to July 12, 2012. Ratify the Payroll Registers total of \$ 155,119.71 dated July 6, 2012.

Order of Procedure:

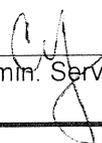
- Department Report
- Request Staff Report
- Request Public Comment
- Council Discussion
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call)

Attachments:

- Warrant Register No. 1 dated July 6-9, 2012 total of \$ 288,409.34
- Payroll Register No. 2 dated July 6, 2012 total of \$155,119.71
- Warrant Register No. 3 dated July 12, 2012 total of \$286,068.37

Reviewed By:


Town Manager


Admin. Services


Town Attorney

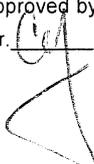
Department Report Ordinance Action Resolution Action Public Hearing
 Consent Minute Action Receive and File Study Session

**WARRANT REGISTER # 1
CHECK DATE - JULY 6-9, 2012**

FUND DISTRIBUTION BREAKDOWN

Checks # 40786 to # 40819 are valid:
Checks # 40787, # 40788 are included in SA Warrant # 1

GENERAL FUND # 001	\$287,998.44
CAPITAL PROJECTS RESERVE FUND # 800	\$410.90
GRAND TOTAL	<u><u>\$288,409.34</u></u>

Prepared by Shirlene Doten, Finance  Approved by Mark Nuaimi, Town Manager 
Reviewed by: Curtis Yakimow, Admin Svc. Dir. 

Town of Yucca Valley

Warrant Register

July 6-9, 2012

Fund	Check #	Vendor	Description	Amount
001	GENERAL FUND			
	40796	PARSAC	FY 12/13 Workers' Compensation	\$92,886.00
	40797	PARSAC	FY 12/13 Crime Bond	1,111.00
	40795	PARSAC	FY 12/13 Property Insurance	13,590.00
	40800	Western Self Storage	FY 12/13 Storage Unit Rental	1,128.00
	40799	SBCO - Hazardous Material Div.	7-9/12 Hazardous Waste	6,920.00
	40798	Rogers,Anderson, Malody & Scott	Auditing Services	9,000.00
	40794	Honeywell	HVAC Maintenance Contract	24,900.00
	40786	Blue Daddy	Summer Music Festival	1,100.00
	40789	Steve Brown	Summer Music Festival	1,100.00
	40793	Mike Heil	Summer Music Festival	1,100.00
	40790	Roland Gagne	Summer Music Festival Sound	500.00
	40791	Roland Gagne	Summer Music Festival Sound	500.00
	40792	Roland Gagne	Summer Music Festival Sound	500.00
	40801	Alsco/American Linen, Inc.	Facilities Maintenance	5.00
	40801	Alsco/American Linen, Inc.	Facilities Maintenance	38.03
	40802	National Institute of Business	Reference Materials	89.00
	40803	Wayne Coughlan	Sports Referee	66.00
	40804	Cyberspike	Museum Web Hosting Svs.	120.00
	40805	Government Outreach	FY 12/13 Software License	6,600.00
	40806	Hi-Desert Water	Water Service	370.46
	40807	Lew Edwards Group	Professional Services	15,545.00
	40808	Michelle Lorimer	Museum Program Lecturer	100.00
	40809	Maximum Solutions, Inc.	12/13 Software Svs. Agreement	1,500.00
	40810	Morongo Basin Historical Society	Membership Renewal	40.00
	40811	Oasis Office Supply	Office Supplies	5.83
	40812	Pacific Telemanagement Svs.	Public Phone Service	82.64
	40813	PARSAC	FY 12/13 Liability Coverage	105,786.00
	40814	Quick Scores	Sports Program Expense	138.00
	40815	SBCO-Auditor/Controller	FY 12/13 LAFCO Budget Allocation	1,876.26
	40816	Time Warner Cable	Cable TV Service	60.43
	40817	Vagabond Welding Supply	YVHS Pool Maintenance	15.86
	40818	Walmart Community	Shelter Supplies	70.11
	40818	Walmart Community	Shelter Supplies	88.32
	40819	Guy Wulf	Sports Referee	66.00
	EFT	The Home Depot	Facilities Maintenance	500.25
Total 001	GENERAL FUND			\$287,998.44
	800 CAPITAL PROJECTS RESERVE FUND			
	40811	Oasis Office Supply	Office Supplies	\$410.90
Total 800	CAPITAL PROJECTS RESERVE FUND			\$410.90
Report Total				\$288,409.34

TOWN OF YUCCA VALLEY

PAYROLL REGISTER # 02
CHECK DATE - July 06, 2012

Fund Distribution Breakdown

Fund Distribution

General Fund	\$136,997.20
Gas Tax Fund	9,849.23
Successor Agency	<u>8,273.28</u>

Grand Total Payroll \$155,119.71

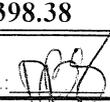
Prepared by P/R & Financial Specialist:



Reviewed by H/R & Risk Mgr.:



Town of Yucca Valley
Payroll Net Pay & Net Liability Breakdown
Pay Period 02 - Paid 07/06/2012
(June 16, 2012 - June 29, 2012)
Checks: 4408-4428

	Employee	Employer	Total
<u>Net Employee Pay</u>			
Payroll Checks	\$8,149.59		\$8,149.59
Direct Deposit	76,266.82	-	76,266.82
Sub-total	84,416.41		84,416.41
<u>Employee Tax Withholding</u>			
Federal	14,015.80		14,015.80
Medicare	1,584.77	1,584.73	3,169.50
SDI - EE	-	-	-
State	4,443.20		4,443.20
Sub-total	20,043.77	1,584.73	21,628.50
<u>Employee Benefit & Other Withholding</u>			
Health Benefit Account Credit	-	-	-
Deferred Compensation	3,307.17	1,136.26	4,443.43
PERS Survivor Benefit	40.00		40.00
Health Café Plan	2,216.65	13,620.36	15,837.01
American Fidelity Pre-Tax	259.76		259.76
American Fidelity After-Tax	12.15		12.15
American Fidelity-FSA	681.29		681.29
PERS EE - Contribution 7%	664.83		664.83
PERS EE - Contribution 8%	6,420.08		6,420.08
PERS Retirement - Employee	-	734.46	734.46
PERS Retirement - Employer	-	14,184.41	14,184.41
Wage Garnishment - Employee	336.27		336.27
Life & Disability Insurance		976.70	976.70
Unemployment Insurance		1,121.10	1,121.10
Workers' Compensation		3,363.31	3,363.31
Sub-total	13,938.20	35,136.60	49,074.80
Gross Payroll	\$118,398.38	\$36,721.33	\$155,119.71
Prepared by P/R & Financial Specialist:  Reviewed by H/R & Risk Mgr.: 			

WARRANT REGISTER # 3 CHECK DATES - JULY 12, 2012

FUND DISTRIBUTION BREAKDOWN

Checks # 40820 to # 40907 are valid

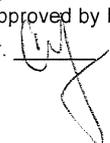
Checks # 40854, # 40881, # 40884, # 40887 are included in SA Warrant # 3

GENERAL FUND # 001	\$63,942.04
INTERNAL SERVICE FUND # 100	\$412.12
COPS SLESF FUND # 509	\$38.01
AB2928 STATE GRANT FUND # 513	\$0.00
STREET MAINTENANCE FUND # 515	\$1,881.83
LTF FUND # 516	\$0.00
MEASURE I LOCAL ROADS FUND # 523	\$2,754.00
MEASURE I 2010 - 2040 FUND # 524	\$3,968.36
SAFE ROUTES TO SCHOOL FUND # 530	\$2,723.00
HUD-JERRY LEWIS PARK FUND # 551	\$66,231.90
LANDSCAPE/LIGHTING MAINTENANCE FUND # 581	\$446.88
STREET & DRAINAGE ASSESSMENT DISTRICT FUND # 582	\$446.88
CAPITAL PROJECTS FUND # 800	\$143,223.35

GRAND TOTAL

\$286,068.37

Prepared by Shirlene Doten, Finance  Approved by Mark Nuaimi, Town Manager 

Reviewed by: Curtis Yakimow, Admin Svc. Dir. 

Town of Yucca Valley

Warrant Register

July 12, 2012

Fund	Check #	Vendor	Description	Amount
001	GENERAL FUND			
	40820	Ace Alternators	Vehicle Maintenance	\$156.44
	40821	Alsco/American Linen, Inc.	Facilities Maintenance Supplie	69.08
	40822	Arrowhead Mountain Water	Office Supplies	345.77
	40823	Avalon Urgent Care	Pre-Employment Screening Svcs.	300.00
	40824	Barr Lumber, Inc.	Parks Supplies	1.15
	40825	Best Paw Forward	Animal Evaluation Svcs.	75.00
	40826	Big 5 Corp.	Recreation Program Supplies	321.45
	40827	Kristine Bost	Contract Instructor	22.21
	40828	Carol Boyer	Contract Instructor	67.20
	40829	Beverly Burkitt	Contract Instructor	29.40
	40830	California Building Standards Com.	SB1473 Fee 04-06/12	7.20
	40831	Carquest Auto Parts	Vehicle Maintenance	67.73
	40832	Chet's Appliances	Shelter Equipment Repair	90.00
	40834	Companion Animal Clinic	Veterinary Supplies	1,517.30
	40835	Corelogics Information Solutions	Property Information Svcs.	150.00
	40836	Cyber Photographics	Recreation Program Expense	153.01
	40837	Cyberspike	Museum Website Svcs.	210.00
	40838	Data Ticket	Citation Processing Fee	321.10
	40839	Department of Conservation	SMIP Fees 04-06/12	7.72
	40840	Dept of General Services	Filing Services	80.00
	40841	Desert Pacific Exterminators	Pest Control Services	180.00
	40842	Desert Hot Springs Animal Clinic	Veterinary Services	409.00
	40843	Dept of Justice	Livescan Services	196.00
	40845	Catherine Fletcher	Contract Instructor	40.60
	40846	Mae Fox	Contract Instructor	47.60
	40847	Fulton Distributing Co.	Shelter Janitorial Supplies	259.49
	40848	G & K Propane	Vehicle Fuel	62.46
	40850	Golden State Overnight	Delivery Service	21.86
	40851	Graphic Penguin	Website Maintenance	370.00
	40852	Joy Groves	Contract Instructor	325.50
	40853	Totalfunds by Hasler	Postage	500.00
	40854	Hi-Desert Water	Water Service	11,305.92
	40855	Hi-Desert Publishing	Employment Advertising	629.65
	40856	Johnson Lift/Hyster	Equipment Maintenance	118.17
	40857	Susan Jordan	Contract Instructor	199.50
	40858	Heather Kaczmarczk	Contract Instructor	448.00
	40859	Roger Keezer	Contract Instructor	50.40
	40860	Jeremie King	Sports Referee	66.00
	40861	Knorr Systems, Inc.	YVHS Pool Cover	7,376.38
	40862	KV Vet Supply Co.	Veterinary Supplies	181.52
	40863	Lew Edwards Group	Community Outreach Material	11,944.25
	40864	Bob Maddox	Contract Instructor	14.00
	40865	The Mallants Corp	Temporary Employment Svcs.	804.96
	40866	Susan Masterson	Contract Instructor	765.00
	40867	Morongo Basin Tennis Assoc.	FY 11/12 Partnership Agreement	1,500.00
	40868	National Band & Tag	Dog License Tags	368.21
	40869	Viva Nelson	Contract Instructor	14.00
	40870	Dan O'Dowd	Museum Video Services	800.00

Town of Yucca Valley

Warrant Register

July 12, 2012

Fund	Check #	Vendor	Description	Amount
	40871	Sierra Oakes	Contract Instructor	35.00
	40872	Oasis Office Supply	Office Supplies	1,288.21
	40873	OnTrac	Delivery Service	30.41
	40875	Public Agency Retirement Services	Trust Administrator Svs. 04/12	600.00
	40876	Petty Cash-Maureen Randall	Museum Misc. Supplies	158.04
	40877	Petty Cash-Maureen Randall	Community Svs. Misc. Supplies	292.71
	40878	Pro Video	Town Council Taping	200.00
	40880	Steven Renegar	Contract Instructor	112.00
	40882	Richard Sanchez	Contract Instructor	168.00
	40883	Linda Sande	Contract Instructor	133.00
	40885	SBCO Library-Yucca Valley Branch	FY 11/12 Partnership Agreement	3,000.00
	40886	Office of the County Recorder	Filing Fee	18.00
	40888	Beverly Schmuckle	Contract Instructor	51.80
	40889	Southwest Networks, Inc.	Technology Support	4,790.00
	40890	Sprint	Phone Charges	9.28
	40891	State Board of Equalization	Sales Tax FY 11/12	877.00
	40892	Stater Bros	Recreation Program Expense	169.13
	40893	Steven Enterprises	Toners	581.53
	40895	Trophy Express	Museum Buy A Brick Program	66.00
	40896	Delanford Truitt	Sports Referee	242.00
	40897	Unisource Worldwide, Inc.	Shelter Janitorial Supplies	2,316.74
	40899	Vagabond Welding Supply	YVHS Pool Expense	15.09
	40900	VCA Yucca Valley Animal Hospital	Veterinary Services	903.00
	40901	Verizon	Long Distance Service	270.93
	40903	Valley Independent	Recreation Program Expense	584.19
	40904	Voyager Fleet Systems, Inc	Vehicle Fuel	84.66
	40905	Walmart Community	Recreation Program Supplies	604.65
	40906	Woods Auto Repair	Vehicle Maintenance	161.77
	40907	Guy Wulf	Sports Referee	198.00
	EFT	First Bankcard	Meetings & Operating Supplies	2,084.00
	EFT	The Home Depot	Maintenance Supplies	906.67
Total 001 GENERAL FUND				<u>\$63,942.04</u>
100 INTERNAL SERVICE FUND				
	40849	GE Capital Corporation	Copier Lease	\$412.12
Total 100 INTERNAL SERVICE FUND				<u>\$412.12</u>
509 COPS-SLESF FUND				
	40902	Verizon Wireless	Sheriff's Office Phone Svs.	\$38.01
Total 509 COPS-SLESF FUND				<u>\$38.01</u>
515 GAS TAX FUND				
	40821	Alsco/American Linen, Inc.	Street Uniforms Service	\$26.35
	40854	Hi-Desert Water	Water Service	214.36
	40887	SCE	Electric Service	159.30
	40894	Tops n Barricades	Street Signage	1,481.82
Total 515 GAS TAX FUND				<u>\$1,881.83</u>

Town of Yucca Valley

Warrant Register

July 12, 2012

Fund	Check #	Vendor	Description	Amount
523	MEASURE I - LOCAL ROADS FUND			
	40898	United Paving Co.	Church Street Project	\$2,754.00
Total 523	MEASURE I - LOCAL ROADS FUND			\$2,754.00
524	MEASURE I - 2010-2040 FUND			
	40887	SCE	Electric Service	\$3,968.36
Total 524	MEASURE I - 2010-2040 FUND			\$3,968.36
530	SAFE ROUTES TO SCHOOLS FUND			
	40879	Prorider	Safe Routes to Schools Program	\$2,723.00
Total 530	SAFE ROUTES TO SCHOOLS FUND			\$2,723.00
551	HUD- JERRY LEWIS PARK FUND			
	40833	Circle Mountain Biological Consult.	Biological Monitoring SS Park	\$2,883.42
	40844	Doug Wall Construction, Inc.	SS Park Project	63,348.48
Total 551	HUD- JERRY LEWIS PARK FUND			\$66,231.90
581	LANDSCAPE/LIGHTING MAINTENANCE FUND			
	40855	Hi-Desert Publishing Co.	Assessment Advertising	\$446.88
Total 581	LANDSCAPE/LIGHTING MAINTENANCE FUND			\$446.88
582	STREET/DRAINAGE DISTRICT FUND			
	40855	Hi-Desert Publishing Co.	Assessment Advertising	\$446.88
Total 582	STREET/DRAINAGE DISTRICT FUND			\$446.88
800	CAPITAL PROJECTS RESERVE FUND			
	40898	United Paving Co.	Church Street Project	\$143,223.35
Total 800	CAPITAL PROJECTS RESERVE FUND			\$143,223.35
***	Report Total			<u>\$286,068.37</u>



TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Mark Nuaimi, Town Manager
Date: July 18, 2012
For Council Meeting: July 24, 2012

Subject: Community Outreach Update; Local Revenue Alternatives Discussion

Prior Council Review: The Town Council approved implementation of a Public Education Outreach Program at its meeting of January 17, 2012.

Recommendation: It is recommended that Town Council:

- Receive update from the outreach activity conducted by the Town concerning community priorities; and
- Provide direction on potential local revenue measure alternative(s)

Order of Procedure:

Request Staff Report
 Conduct Public Hearing
 Council Discussion / Questions of Staff
 Motion/Second
 Discussion on Motion
 Roll Call Vote

Discussion:

Since the strategic planning workshop of January 7, 2011, the Town has been working with the Hi-Desert Water District (HDWD) to identify potential funding strategies to help finance the centralized wastewater treatment system which has been legally mandated by the State Water Board. Additionally, Town staff examined a series of approaches to protecting and addressing the essential public safety, community, and street repair/maintenance services that the Town delivers. Out of this process, the Town Council approved initiating a Public Education / Outreach program to inform the community of the challenges facing the Town and seek their input into priorities and suggestions for delivering these priorities to the community.

Reviewed By:

Town Manager

Town Attorney

Admin Services

Dept Head

____ Department Report

____ Ordinance Action

____ Resolution Action

Public Hearing

____ Consent

Minute Action

____ Receive and File

____ Study Session

Local government agencies are permitted to conduct Public Education / Outreach programs in order to provide information concerning the community. For the past several months, the Town has conducted an Outreach effort that included:

- Presentations to community groups
- Informational or interactive Mailings
- Objective, statistically valid community telephone survey (conducted July 15-17)

Community Presentations: Town staff attended 18 community presentations delivering the “Community Update: Maintain Local Control of Our Local Funds” Powerpoint to approximately 350 attendees. These included presentations summarized below:

Outreach Sessions

Date	Group	Attendees
04/05/2012	Town All-Staff Meeting	30
04/09/2012	TM Advisory	23
04/10/2012	Chamber Board Meeting	15
04/11/2012	Builders Group	15
04/12/2012	Sunset Rotary	6
04/30/2012	Hi Desert Water PAC	10
05/12/2012	Local Business (AB341 Tie-in)	9
05/02/2012	YV Elks Lodge #2314	17
05/07/2012	Citizens on Patrol	15
05/07/2012	YV Youth Commission (w/ parents)	9
05/08/2012	Planning Commission & the Parks, Rec. & Cultural Commission	30
05/16/2012	Soroptimists	12
05/17/2012	Noon Rotary	12
06/08/2012	Gate of Spain Mobile Home Park HOA	31
06/10/2012	Morongo Basin Democratic Club	25
06/18/2012	Yucca Valley Republican Women	25
06/27/2012	Footprinters	20
07/05/2012	Hearts of YV & Residents of Country Club Mobile Home Estates	43
	TOTAL	347

Direct Mail:

The Outreach effort included production and distribution of two informational mailers to over 5000 households each. The first mailer (“Community Update”) included a tear-off survey card designed to be interactive, to receive community input and perspectives. The same survey was also available on-line at the Town’s website. To date, 448 responses have been received, highlighting the priorities of the community. These results are shown below.



Answer		Number of Responses	Rating Score*
Preserving our small town atmosphere and sense of community	52% 48%	448	1.5
Maintaining local control of local funds to address community priorities	62% 38%	448	1.4
Protecting local property values	67% 33%	448	1.3
Reducing the cost of the state-mandated sewer system improvements	80% 20%	448	1.2
Maintaining and repairing existing neighborhood streets and alleys	64% 36%	448	1.4
Maintaining local paramedic/firefighter services	63% 37%	448	1.4
Increasing police resources including more drug & gang enforcement	50% 50%	448	1.5
Reducing the cost of emergency transport (ambulance) service for Town residents	35% 65%	448	1.6
Improving 9-1-1 emergency response services	33% 67%	448	1.7
Other- Enter Comment Below	39% 61%	448	1.6

Community Telephone Surveys: Prior to launching the Outreach effort, the Town completed an objective, statistically valid survey of 305 respondents as part of the General Plan outreach activity. While that community survey was primarily focused on land use policies, a series of questions were included to identify resident priorities and their potential interest in funding those priorities with a local revenue measure. The survey results indicated a potential base of support for a one cent general revenue measure among likely November 2012 voters:

- After hearing only a summary of such a measure, **53% of those surveyed indicated support**.
- **Support increased to 62%** after respondents heard additional information, including potential Town services and facilities to be funded;

The December 2011 survey identified the following top three priorities of respondents:

- Maintaining and repairing existing neighborhood streets and alleys.
- Increasing public safety resources, including more drug enforcement.
- Lowering the costs for the mandated sewer system and providing financing alternatives for residents and businesses

The Outreach effort also included an abbreviated telephone survey of 255 respondents. Those respondents were asked their opinion of the state's tax proposal and then asked about a hypothetical local revenue measure. The preliminary results of that survey demonstrate consistent support for a local revenue measure:

- After hearing a summary of a one percent general sales tax measure, **fully 59 % of those surveyed indicated support**, an **increase of six percent** since the December 2011 survey.
- Support increased to 60% after respondents heard additional information on the measure, including potential Town services and facilities to be funded

Community Priorities – What We Heard

- Throughout this outreach effort, the community response was consistent – infrastructure maintenance, maintaining local property values, and financing the sewer project were consistently the highest-ranked priorities.
- During the outreach presentations, there was considerable frustration expressed concerning the state efforts to divert local funding from the Town to state coffers.
- There was also a strong sense of urgency that the regional wastewater treatment facility **must** be done, as this has been legally mandated. The Town has no choice but to comply.
- Many expressed support for the Town to pursue a local revenue measure – some specifically mentioned a sales tax as being the best approach to meeting the needs of this community.

- Understandably, a number of responses also suggested that the sewer project is a state mandate and should be funded by the state. While staff doesn't disagree with this sentiment, unfortunately by law the Town has no choice but to comply.

Revenue Measure Alternatives

In order to provide a thorough analysis of potential revenue measure alternatives, it is necessary to understand the unfunded activities that require the additional revenue. Since January 2011, Town staff has been emphasizing that additional resources are required for the following:

- Deferred road maintenance (\$14-\$15 million)
- Flood Control Improvements (\$20 million)
- Regional Wastewater Treatment System (\$125 million)
- Park Improvements (\$5 million)
- Park Maintenance Increases (\$300k)
- Public Safety Cost Increases (\$200k compounding annually)
- Road expansion projects (\$20 million)
- Public Facilities (\$3-\$5 million)

Many of these needs are on-going, long-term funding obligations. For example, the Regional Wastewater Treatment System will likely be financed over a 20 – 30 year period. Road maintenance and public safety costs are both one-time and recurring expenditures. Therefore, Town staff has evaluated a number of long-term revenue measures to address these needs:

Revenue Type	Rate of Application	Annual Revenue Potential	Who Pays?	Other Information
Utility Tax	5% on all utilities	\$1.5 million	All businesses and residential utility customers	Exemptions common; Amount increases with growth / inflation
Sales Tax	1% (one cent) on all taxable retail transactions	\$3.0 million +	Anyone shopping in Yucca Valley	50% of revenue derived from visitors to the community. Sales tax is not applied to food purchased as groceries, or prescription medication.
Hotel Tax	Increase TOT from 7% to 10%	\$150k	Anyone staying in a local hotel / motel	

Revenue Type	Rate of Application	Annual Revenue Potential	Who Pays?	Other Information
Development Impact Fees	\$\$ / sq-ft	Varies	New Development	Unpredictable Source; Tied to specific improvements
Transfer Tax	% of property value sold	Varies	Anyone transferring property	Requires Charter City in order to implement; subject to market value fluctuations
Community Facilities District	Annual assessment / land use type	Varies	Property Owners in the District	Requires Prop 218 approval from property owners

Within the past year, the Town Council increased the Development Impact Fees applied to new development. In the current fiscal year, this is projected to generate approximately \$1 million. These funds are restricted, however, to deliver specific projects included in the impact fee program. They are unable to be used to address General Fund services like public safety, park & facility maintenance, and deferred road maintenance.

Given the funding needs and potential sources, Town staff recommends a Sales Tax revenue measure for the following reasons:

- Sales tax has historically provided a stable source of revenue and is a mechanism that has enjoyed strong support in other California communities attempting to address their budget challenges;
- Half of the funds collected from sales taxes come from outside visitors to the community;
- Sales taxes don't apply to food or prescription expenses – low income seniors' expenditures in those area are insulated from this form of revenue measure;
- Sales tax revenue grows with inflation AND with population growth of the region;
- Funds from a locally-enacted revenue measure are protected from State take-aways under current law;
- Utility taxes frequently face greater opposition from the business community and utility providers making such a measure more difficult to pass;
- Utility taxes are fully paid by local residents and businesses and don't provide direct contributions from the visitors to the community;
- Hotel taxes don't generate a sufficient amount of revenues to meet the needs;

Proposed Sales Tax Measure

In 2011, a study was conducted to evaluate the revenue generation potential of an increase in sales tax. The study was conducted by Dr. John Husing and evaluated a 0.5% and 1% increase in the sales tax for either a 15 year or 30 year period. The “constant dollar” and “inflation adjusted” revenue potential for each rate & method is shown in the table to the right:

Sales Tax Revenue Potential

Rate	Term	Constant \$\$	Inflation Adjusted
0.5%	15 years	\$22.1 million	\$27.1 million
	30 years	\$50.1 million	\$80.6 million
1.0%	15 years	\$44.1 million	\$54.3 million
	30 years	\$100.2 million	\$161.3 million

Given the long-term financing needs for the wastewater treatment project, Town staff is recommending a 30 year revenue measure. The Town and HDWD have discussed a transaction that would allow proceeds from the new revenue measure to support financing for the sewer project beginning in 2017. That will provide 4 years of revenues prior to 2017 for use to address the other community priorities. The revenue forecast for a 30 year measure is shown below:

State of Economy	Year	Current Dollar Total Sales	Growth Rate	1.0% Tax Rate (-0.25% SBOA fee)	Cumulative Tax Revenue
Recession lingers	2011	\$245,443,083	1.6%	\$2,486,535	\$2,486,535
Recession Lingers	2012	\$249,276,648	2.6%	\$2,525,530	\$5,012,065
Recovery	2013	\$253,185,971	2.7%	\$2,591,190	\$7,603,254
Expansion	2014	\$259,768,386	4.5%	\$2,661,086	\$10,264,341
Expansion	2015	\$266,775,583	5.3%	\$2,780,000	\$13,044,341
Expansion	2016	\$278,696,764	29.1%	\$2,927,340	\$15,971,681
Max Expansion	2017	\$293,467,693	4.7%	\$3,778,080	\$19,749,761
Slowing	2018	\$378,754,896	2.6%	\$3,954,546	\$23,704,307
Faltering	2019	\$396,445,676	0.5%	\$4,056,795	\$27,761,102
Recession	2020	\$406,090,207	-1.1%	\$4,077,329	\$31,838,432
Recession	2021	\$408,754,830	4.2%	\$4,031,353	\$35,869,784
Recovery	2022	\$404,145,655	5.9%	\$4,199,043	\$40,068,828
Recovery	2023	\$420,956,738	6.5%	\$4,446,751	\$44,515,579
Expansion	2024	\$445,789,612	7.9%	\$4,737,779	\$49,253,358
Expansion	2025	\$474,965,294	9.7%	\$5,113,102	\$54,366,460
Expansion	2026	\$512,591,673	4.6%	\$5,608,417	\$59,974,877
Slowing	2027	\$562,247,291	2.6%	\$5,867,675	\$65,842,552
Faltering	2028	\$588,238,129	-0.1%	\$6,022,159	\$71,864,711
Recession	2029	\$603,725,197	-1.6%	\$6,018,251	\$77,882,962
Recession	2030	\$603,333,437	4.1%	\$5,919,599	\$83,802,561
Recovery	2031	\$593,443,509	5.8%	\$6,163,318	\$89,965,879
Recovery	2032	\$617,876,471	6.4%	\$6,519,151	\$96,485,030
Expansion	2033	\$653,548,959	7.9%	\$6,937,923	\$103,422,953
Expansion	2034	\$695,531,148	9.6%	\$7,496,053	\$110,909,006
Expansion	2035	\$750,481,544	4.6%	\$8,204,765	\$119,113,771
Slowing	2036	\$822,532,808	2.0%	\$8,581,300	\$127,695,071
Faltering	2037	\$860,280,661	-0.0%	\$8,749,520	\$136,444,590
Deep Recession	2038	\$877,144,849	-4.1%	\$8,749,493	\$145,194,083
Deep Recession	2039	\$877,142,106	-7.2%	\$8,387,444	\$153,581,527
Deep Recession	2040	\$840,846,536	1.6%	\$7,779,557	\$161,361,085
Totals: 2011-2040		\$16,421,992,915	3.93%	\$161,361,085	

Sources: Current Dollar Total Sales (Exhibit 10); tax rate & fee (Economics & Politics, Inc.)

General v. Special Tax

As staff evaluated the needs for revenues, it became apparent that the Town's needs went well beyond one or two specific items. From infrastructure maintenance, to public safety, to community services, and wastewater financing, there are multiple needs that may change over the life of this measure as the priorities of the community evolve. Therefore, staff is recommending that a General Tax be proposed for the community's consideration.

There are some initial concerns that the state revolving loan program may not consider a General Tax measure to be "secured" collateral when Hi-Desert Water District applies for financing with the state. However, this does not prevent the Town and District from entering into a separate financial arrangement whereby Town proceeds **can still be committed on an annual basis to bring down the financing costs of the sewer project** to the taxpayers in this community. Staff would recommend that the Town and HDWD continue working towards this financial arrangement and have it negotiated prior to the vote on this General Tax occurring.

Election Timing

In order to implement a new revenue measure, a ballot item must be placed before the voters. Since this is proposed as a General Tax, it needs to be scheduled during a regular municipal election. The next regular municipal election occurs this November 6th, 2012. The Town Council has until August 10th, 2012 to place potential ballot measures on the November election. If Council opts to move forward with a revenue measure, Town staff will prepare the required Resolution and ballot proposal for the August 7th Town Council meeting. Placement of a general revenue measure requires a 2/3rd approval of the Town Council to move it forward and a simple majority vote of the electorate to have it pass.

Alternatives: None recommended.

Fiscal impact: Based upon the recommended action, there will be expenses associated with adding the measure to the November ballot. The County Registrar of Voters estimates direct election costs of approximately \$15,000. Town staff would also recommend additional Community Outreach activity as allowed by law. Town staff will bring the required budget amendments at the next Council meeting.

Attachments: None

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor & Town Council
From: Mark Nuaimi, Town Manager
Date: July 19, 2012
For Council Meeting: July 24, 2012

Subject: Financing, Disposition and Development Agreement for Affordable Senior Housing Project

Prior Agency Review:

- The former Yucca Valley Redevelopment Agency (“Agency”) authorized the release of the Request for Qualifications at its meeting of June 15, 2010.
- The Agency approved the selection of National Community Renaissance of California (NCRC) as the development entity to deliver an affordable senior housing opportunity at its meeting of October 19, 2010.
- The Agency reviewed site alternatives at its meeting of November 16, 2010 and recommended the Dumosa site as the preferred site for the proposed Project.
- The Agency authorized an Exclusive Negotiating Agreement (ENA) with NCRC on December 21, 2010.
- The Town Council approved the Yucca Valley Senior Affordable Housing Specific Plan (S01-11) and Conditional Use Permit (CUP 03-11) on May 17, 2011.
- The Agency approved an Option Agreement providing site control of the Dumosa property on May 17, 2011.
- The Town Council approved the Financing, Disposition and Development Agreement (FDDA) between the Town and NCRC establishing the terms under which the Town would support development of a seventy-five unit affordable senior housing project on March 20, 2012

Recommendation: It is recommended that the Town Council:

1. Adopt the Resolution approving the Amendment to the Financing, Disposition and Development Agreement between the Town and National Community Renaissance of California (“NCRC”) establishing the terms under which the Town will support development of a seventy-five (75) unit affordable senior housing project; and
2. Authorize the Town Manager, Mayor, and Town Attorney to execute all documents required to support the NCRC application for Tax Credits as part of a as part of a July Tax Credit Allocation submittal;

Reviewed By:


Town Manager

Town Attorney


Mgmt Services

Dept Head

Department Report
 Consent

Ordinance Action
 Minute Action

Resolution Action
 Receive and File

Public Hearing
 Study Session

Executive Summary: On October 19, 2010, the former Yucca Valley Redevelopment Agency selected National Community Renaissance of California (NCRC) as their preferred development entity to deliver an affordable senior housing project in the Town of Yucca Valley. Since that selection, NCRC and the Town have made great strides to bring the concept of an affordable senior housing project to fruition by:

- Selecting the Dumosa / SR-62 site as a preferred location on November 16, 2010;
- Approving an Exclusive Negotiating Agreement (ENA) on December 21, 2010;
- Developing and approving the Yucca Valley Senior Affordable Housing Specific Plan (S01-11) and Conditional Use Permit (CUP 03-11) on May 17, 2011;
- Completing an application for HUD-202 funding;
- Securing HOME program funds through the County of San Bernardino in the amount of \$1,622,830;
- Securing Sec 518 USDA Permanent Financing in the amount of \$1,451,000
- Approved of the Financing, Disposition and Development Agreement (FDDA) between the Town and NCRC on March 20, 2012;
- Completing an application for the first round of the Tax Credit Allocation Committee for the March 22, 2012 TCAC Cycle;

The California Tax Credit Allocation Committee (TCAC) conducts two tax credit grant award cycles. Tax credit financing is a popular source of funding for affordable housing projects. Based upon recent grant cycles, NCRC and Town staff worked to complete an application for the March 22, 2012 TCAC Cycle. While our project achieves maximum points due to the amenities associated with the project, our tie-breaker was insufficient to secure tax credit funding. Staff has worked with NCRC to improve the competitiveness of our application.

Order of Procedure:

- Request Staff Report
- Agency Questions of Staff
- Request Public Comment
- Agency Discussion
- Motion/Second
- Discussion on Motion
- Call the Question (Roll Call Vote)

Discussion:

Since receiving direction in December 2010, NCRC, Agency and Town staff has worked diligently in meeting the accelerated timelines associated with the various funding opportunities available to the project. Given the scope and quality of the proposed affordable housing project, it would not be possible for the Town to construct such an asset without the leveraging of other funding sources. The final funding source required for the project is Low Income Housing Tax Credits (LIHTC) awarded from the California Tax Credit Allocation Committee.

TCAC LIHTC Application Process

The TCAC application is a competitive process. Applicants from across the state submit proposals for consideration and are then evaluated based upon criteria summarized in the following table. In the vast majority of TCAC cycles, projects MUST receive maximum points to be competitive and the final decision is then based upon a tie-breaker that factors "local" funding versus the total project costs. The TCAC process also allocates funding to various regions across the state and has separate categories for urban versus rural designation.

Town's Role In Transaction

The Town's participation in the Project is solely as a lender -- the Town is not participating in the Project as a developer or owner. Any actions by the Town which are not fully consistent with the Town's role as a lender are intended only to carry out routine government functions and impose constitutionally or statutorily authorized conditions acceptable to the Developer. As such, the Project and the Town's participation through this Amended Agreement are outside the scope of California Constitution Article XXXIV and its enabling legislation.

Since the March TCAC Application, Town and NCRC staff have worked to improve the competitiveness of our application through cost reductions and potential increases in the Town's Loan to the project. These include:

- Construction Strategy: Through an innovative construction strategy, NCRC has been able to reduce the estimated cost of the Project from \$18.9 million to approximately \$17.3 million. This action alone improves the tie-breaker. This estimated cost includes the Site acquisition costs and the hard and soft costs of constructing the Project which will provide affordable housing to income-qualified seniors for a guaranteed 55-year term; and

- Town Loan Increase: Based upon the infrastructure being delivered by the project and prior actions from the former Redevelopment Agency, there are a number of funding sources available that support this increased loan amount:
 - Project Development Impact Fees: \$250,000
 - Storm Drain Impact Fees: 300,000
 - Local Transportation Fund (LTF) 300,000
 - December 2010 Exclusive Negotiating Agreement (Low Mod Income Housing Set Aside) 500,000
 - SERAF Repayment from Successor Agency 635,000

\$1,985,000

To improve the competitiveness of the application in the July TCAC competition, Town staff is recommending to Town Council to increase the Town Loan to NCRC to an amount of \$1,985,000. Coupled with the cost savings due to the innovative construction approach, the tie-breaker is improved considerably, to a level that would have received funding in the March TCAC competition.

Through the DDA, the Town was to convey to Developer the Site, whose fair market value is \$940,000.00, and to provide Developer a loan in the amount of \$635,000.00 ("**Town Loan**") for construction, improvement and operation costs. At the time the DDA was negotiated, the only source of funding for the Town Loan included funds from the former Yucca Valley Redevelopment Agency's Low to Moderate Income Housing Fund ("**Low/Mod Fund**") that were to be re-paid to the former Agency as a result of Low/Mod Fund monies being borrowed for purposes of paying the Supplemental Educational Revenue Augmentation Fund ("SERAF"). Both the fair market value of the Site and the Town Loan were to be repaid to the Town through the residual receipts loan Note secured by the Deed of Trust. With the fair market value of the Site and the Town Loan combined, the total amount of assistance from the Town to the Developer was \$1,575,000.00 ("**Note Amount**").

Additional sources of funding, including the allocation of project Development Impact Fees and proceeds from the Storm Drain Impact Fees, Local Transportation Fund, and the Low/Mod Fund, have become available to support an increase of \$1,350,000.00 in the Note Amount.

Including the original Note Amount of \$1,575,000.00, the total amount of assistance from the Town will be \$2,925,000.00. Thus, this Amendment will increase the Town Loan and Note Amount to a total of \$2,925,000.00 funds available to Developer and repayable to Town.

The Note Amount (as revised herein to \$2,925,000.00) will be offset or decreased should Developer be awarded Federal Home Loan Bank Affordable Housing Program ("**AHP**") funds. This amendment includes the Developer plans to apply for these funds for the Project in the amount of \$740,000 (\$10,000 per affordable unit). If awarded, such AHP funds shall go first to cover any approved Project cost overruns and second to reduce the Town Loan and Note Amount ("**AHP Offset**"). If there is an AHP Offset against the Town Loan, the Note and Deed of Trust shall be amended by the parties to show the revised Note Amount.

Alternatives: None

Fiscal Impact: Town staff has identified sources of potential funding to increase the Town Loan up to the recommended amount of \$1,985,000. **Any subsequent disbursements would occur ONLY after successful tax credit award to NCRC by TCAC.**

Attachments: Resolution
 Agreement

RESOLUTION NO. 12-

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY CALIFORNIA APPROVING THE FIRST AMENDMENT TO THE AFFORDABLE HOUSING FINANCING, DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE TOWN AND NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA

WHEREAS, the Town of Yucca Valley has a public benefit obligation, and obligation under its General Plan, to provide affordable housing opportunities to low and moderate income residents, and

WHEREAS, National Community Renaissance of California (NCRC), a non-profit housing development corporation, develops and manages affordable housing for very-low, low- and moderate income residents and promotes neighborhood revitalization and stabilization throughout the region, and

WHEREAS, NCRC has entered into an Exclusive Negotiating Agreement related to the potential development of an affordable senior housing project to be located at the Town's vacant property located at the intersection of Dumosa and S.R. 62; and

WHEREAS, the Town and NCRC have been working since late 2010 on a proposal to develop 75-units of affordable senior housing and the Town has committed significant resources to make this project a reality, and

WHEREAS, Development of this affordable senior housing project assists the Town in meeting its housing requirement as mandated by state regulations and is consistent with the Town's adopted General Plan and Housing Element, and

WHEREAS, Development of this affordable senior housing project will improve access to senior services for our residents – co-locating the development adjacent to the Town Senior Center, library, museum, community center, and adjacent retail opportunities, and

WHEREAS, the County of San Bernardino recently awarded a HOME Program loan to the Yucca Valley Senior Project in the amount of \$1,622,830, and

WHEREAS, the scoring criteria related to the California Tax Credit Allocation Committee (TCAC) Application requires a demonstration of financial commitment by local sources, and

WHEREAS, the Town desires to assist NCRC in establishing a competitive application in response to the July 2012 TCAC application round,

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF YUCCA VALLEY RESOLVES AS FOLLOWS.

Section 1. The “FIRST AMENDMENT TO AFFORDABLE HOUSING, FINANCING & DISPOSITION & DEVELOPMENT AGREEMENT” attached hereto as Exhibit “A” (the “Agreement”) is approved by Council in form and substance.

Section 2. Council hereby grants to the Town Manager and Town Attorney authority to negotiate such further technical instruments (e.g., regulatory agreement, note and deed of trust) as needed to implement the terms of said Agreement; provided, however, that Town Council approval will be required for any document or revision that materially changes the costs or terms of the Agreement (e.g., provisional revisions entailing financial commitments exceeding \$25,000 shall require Council review and approval).

PASSED, APPROVED AND ADOPTED THIS 24th day of July 2012.

MAYOR

ATTEST:

TOWN CLERK

**FIRST AMENDMENT TO
AFFORDABLE HOUSING, FINANCING &
DISPOSITION & DEVELOPMENT AGREEMENT**

(Dumosa)

by and between the

TOWN OF YUCCA VALLEY

and

YUCCA VALLEY SENIOR HOUSING PARTNERS, L.P.,

A California limited partnership

**FIRST AMENDMENT TO
AFFORDABLE HOUSING, FINANCING &
DISPOSITION & DEVELOPMENT AGREEMENT
(DUMOSA)**

This FIRST AMENDMENT (the “**Amendment**”) to the AFFORDABLE HOUSING, FINANCING & DISPOSITION & DEVELOPMENT AGREEMENT dated March 20, 2012, by and between THE TOWN OF YUCCA VALLEY, a California general law municipality (“**Town**”), and YUCCA VALLEY SENIOR HOUSING PARTNERS, L.P., a California limited partnership (“**Developer**”), is entered into as of July __, 2012 on the following terms and conditions.

RECITALS

A. The Town and Developer entered into that certain Affordable Housing, Financing & Disposition & Development Agreement on or about March 20, 2012 (“**DDA**”), which includes as attachments, among others, a Grant Deed (the “**Grant Deed**”), Regulatory Agreement and Declaration of Covenants, Conditions, and Restrictions (“**Regulatory Agreement**”), Promissory Note (“**Note**”), Deed of Trust and Assignment of Rents (“**Deed of Trust**”), and **Project Budget** (collectively, “**Related Documents**”).

B. The DDA concerns the development of a 75-unit affordable rental housing complex for senior citizens (the “**Project**”) on a 2.87 acre vacant property located in the Town of Yucca Valley, County of San Bernardino, State of California, at the northwest corner of the intersection of Twentynine Palms Highway (State Highway 62) and Dumosa Avenue (the “**Site**”).

C. Through the DDA, the Town was to convey to Developer the Site, whose fair market value is \$940,000.00, and to provide Developer a loan in the amount of \$635,000.00 (“**Town Loan**”) for construction, improvement and operation costs. At the time the DDA was negotiated, the only source of funding for the Town Loan included funds from the former Yucca Valley Redevelopment Agency’s Low to Moderate Income Housing Fund (“**Low/Mod Fund**”) that were to be re-paid to the former Agency as a result of Low/Mod Fund monies being borrowed for purposes of paying the Supplemental Educational Revenue Augmentation Fund (“**SERAF**”). Both the fair market value of the Site and the Town Loan were to be repaid to the Town through the residual receipts loan Note secured by the Deed of Trust. With the fair market value of the Site and the Town Loan combined, the total amount of assistance from the Town to the Developer was \$1,575,000.00 (“**Note Amount**”).

D. Additional sources of funding, including a deferral of Development Fees (i.e., deferring payment of \$250,000 in Development Fees to time for repayment under Town Loan) and proceeds from the Storm Drain Impact Fees, Local Transportation Fund, and the Low/Mod Fund, have become available to support an increase of \$1,350,000.00 in the Note Amount. Including the original Note Amount of \$1,575,000.00, the total amount of assistance from the Town will be \$2,925,000.00. Thus, this Amendment will increase the Town Loan and Note Amount to a total of \$2,925,000.00 funds available to Developer and repayable to Town.

E. Notwithstanding the foregoing Recital, the Note Amount (as revised herein to \$2,925,000.00) will be offset or decreased should Developer be awarded Federal Home Loan Bank Affordable Housing Program ("**AHP**") funds. Developer plans to apply for these funds for the Project in the amount of \$740,000 (\$10,000 per affordable unit). If awarded, such AHP funds shall go first to cover any approved Project cost overruns and second to reduce the Town Loan and Note Amount ("**AHP Offset**"). If there is an AHP Offset against the Town Loan, the Note and Deed of Trust shall be amended by the parties to show the revised Note Amount.

F. The parties now desire to amend the DDA and Related Documents to reflect the increased assistance and sources of funding, as set forth in more detail below.

NOW, THEREFORE, the Town and Developer hereby agree as follows:

1. All capitalized terms not defined herein shall have the meaning as set forth in the DDA and Related Documents unless the context dictates otherwise.

2. Paragraph F of the Recitals of the DDA is hereby amended to read in its entirety as follows:

Town Loan to Developer. Town agrees to loan \$1,985,000.00 to Developer for Developer's use towards Project construction, improvements and operation ("**Town Loan**"). About \$156,861.93 of the Town Loan proceeds have already been disbursed to Developer by Town for Developer's pre-construction Project costs. The remainder of the Town Loan (approximately \$1,828,138.00) will be disbursed to Developer prior to, or upon, the Close of Escrow (the "**Remainder Loan Proceeds**"). The Town has identified the following sources of funding for the Remainder Loan Proceeds to be payable to Developer: (i) \$250,000.00 which will be paid to Developer in the form of deferred Project Development Fees (i.e., payment of Development Fees deferred to time for repayment of Town Loan), (ii) \$300,000.00 payable to Developer from the Town's proceeds from Storm Drain Impact Fees, (iii) \$300,000.00 payable to Developer from Town proceeds in the Local Transportation Fund, (iv) \$500,000.00 from the former Agency's Low/Mod Fund, based on the December 2010 Exclusive Negotiating Agreement for the Project and/or revenues expected to be repaid to the Town as a taxing entity pursuant to AB1x 26; and (v) \$635,000.00 from revenues expected to be repaid to the former Agency's Low/Mod Fund as a result of Low/Mod Funds being borrowed for purposes of paying Supplemental Educational Revenue Augmentation Fund ("**SERAF**"). Given the current status of AB 26 and its unknown potential impacts upon these funding sources, the availability of a source of funds for the Remainder Loan Proceeds must be confirmed prior to making any further disbursements of the Town Loan to Developer.

3. Section 225 [Note; Note Amount] of the DDA is hereby amended to read in its entirety as follows:

The term "Note" shall mean the promissory note evidencing Developer's repayment obligation to Town as a residual receipts loan, subordinate to Senior

Financing, in the amounts of the Purchase Price and the Town Loan, all as further described in Section 404, which shall be substantially in the form attached hereto as Exhibit "C". Developer's repayment obligations to pay both the full amount of the Town Loan (\$1,985,000.00) plus the full Purchase Price (\$940,000.00) shall be secured as a single debt obligation owing by Developer to the Town, totaling Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00) also referenced herein as the "**Note Amount**". The Note Amount may be reduced by the amount of the AHP Offset if AHP funds are awarded to Developer

Notwithstanding the foregoing, the Note Amount will be offset or decreased should Developer be awarded Federal Home Loan Bank Affordable Housing Program ("**AHP**") funds. Developer plans to apply for these funds for the Project in the amount of \$740,000 (\$10,000 per affordable unit). If awarded, such AHP funds shall go first to cover any approved Project cost overruns, and second to reduce the Town Loan and Note Amount ("**AHP Offset**"). If there is an AHP Offset against the Town Loan, the Note and Deed of Trust shall be amended by the parties to show the reduced Note Amount.

4. Section 245 [Town Loan; Remainder Loan Proceeds] of the DDA is hereby amended to read in its entirety as follows:

The term "Town Loan" shall mean that loan in the amount of \$1,985,000.00 by Town to Developer for Developer's use towards Project construction, improvements, and operation, which loan shall bear an interest rate of 0.5% per annum. About \$156,861.93 of the Town Loan proceeds have already been disbursed to Developer by Town for Developer's pre-construction Project costs. The remainder of the Town Loan (approximately \$1,828,138.00) will be disbursed to Developer after the Effective Date hereof and is referenced herein as the "**Remainder Loan Proceeds**". Notably, the amount of the Remainder Loan Proceeds may be reduced pursuant to the AHP Offset as described in Section 225.

5. The first paragraph of Subsection 1 [Town Loan] of Section 404 [Town Loan, Security & Covenants] of the DDA is hereby amended to read in its entirety as follows:

Town Loan. The total estimated cost of the Project is approximately \$17.05 Million, as further described in the Project Budget. This estimated cost includes the Site acquisition costs and the hard and soft costs of constructing the Project. The Town agrees to provide the Town Loan to Developer in an amount equal to One Million Nine Hundred Eighty-Five Thousand Even Dollars (\$1,985,000.00) to fund the actual costs for the development, construction and operation of the Project. About \$156,861.93 of the Town Loan proceeds have already been disbursed to Developer by Town for Developer's pre-construction Project costs. The remainder of the Town Loan (approximately \$1,828,138.00) will be disbursed to Developer prior to, or upon, the Close of Escrow (the "**Remainder Loan Proceeds**"), with the exception that a portion of the Remainder Town Loan Proceeds will be disbursed to Developer in the form of a deferral of Development Fee up-to a maximum amount of \$250,000. Alternatively, the parties may

mutually-agree to other means for the timing and method of Developer's draw upon the Remainder Loan Proceeds. Again, as described in Sections 225 and 245, the actual amounts of the Remainder Loan Proceeds may be decreased or offset as a result of an AHP Offset.

6. Paragraph D of Subsection 1 [Town Loan] of Section 404 [Town Loan, Security & Covenants] of the DDA is hereby amended to read in its entirety as follows:

If all conditions to disbursement of Remainder Loan Proceeds have been fulfilled, pursuant to Section 404, subsection 3, the Town shall disburse Remainder Loan Proceeds directly to Developer, or into Escrow for ultimate distribution to Developer, pursuant to (i) the Town's customary practices for disbursing such funds and (ii) verification that such proceeds will be used towards actual Project costs as reflected in the Project Budget. Notwithstanding the foregoing, a portion of the Remainder Town Loan Proceeds will be disbursed to Developer in the form of Development Fee deferrals up-to a maximum of \$250,000. If Remainder Loan Proceeds are required for Project Costs prior to Close of Escrow, Developer shall first request in writing a draw-down on Remainder Loan Proceeds, or a fee deferral, as necessary to pay Town-approved Project costs, provided that Developer has submitted all required documentation reasonably requested by the Town to demonstrate that the Town Loan proceeds drawn shall be used for actual Project costs as reflected in the Project Budget.

7. The first paragraph of Subsection 2 [Security for Assistance] of Section 404 [Town Loan, Security & Covenants] of the DDA is hereby amended to read in its entirety as follows:

Security for Assistance. Developer's repayment obligations to pay both the full amount of the Town Loan (\$1,985,000.00) plus the full Purchase Price (\$940,000.00) shall be secured as a single debt obligation owing by Developer to the Town, totaling TWO MILLION NINE HUNDRED TWENTY-FIVE THOUSAND EVEN DOLLARS (\$2,925,000.00) (the "**Note Amount**"). The actual Note Amount may be decreased or offset as a result of an AHP Offset, in which case the parties will modify the Note and Deed of Trust to reflect the Note Amount as adjusted for the AHP Offset.

8. Paragraph A of Subsection 3 [Conditions Precedent to Disbursement of Town Loan] of Section 404 [Town Loan; Security & Covenants] of the DDA is hereby amended to read in its entirety as follows:

A. The Developer has submitted a financing plan for the Town's approval that identifies all sources of funds with a Developer Fee that does not exceed One Million Four Hundred Thousand Even Dollars (\$1,400,000.00).

9. The stated Note Amount on the Note, which is attached as Exhibit "C" to the DDA, is hereby amended to read: "\$2,925,000.00."

10. The first sentence of the first paragraph of the Note, which is attached as Exhibit “C” to the DDA, is hereby amended to read as follows:

FOR VALUE RECEIVED, the undersigned (herein, the “Maker”) hereby promises to pay to the order of the TOWN OF YUCCA VALLEY, a California general law municipality (“Holder” or “Town”), at a place designated by Holder, the principal sum not to exceed TWO MILLION NINE HUNDRED TWENTY-FIVE THOUSAND EVEN DOLLARS (\$2,925,000.00) (“Note Amount”), plus accrued interest, or such lesser amount which shall be disbursed by the Town and from time to time be owing hereunder pursuant to the terms hereof.

11. Section 2.1 [Loan Amount] of the Note, which is attached as Exhibit “C” to the DDA, is hereby amended to read in its entirety as follows:

Loan Amount. The principal amount of the Loan shall be in the amount not to exceed Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00). The Loan Amount includes the Purchase Price of the Site being conveyed by Town to Maker plus such amounts of the Town Loan advanced to Maker from time to time which will be contributed to the Project by Town. Interest shall accrue on the outstanding principal amount at the simple rate of one-half of one percent (0.5 %) per annum until repaid in full.

12. The second full paragraph of page 3 of the Deed of Trust, which is attached as Exhibit “D” to the DDA, is hereby amended to read in its entirety as follows:

FOR THE PURPOSE OF SECURING, in such priority as Beneficiary may select, (i) payment of that certain Town Note of even date herewith executed by Trustor and payable to Beneficiary in the original principal amount of not to exceed Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00) (the "Town Note"); (ii) Trustor's due, prompt and complete payment, performance, observance and discharge of each and every covenant, condition, provision and agreement contained in this Deed of Trust; (iii) until recordation of the Release of Construction Covenants (as defined in the Agreement referred to herein), Trustor's due, prompt and complete performance, observance and discharge of all obligations of Trustor under that certain Affordable Housing, Financing & Disposition & Development Agreement dated as of March 20, 2012, executed by Trustor and Beneficiary (the "Agreement") and each other ancillary instrument or agreement executed by Trustor for the benefit of Beneficiary pursuant to executory provisions of the Agreement, including, but not limited to, the Regulatory Agreement and Declaration of Covenants and Restrictions from Trustor in favor of Beneficiary recorded concurrently herewith (the "Regulatory Agreement" and, with the Town Note and the Agreement, collectively the "Town Agreements"); and (iv) payment of all monies expended or advanced by Beneficiary pursuant to the terms hereof or to preserve the Trust Estate or the rights of Beneficiary under the Town Agreements (the foregoing obligations, duties and performance by Trustor secured hereby are referred to herein collectively as the "Secured Obligations"). This Deed of Trust shall secure any

and all extensions, amendments, modifications or renewals of the Secured Obligations, however evidenced.

13. Paragraph A of the Recitals of the Regulatory Agreement, which is attached as Exhibit "F" to the DDA, is hereby amended to read in its entirety as follows:

Pursuant to an AFFORDABLE HOUSING, FINANCING & DISPOSITION & DEVELOPMENT AGREEMENT between and among Town and Owner dated March 20, 2012 ("DDA"), Town has sold to Owner real property and provided to Owner a financial loan under the terms of one promissory note for the cumulative amount of Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00) (collectively the "Town Financing"), all for the purpose of assisting Owner in the development of an affordable, senior housing complex as further described herein on that certain real property located in the Town of Yucca Valley, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference ("Site").

14. The Project Budget, which is attached as Exhibit "H" to the DDA, is hereby replaced in its entirety with the revised Project Budget, attached to this Amendment as Attachment 1.

15. The Note, Deed of Trust, and Regulatory Agreement, as amended, herein, are attached to this Amendment as Attachments "2," "3" and "4" respectively. These amended documents hereby replace their counterparts in the DDA (i.e., Attachment "2" replaces DDA Exhibit "C"; Attachment "3" replaces DDA Exhibit "D"; Attachment "4" replaces DDA Exhibit "F").

16. Except as otherwise amended herein, the DDA and Related Documents shall remain in full force and effect in accordance with its terms.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date stated above.

“TOWN”
TOWN OF YUCCA VALLEY,
A California general law municipality

Date _____

Mayor Dawn Rowe

ATTEST:

Janet M. Anderson, Town Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Lona N. Laymon, Town Attorney

“DEVELOPER”
YUCCA VALLEY SENIOR HOUSING
PARTNERS L.P., a California Limited
Partnership,
By its General Partner:

THE SOUTHERN CALIFORNIA HOUSING
DEVELOPMENT CORPORATION OF THE
INLAND EMPIRE, a California non-profit
public benefit corporation

Date _____

Name: _____

And, its Related Entity:
NATIONAL COMMUNITY RENAISSANCE
OF CALIFORNIA, a California public benefit
corporation

Date _____

Name: _____

[End of Signatures]

**ATTACHMENT "1" to FIRST AMENDMENT TO
AFFORDABLE HOUSING FINANCING AND DISPOSITION & DEVELOPMENT
AGREEMENT (DUMOSA)**

EXHIBIT "H" TO DDA---Revised Project Budget

SOURCES & USES OF FUNDS

Project Name: *Yucca Valley Senior - 9%*
 Project Address: *Town of Yucca Valley, CA*
 Developer: *National CORE*

SOURCES: CONSTRUCTION

Construction Loan	\$12,436,400	79%
Town of Yucca Valley Loan	\$1,540,000	10%
LIHTC Equity	\$111,984	1%
County of San Bernardino HOME funds	\$1,622,830	10%
	\$0	
	(\$0)	
TOTAL	\$15,711,214	100%

USES:

Acquisition Costs/Closing	\$940,000
Architecture/Fees & Permits	\$2,175,000
Construction Cost	\$10,997,137
Indirect Construction/Legal	\$489,943
Developer's Fee	\$280,000
Rent-Up Costs/Reserves	\$195,887
Financing Costs	\$633,247
TOTAL	\$15,711,214

SOURCES: PERMANENT

Permanent Loan - Sec 538 USDA loan	\$1,300,654	7.63%
Town of Yucca Valley Loan	\$2,925,000	17.16%
LIHTC Equity	\$11,198,925	65.69%
County of San Bernardino HOME funds	\$1,622,830	9.52%
Deferred Dev Fee	\$0	0.00%
AHP	\$0	0.00%
		0.00%
TOTAL	\$17,047,409	100%

USES:

Acquisition Costs/Closing	\$940,000
Architecture/Fees & Permits	\$2,175,000
Construction Cost	\$10,997,137
Indirect Construction/Legal	\$489,943
Developer's Fee	\$1,400,000
Rent-Up Costs/Reserves	\$286,415
Financing Costs	\$758,915
TOTAL	\$17,047,409

26%

DEVELOPMENT COSTS - Non-Prevailing wage
Project Name: Yucca Valley Senior - 9%
Project Address: Town of Yucca Valley, CA
Developer: National CORE

PRELIMINARY

Number of Dwelling Units:	75	Gross Building Area (sf)			74,244
		TOTAL COST	\$ PER UNIT	\$ PER SF BUILDING	% OF TOTAL
1. ACQUISITION COSTS:					
Purchase Price		\$940,000	\$12,533.33	\$12.66	5.51%
Closing Costs		\$0	\$0.00	\$0.00	0.00%
Appraisals		\$0	\$0.00	\$0.00	0.00%
Acquisition Contingency		\$0	\$0.00	\$0.00	0.00%
TOTAL ACQUISITION COSTS		\$940,000	\$12,533.33	\$12.66	5.51%
2. FEES/PERMITS & STUDIES					
Plan check Fees and Permits		\$325,000	\$4,333.33	\$4.38	1.91%
Development impact fees		\$1,050,000	\$14,000.00	\$14.14	6.16%
Surveys/Soils/Traffic		\$50,000	\$666.67	\$0.67	0.29%
Environmental Documentation		\$50,000	\$666.67	\$0.67	0.29%
Arch. & Engineering Fees					
Design		\$650,000	\$8,666.67	\$8.75	3.81%
Reimbursables		\$50,000	\$666.67	\$0.67	0.29%
Subtotal:		\$700,000	\$9,333.33	\$9.43	4.11%
TOTAL FEES/PERMITS & STUDIES		\$2,175,000	\$29,000.00	\$29.30	12.76%
3. DIRECT CONSTRUCTION COSTS:					
Residential Construction: Housing units		\$6,104,945	\$81,399.27	\$82.23	35.81%
Residential Construction: Housing units		\$0	\$0.00	\$0.00	0.00%
Green Building Delta		\$228,417	\$3,045.56	\$3.08	1.34%
Landscaping/Common Areas			\$0.00	\$0.00	0.00%
Off-Site Improvements		\$740,732	\$9,876.43	\$9.98	4.35%
On-Site Improvements		\$2,014,449	\$26,859.32	\$27.13	11.82%
Subtotal:		\$9,088,543	\$121,180.57	\$122.41	53.31%
Contractor's Overhead & Profit	5.40%	\$490,758	\$6,543.44	\$6.61	2.88%
Subtotal:		\$9,579,301	\$127,724.02	\$129.02	56.19%
General Conditions	6.60%	\$599,867	\$7,998.23	\$8.08	3.52%
Performance Bond		\$181,771	\$2,423.61	\$2.45	1.07%
Subtotal:		\$10,360,939	\$138,145.85	\$139.55	60.78%
Construction Contingency	7.00%	\$636,198	\$8,482.64	\$8.57	3.73%
TOTAL DIRECT CONSTRUCTION COSTS		\$10,997,137	\$146,628.49	\$148.12	64.51%
4. INDIRECT CONSTRUCTION COSTS					
Developer's Fee		\$1,400,000	\$18,666.67	\$18.86	8.21%
Deferred Developer Fee		\$0	\$0.00	\$0.00	0.00%
Subtotal:		\$1,400,000	\$18,666.67	\$18.86	8.21%
Development Consultant		\$25,000	\$333.33	\$0.34	0.15%
Construction Manager		\$0	\$0.00	\$0.00	0.00%
Builders Risk/Liability Insurance		\$219,943	\$2,932.57	\$2.96	1.29%
Real Estate Taxes		\$5,000	\$66.67	\$0.07	0.03%
Legal - Organizational		\$45,000	\$600.00	\$0.61	0.26%
Legal - Syndication		\$0	\$0.00	\$0.00	0.00%
Accounting/Inspection		\$45,000	\$600.00	\$0.61	0.26%
Relocation (included with land costs)		\$0	\$0.00	\$0.00	0.00%
Indirect Construction Costs Contingency		\$150,000	\$2,000.00	\$2.02	0.88%
TOTAL INDIRECT CONSTRUCTION COSTS		\$1,889,943	\$25,199.24	\$25.46	11.09%
5. RENT-UP COSTS					
Marketing/Advertising Expense		\$21,292	\$283.89	\$0.29	0.12%
Operating Lease-up Reserve		\$24,595	\$327.93	\$0.33	0.14%
capitalized Lease-up Reserve (PRAC)		\$0	\$0.00	\$0.00	0.00%
Minimum Capital Investment (HUD)		\$0	\$0.00	\$0.00	0.00%
Capitalized Excess Amenities Maint. Reserve		\$0	\$0.00	\$0.00	0.00%
Capitalized Partnership Management fee		\$0	\$0.00	\$0.00	0.00%
Capitalized Replacement Reserve		\$0	\$0.00	\$0.00	0.00%
Capitalized Operating Reserve		\$90,528	\$1,207.04	\$1.22	0.53%
Common Area Furnishings		\$150,000	\$2,000.00	\$2.02	0.88%
TOTAL RENT-UP/MARKETING COSTS		\$286,415	\$3,818.86	\$3.86	1.68%
6. FINANCING COSTS					
Construction Loan Interest		\$353,660	\$4,715.47	\$4.76	2.07%
Construction Loan Fees/Costs		\$131,864	\$1,758.19	\$1.78	0.77%
Appraisal/Market Study		\$30,000	\$400.00	\$0.40	0.18%
Lender Legal		\$50,000	\$666.67	\$0.67	0.29%
Permanent Loan Fees/Closing Costs		\$39,020	\$520.26	\$0.53	0.23%
Tax Credit Allocation Fee		\$90,318	\$1,204.24	\$1.22	0.53%
Capitalized bond Issuer Monitoring Fees		\$0	\$0.00	\$0.00	0.00%
Bridge Loan Costs		\$35,000	\$466.67	\$0.47	0.21%
Bond Issuance Costs		\$0	\$0.00	\$0.00	0.00%
Title and Recording (Constr./Perm.)		\$29,053	\$387.37	\$0.39	0.17%
TOTAL FINANCING COSTS		\$758,915	\$10,118.86	\$10.22	4.45%
7. SUBTOTAL DEVELOPMENT COSTS		\$16,107,409	\$214,765.46	\$216.95	94.49%
TOTAL LAND COSTS		\$940,000	\$12,533.33	\$12.66	5.51%
TOTAL DEVELOPMENT COSTS		\$17,047,409	\$227,298.79	\$229.61	100.00%

Construction estimates are based on non-prevailing wage and subject to change and may be revised due to entitlement issues, changes in construction standards, architectural and engineering requirements, and other unforeseen circumstances.

RENT SCHEDULE

Project Name: *Yucca Valley Senior - 9%*
 Project Address: *Town of Yucca Valley, CA*
 Developer Name: *National CORE*

AREA MEDIAN INCOME: TCAC \$67,000								
Unit Type	Percent Median	Monthly Gross Rent	Monthly Utility Allow.	Monthly Net Rent	Number of Units	Total Monthly Rent	Total Annual Rent (\$)	Total # of Bdrms.
ONE BEDROOM	30%	\$376	\$82	\$294	8	\$2,352	\$28,224	8
	45%	\$564	\$82	\$482	26	\$12,532	\$150,384	26
	50%	\$627	\$82	\$545	26	\$14,170	\$170,040	26
	Rural Only 55%	\$690	\$82	\$608	14	\$8,512	\$102,144	14
					74			74
TWO BEDROOM	30%	\$452	\$109	\$343	0	\$0	\$0	0
	45%	\$678	\$109	\$569	0	\$0	\$0	0
	50%	\$754	\$109	\$645	0	\$0	\$0	0
	Rural Only 55%	\$829	\$109	\$720	0	\$0	\$0	0
					0			0
THREE BEDROOM	30%	\$523	\$137	\$386	0	\$0	\$0	0
	45%	\$784	\$137	\$647	0	\$0	\$0	0
	50%	\$871	\$137	\$734	0	\$0	\$0	0
	Rural Only 55%	\$958	\$137	\$821	0	\$0	\$0	0
					0			0
MANAGER'S	Exempt	\$0	\$0	\$0	1	\$0	\$0	2
TOTAL					75	37,566	450,792	150

30%	8	10.67%
45%	26	34.67%
50%	26	34.67%
55%	14	18.67%
Mgr	1	1.33%
	75	100%

Utility Allowance:

Source: San Bernardino County Housing Authority - effective Dec 1, 2011

	1 BRM	2 BRM	3 BRM
Heating - Electric	17	21	25
Cooking (electric)	12	15	19
Water Heating (Gas)	0	0	0 Paid by landlord
Basic Electric	37	49	61
Water			Paid by landlord
Trash			Paid by landlord
Refrigerator			
Air Conditioning	16	24	32
Total	82	109	137

OPERATING EXPENSES

Project Name: *Yucca Valley Senior - 9%*
 Project Address: *Town of Yucca Valley, CA*
 Developer: *National CORE*

	ANNUAL 75	MONTHLY	PER UNIT	UNIT/MO.	% TOTAL
1. MANAGEMENT					
Contract Management Fee	\$36,000	\$3,000.00	\$480.00	\$40.00	10.64%
TOTAL MANAGEMENT	\$36,000	\$3,000.00	\$480.00	\$40.00	10.64%
2. ADMINISTRATION					
Marketing	\$2,000	\$166.67	\$26.67	\$2.22	0.59%
Audit	\$11,500	\$958.33	\$153.33	\$12.78	3.40%
Legal	\$4,000	\$333.33	\$53.33	\$4.44	1.18%
Office Expenses	\$8,000	\$666.67	\$106.67	\$8.89	2.37%
TOTAL ADMINISTRATION	\$25,500	\$2,125.00	\$340.00	\$28.33	7.54%
3. SALARIES AND BENEFITS					
On-Site Manager/Asst. Manager	\$33,650	\$2,804.17	\$448.67	\$37.39	9.95%
Maintenance Personnel	\$26,000	\$2,166.67	\$346.67	\$28.89	7.69%
Janitorial Personnel	\$0	\$0.00	\$0.00	\$0.00	0.00%
Case Manager	\$0	\$0.00	\$0.00	\$0.00	0.00%
Housekeepers	\$0	\$0.00	\$0.00	\$0.00	0.00%
Payroll Txns, Ins & Wkr. Comp.	\$23,860	\$1,988.33	\$318.13	\$26.51	7.05%
TOTAL SALARIES	\$83,510	\$6,959.17	\$1,113.47	\$92.79	24.69%
4. MAINTENANCE					
Supplies	\$8,000	\$666.67	\$106.67	\$8.89	2.37%
Repairs Contract	\$8,000	\$666.67	\$106.67	\$8.89	2.37%
Pest Control	\$5,000	\$416.67	\$66.67	\$5.56	1.48%
Grounds Contract	\$8,000	\$666.67	\$106.67	\$8.89	2.37%
Turnover	\$6,000	\$500.00	\$80.00	\$6.67	1.77%
Elevator	\$6,000	\$500.00	\$80.00	\$6.67	1.77%
TOTAL MAINTENANCE	\$41,000	\$3,416.67	\$546.67	\$45.56	12.12%
5. UTILITIES NOT PAID BY TENANTS					
Trash Removal	\$8,000	\$666.67	\$106.67	\$8.89	2.37%
Electricity	\$19,000	\$1,583.33	\$253.33	\$21.11	5.62%
Water/Sewer	\$35,000	\$2,916.67	\$466.67	\$38.89	10.35%
Gas	\$10,000	\$833.33	\$133.33	\$11.11	2.96%
TOTAL UTILITIES	\$72,000	\$6,000.00	\$960.00	\$80.00	21.29%
6. INSURANCE					
Property & Liability Insurance	\$26,250	\$2,187.50	\$350.00	\$29.17	7.76%
TOTAL INSURANCE	\$26,250	\$2,187.50	\$350.00	\$29.17	7.76%
7. TAXES/RESERVES					
Real Estate Taxes	\$5,000	\$416.67	\$66.67	\$5.56	1.48%
Replacement Reserves	\$30,000	\$2,500.00	\$400.00	\$33.33	8.87%
TOTAL TAXES	\$35,000	\$2,916.67	\$466.67	\$38.89	10.35%
8. OTHER					
County Monitoring fees	\$0	\$0.00	\$0.00	\$0.00	0.00%
Support Services	\$18,000	\$1,500.00	\$240.00	\$20.00	5.32%
Resident Activities	\$1,000	\$83.33	\$13.33	\$1.11	0.30%
TOTAL OTHER	\$19,000	\$1,583.33	\$253.33	\$21.11	5.62%
TOTAL OPERATING EXPENSES	\$338,260	\$28,188	\$4,510.13	\$375.84	100.00%

CASH FLOW ANALYSIS

Project Name: Yucca Valley Senior - 9%
 Project Address: Town of Yucca Valley, CA
 Developer Name: National CORE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
ASSUMPTIONS:															
Residential Income Infl. Rate:	2.50%								5.15%						
Laundry & Misc. Infl. Factor:	2.50%								40						
Operating Expense Infl. Factor:	3.50%								AMORTIZED						
Vacancy Rate:	5.00%								1.260						
Number of Units:	75								\$76,851						
Unit Operating Exp:				\$4,110											
Replacement Reserve:				\$400.00											
Construction Costs:				\$9,088,543											
Laundry Inc/Year:				\$7,200											
Conventional Loan Rate:															
Conventional Loan Yrs:															
Conventional Loan Type:															
Debt Coverage Ratio:															
Cash Available for Debt Service:															
Residential Income	\$450,792	\$462,062	\$473,613	\$485,454	\$497,590	\$510,030	\$522,781	\$535,850	\$549,246	\$562,977	\$577,052	\$591,478	\$606,265	\$621,422	\$636,957
Laundry & Miscellaneous	7,200	7,380	7,565	7,754	7,947	8,146	8,350	8,559	8,773	8,992	9,217	9,447	9,683	9,925	10,173
GROSS INCOME	457,992	469,442	481,178	493,207	505,537	518,176	531,130	544,409	558,019	571,969	586,288	600,925	615,948	631,347	647,131
Vacancy	22,900	23,472	24,059	24,660	25,277	25,909	26,557	27,220	27,901	28,598	29,313	30,046	30,797	31,567	32,357
EFFECTIVE GROSS INCOME	435,092	445,970	457,119	468,547	480,261	492,267	504,574	517,188	530,118	543,371	556,955	570,879	585,151	599,780	614,774
Operating Expenses	303,260	313,874	324,860	336,230	347,998	360,178	372,784	385,831	399,336	413,312	427,778	442,750	458,247	474,285	490,885
Operating Reserve:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property taxes-supplemental	5,000	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597
Replacement Reserve	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Operating Expenses	338,260	348,974	360,062	371,536	383,410	395,698	408,415	421,575	435,194	449,288	463,873	478,967	494,588	510,753	527,483
NOI BEFORE DEBT SERVICE	96,832	96,996	97,057	97,011	96,851	96,569	96,159	95,613	94,924	94,083	93,082	91,912	90,563	89,026	87,291
DEBT SERVICE	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851	76,851
Partnership Mgt Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage	1.26	1.26	1.26	1.26	1.26	1.26	1.25	1.24	1.24	1.22	1.21	1.20	1.18	1.16	1.14
Social Service Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Mgt Fees	6,000	6,210	6,427	6,652	6,885	7,126	7,376	7,634	7,901	8,177	8,464	8,760	9,066	9,384	9,712
CASH AVAILABLE FOR DISTRIBUTION	13,981	13,934	13,779	13,508	13,114	12,592	11,932	11,129	10,172	9,055	7,767	6,301	4,645	2,791	728
Deferred Fee Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Fee Balance Due	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH AVAILABLE FOR DISTRIBUTION	13,981	13,934	13,779	13,508	13,114	12,592	11,932	11,129	10,172	9,055	7,767	6,301	4,645	2,791	728

TAX CREDIT ESTIMATE

Project Name: Yucca Valley Senior - 94
 Project Address: Town of Yucca Valley, CA
 Developer Name: National CORE

	Project Costs	Basis
LAND COSTS		
Land Cost	\$0	XXXXXXXXXXXXXX
Legal/Broker Fees	\$0	XXXXXXXXXXXXXX
Off-Site Improvements	\$0	XXXXXXXXXXXXXX
Demolition	\$0	XXXXXXXXXXXXXX
TOTAL LAND COSTS	\$0	XXXXXXXXXXXXXX
TOTAL ACQUISITION COSTS	\$540,000	XXXXXXXXXXXXXX
CONSTRUCTION		
Demolition		XXXXXXXXXXXXXX
Construction -housing Structures	\$9,088,543	\$9,088,543
General Requirements	\$599,867	\$599,867
Performance Bond Premium	\$181,771	\$181,771
Contractor Overhead	\$490,758	\$490,758
CONSTRUCTION CONTINGENCY	\$636,198	\$636,198
TOTAL CONSTRUCTION COSTS	\$10,997,137	\$10,997,137
PERMITS/FEES/ARCHITECTURE		
Bldg Fees/Permits/impact fees	\$1,375,000	\$1,375,000
Surveys/Environmental	\$100,000	\$100,000
Design and Reimbursables	\$700,000	\$700,000
TOTAL ARCHITECTURAL COSTS	\$2,175,000	\$2,175,000
CONSTRUCTION INTEREST AND FEES		
Construction Loan Interest	\$353,660	\$247,562
Origination Fee	\$131,864	\$92,305
As-built Appraisal	\$30,000	\$30,000
Title & Recording	\$14,527	\$7,263
Bridge loan costs	\$35,000	\$35,000
Bond Issuance Costs	\$0	XXXXXXXXXXXXXX
TOTAL CONSTRUCTION INTEREST & FEES COSTS	\$565,051	\$412,130
PERMANENT FINANCING		
Perm. Loan Origination Fee	\$39,020	XXXXXXXXXXXXXX
Title and Recording	\$14,527	XXXXXXXXXXXXXX
TOTAL PERMANENT FINANCING COSTS	\$53,546	\$0
LEGAL FEES		
Lender Legal Costs Paid by Applicant	\$50,000	\$35,000
Legal Syndication	\$0	XXXXXXXXXXXXXX
Legal Organizational	\$45,000	\$30,000
TOTAL ATTORNEY COSTS	\$95,000	\$65,000
RESERVES		
Marketing	\$21,292	XXXXXXXXXXXXXX
Capitalized Lease-up Reserve (PRAC)	\$0	XXXXXXXXXXXXXX
Minimum Capital Investment (HUD)	\$0	XXXXXXXXXXXXXX
Capitalized Excess Amenities Maint. Reserve	\$0	XXXXXXXXXXXXXX
Lease-Up Reserves	\$24,595	XXXXXXXXXXXXXX
Capitalized Replacement Reserve	\$0	XXXXXXXXXXXXXX
Capitalized Operating Reserve	\$90,528	XXXXXXXXXXXXXX
Capitalized bond issuer Monitoring fees	\$0	XXXXXXXXXXXXXX
Furnishings	\$150,000	\$150,000
TOTAL RENT RESERVE COSTS	\$286,415	\$150,000
OTHER		
TCAC Appl/Resrv./Monitoring Fees	\$90,318	XXXXXXXXXXXXXX
Relocation Expenses	\$0	\$0
Soft Costs Contingency	\$150,000	\$150,000
Accounting/Audit	\$45,000	\$45,000
Taxes	\$5,000	\$5,000
Insurance	\$219,943	\$219,943
TOTAL OTHER COSTS	\$510,261	\$419,943
DEVELOPER COSTS		
Developer Overhead/Fee	\$1,400,000	\$1,400,000
Development Consultant	\$25,000	\$25,000
TOTAL DEVELOPER COSTS	\$1,425,000	\$1,425,000
TOTAL RESIDENTIAL COSTS	\$17,047,409	\$15,644,210
TOTAL COMMERCIAL COSTS	\$0	\$0
TOTAL PROJECT COSTS	\$17,047,409	\$15,644,210
BMR Federal Loan Used to Finance Costs in 9% Basis		\$0
TOTAL ELIGIBLE BASIS		\$15,644,210
TOTAL REQUESTED BASIS		\$14,696,292
Eligible basis voluntary excluded	24.12%	\$11,151,530
Grant HOME funds		\$0
Requested unadjusted Eligible basis		\$11,151,530
High Cost Area Adjustment		130,000
SUBTOTAL ADJUSTED ELIGIBLE BASIS		\$14,496,989
ACQUISITION BASIS		\$14,496,989
TOTAL ADJUSTED ELIGIBLE BASIS		\$14,496,989
Ratio of low income units to all units		100.00%
TOTAL QUALIFIED BASIS		\$14,496,989
Credit reduction		\$14,496,989
Applicable Federal Tax Credit Factor		7.50%
Equals		\$1,087,274
TOTAL ANNUAL FEDERAL CREDIT		\$1,087,274
x 10 yrs		10
MAXIMUM FEDERAL CREDIT		\$10,872,742
x Tax Credit Factor (cents on the \$)		\$1,0300
Estimated Net Syndication Proceeds		\$11,198,924
State Credits		\$0
\$0.00		\$0

New Tie Breaker Calculation:

Land Donation	\$0
Committed permanent public funds (less general infrastructure)	\$4,387,830
Total residential project development costs	\$17,047,409
Requested unadjusted eligible basis	\$11,151,530
Total residential project development costs	\$17,047,409
Fee Waivers	0
Tie Breaker	37.3260%

**ATTACHMENT “2” to FIRST AMENDMENT TO
AFFORDABLE HOUSING FINANCING AND DISPOSITION & DEVELOPMENT
AGREEMENT (DUMOSA)**

EXHIBIT “C” TO DDA: PROMISSORY NOTE

FORM OF TOWN NOTE

Note Amount: \$2,925,000.00

Note Date: _____

FOR VALUE RECEIVED, the undersigned (herein, the “Maker”) hereby promises to pay to the order of the TOWN OF YUCCA VALLEY, a California general law municipality (“Holder” or “Town”), at a place designated by Holder, the principal sum not to exceed TWO MILLION NINE HUNDRED TWENTY-FIVE THOUSAND EVEN DOLLARS (\$2,925,000.00) (“Note Amount”), plus accrued interest, or such lesser amount which shall be disbursed by the Town and from time to time be owing hereunder pursuant to the terms hereof. Pursuant to an AFFORDABLE HOUSING, FINANCING & DISPOSITION & DEVELOPMENT AGREEMENT (“Agreement”) between Maker and Holder, Town agreed to loan funds to Maker in an amount not to exceed the Note Amount as evidenced by this Town Note. The cash portion of the Loan Amount shall be paid out as described in Section 2.3 hereof. The term “Loan” herein shall only refer to the amounts actually paid out or otherwise advanced by or due and owing from Maker to Town pursuant to this Town Note and any interest thereon provided herein.

Reference is also made to the following additional agreements and documents involving Maker and Holder and/or pertaining to the Site:

(i) The Town Deed of Trust and Assignment of Rents, by and between Maker as Trustor, Holder as beneficiary, and Fidelity National Title Company as Trustee (“Town Deed of Trust”), securing the repayment of this Town Note.

(ii) The Town Regulatory Agreement and Declaration of Covenants and Restrictions, dated _____, by and between Maker and Holder, for the benefit of Holder, and recorded simultaneously with the Town Deed of Trust in the Office of the San Bernardino County Recorder (“Regulatory Agreement”).

All of the foregoing listed documents are referred to herein collectively as the “Town Agreements” and individually as “Town Agreement.” The Town Agreements are incorporated herein as though fully set forth.

Except as otherwise provided herein, the defined terms used in this Town Note shall have the same meaning as set forth in the Agreement.

1. Purpose of Loan.

The Loan evidenced by this Town Note is a loan for the purpose of redeveloping the Site in accordance with the Agreement. All initial-capped terms and definitional phrases used herein shall bear the same meaning as used in the Agreement.

2. Principal Amount; Conditions Precedent to Disbursement.

2.1 Loan Amount. The principal amount of the Loan shall be in the amount not to exceed Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00). The Loan Amount includes the Purchase Price of the Site being conveyed by Town to Maker plus such amounts of the Town Loan advanced to Maker from time to time which will be contributed to the Project by Town. Interest shall accrue on the outstanding principal amount at the simple rate of one-half of one percent (0.5 %) per annum until repaid in full.

2.2 Conditions Precedent to Disbursement of Loan. No Loan proceeds shall be disbursed without Maker having first satisfied all of the conditions to disbursement set forth in Section 404, subsection 3, of the Agreement.

2.3 Drawing Down On the Loan. Maker may draw down on the Town Loan Amount pursuant to the procedure described in Section 404, subsection 1(D), of the Agreement. Any request for a draw shall be made at least thirty (30) days before the draw will be paid.

3. Term of Note; Repayment.

3.1 Maker shall be obligated to repay the principal amount of this Town Note and the accrued interest, without set-off or deduction, by paying to Holder, on April 1 of each calendar year in which "Residual Cash Flow" is available from operation of the Project, for the prior calendar year, or portion thereof, ending on the immediately preceding December 31 (as the term "Residual Cash Flow" is defined in Section 3.2 of this Town Note), the Town's proportional share of fifty percent (50%) of that year's Residual Cash Flow. The first such repayment under this Section shall be due on the first April 1 following the calendar year in which the permanent phase of the Senior Financing commenced, and the last payment shall be due on April 1 fifty-five years later ("Maturity Date"). Notwithstanding the foregoing, this Town Note shall be fully due and payable on the Maturity Date, without further demand or notice, or upon the sale of the Site. Fifty percent (50%) of Residual Cash Flow made available to repay Town and other lenders paid shall be allocated to Town and such other governmental entity lenders based upon the relative principal balances of their original loans to the Project.

3.2 For purposes of this Section 3.2, the term "Residual Cash Flow" shall mean for any fiscal year the amount of Gross Income (as defined below) for such fiscal year less the Operating Expenses (as defined below) and less any partnership management fees for any such fiscal year and less any deferred Developer's Fee. Partnership management/asset management fees shall exclude any payment of any item which is deducted separately as an Operating Expense and shall be limited as follows: (a) the limited partner fee shall be capped at \$5,000 per year for the 15 year TCAC compliance period (with CPI escalations up to 3% per year) and (b) any general partner fee shall be limited to \$10,000 per year (with CPI escalations up to 3% per year) during the 55 year affordability period).

3.2.1 The term “Gross Income” means: (i) all rents and payments received by the Maker from tenants and occupants for the use and occupancy of the Site and the Project, (ii) laundry income, (iii) income from concessionaires and licensees, and (iv) rent subsidies, if any, received by the Maker, but “Gross Income” shall not include any security deposits (unless and until such deposits have been forfeited by the tenants and are payable to the Maker), insurance or condemnation proceeds, industry level operating reserves or deposits (not to exceed six (6) months of operating expenses plus debt expenses), interest on such reserve accounts (if added to funds on deposit in such accounts), capital contributions made to the Maker by the partners thereof, proceeds from the construction financing or the Town Loan or other financing provided to the Maker, including financing provided by any partner of Maker, or proceeds from the sale or refinancing of the Site and/or Project.

3.2.2 The term “Operating Expenses” means the aggregate of the following: (i) the cost of utilities supplied to and used for the Project and payable by the Maker; (ii) the cost of all insurance required for the Project in this Agreement, Maker’s partnership agreement, the Senior Financing documents, or any ancillary documents concerning the operation of the Project; (iii) real property taxes, if any, and assessment payments; (iv) expenses and costs of social programs and compliance/monitoring reporting for the Project; (v) the deposits for the replacement reserves or operating reserves for the Project, in the amount provided by the Senior Financing or required by Maker’s partnership agreement or any junior lender, if a greater requirement; (vi) on-site administrative costs (including payroll and payroll taxes and expenses, employee benefits); (vii) operating, maintenance and repair expenses and services, and necessary capital expenditures for the upkeep and repair of the Project and any expenditures required based upon a physical needs assessment by the Qualified Tax Credit Investor or Senior Financing lender (including materials and labor) including charges for public services such as sewer charges, license and permit fees, goods, commodities, materials, equipment, furniture, furnishings, installation of appliances, fixtures, painting, cleaning, pest control, gardening, rubbish removal, security services, advertising and promotion, leasing commissions, accounting, and legal expenses attributable to the Site or the Project which are directly attributable and customarily incurred in the operation of real estate projects similar to the Project, including property management fees, expenses and costs payable to the property manager; (viii) fees, costs or expenses of refinancing any loan; (ix) any post closing legal fees or other expenses, fees, costs incurred by the Maker in connection with obtaining this Agreement or the Town Loan to the extent not already included hereunder; (x) all scheduled, or otherwise due, payments of principal and/or interest on the Senior Financing, together with all financing fees and related charges payable by the Maker under the terms of the Senior Financing, including without limitation, issuer fees, trustee fees, remarketing fees, and rebate analyst fees, interest rate cap deposits and credit enhancer charges; (xi) all other fees and expenses which may be provided in Maker’s annual budget prepared in accordance with the Senior Financing; and (xii) repayments of loans to a partner or affiliate of a partner of the Maker in accordance with the Partnership Agreement for operating deficits or similar operating shortfalls; and (xiii) repayments of any amounts owing to a partner or an affiliate of a partner of the Maker in accordance with the Partnership Agreement due to an adjustment in the tax credit equity caused by an adjustment to tax credits available to the Project. “Operating Expenses” shall not include the following: (a) repairs or replacements paid out of insurance proceeds received by the Maker; (b) book depreciation of buildings or other similar non-cash items of expense; (c) principal payments on all junior financing; (d) any deferred Developer Fee; and (e) any asset management

or limited or general partner fees. To the extent that the Site or Project, or any part thereof, shall be leased by the Maker and the lessee or occupant pays any items described as Operating Expenses, then such items that are paid by such occupant shall not be Operating Expenses.

3.3 Any payments made by Maker in payment of this Town Note shall be applied in the following order: (i) first to the interest, if any, then accrued and due on the unpaid principal balance under this Town Note, (ii) second to reduction of the principal balance of this Town Note.

3.4 This Town Note may be prepaid in whole or in part at any time without penalty.

4. Default; Cross-Default; Acceleration.

4.1 In addition to Maker's failure to timely perform the requirements of this Town Note, or the failure to timely complete the construction of the Project, or the failure to timely perform the requirements of the Town Deed of Trust, Maker shall also be in default of this Town Note if Maker, without the prior written approval of Holder, which approval may be given or withheld in Holder's sole and absolute discretion, sells or transfers the Project (except as permitted in the DDA), or refinances any outstanding loan or note secured by the Site for an amount greater than the sum of (i) the then-outstanding principal balance of such secured loan(s) or note(s), plus (ii) the reasonable costs of such refinance transaction, which shall not include loan points or origination fees greater than two percent (2%) of the then-outstanding principal balance of such secured loan(s) or note(s). Notwithstanding the foregoing, Maker shall not be in default of the Town Note and need not seek approval of Holder in refinancing any outstanding loan or note secured by the Site if all net proceeds from such refinance are applied against the unpaid balance of the Senior Financing and the Town Note and the debt service arising from such refinance does not reduce the Residual Cash Flow.

4.2 Default by Maker of this Town Note or of any of the Town Agreements, shall constitute a default of this Town Note and all of the Town Agreements.

4.3 In the event Maker fails to perform hereunder or under any of the Town Agreements, for a period of thirty (30) days after the date of written notice from Holder that such performance was due, or if such default cannot reasonably be remedied / cured in 30 days, or Maker does not take reasonable efforts to commence the remedy and/or cure of such default within such 30 day period and continue such efforts to remedy / cure such default thereafter, Maker shall be in default of the Town Note. Prior to exercising any of its remedies hereunder, Town shall give Maker written notice of such default, and Maker shall thereafter have fifteen (15) days to cure such default; provided, however, that if the default hereunder is solely as a result of a default under any of the Town Agreements, the default, notice, and cure provisions of the applicable Town Agreement shall apply. If Maker cures a default under an Town Agreement within the cure period set forth in the applicable Town Agreement, Maker shall be deemed to have also cured that default under the Town Note. If Maker does not cure a default under any of the Town Agreements within the cure period set forth in the applicable Town Agreement, Maker shall be deemed in default under all of the Town Agreements and under both of the Town Note. In the event Maker is deemed in default under the Town Note, and has not cured the default

within the time set forth in the applicable notice of default, Holder may, at its option, declare the Town Note and the entire obligations evidenced thereby immediately due and payable and collectible then or thereafter as Holder may elect, regardless of the date of maturity.

5. Collection Costs; Attorneys' Fees. If, because of any event of default under this Town Note or any of the Town Agreements, any attorney is engaged by Holder to enforce or defend any provision of this instrument, whether or not suit is filed hereon, then Maker shall pay upon demand reasonable attorneys' fees, expert witness fees and all costs so incurred by Holder together with interest thereon until paid at the applicable rate of interest payable hereunder, as if such fees and costs had been added to the principal owing hereunder.

6. Waivers by Maker. Maker and all endorsers, guarantors and persons liable or to become liable on this Town Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Town Note and any and all other notices or matters of a like nature, and consent to any and all renewals and extensions near the time of payment hereof and agree further that at any time and from time to time without notice, the terms of payment herein may be modified or the security described in any documents securing this Town Note released in whole or in part, or increased, changed or exchanged by agreement between Holder and any owner of the premises affected by said documents securing this Town Note, without in any way affecting the liability of any party to this Town Note or any persons liable or to become liable with respect to any indebtedness evidenced hereby.

7. Severability. The unenforceability or invalidity of any provision or provisions of this Town Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other provisions or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

8. Notices. All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Town Note shall be in writing and shall be given by personal delivery, certified mail, return receipt requested, or overnight guaranteed delivery service and addressed as follows:

If to Holder: Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284
Attn: Town Manager

With a copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, California 92612
Attn: Town Counsel

If to Maker: Yucca Valley Senior Housing Partners, L.P.
9065 Haven Ave., Suite 100
Rancho Cucamonga, CA 91730
Attn: Richard J. Whittingham, CFO

With copies to: Law Office of Edward A. Hopson
655A North Mountain Ave
Upland, CA 91786
Attn: Edward A. Hopson

Notices shall be effective upon the earlier of receipt or refusal of delivery. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent pursuant to this Town Note.

9. Modifications. Neither this Town Note nor any term hereof may be waived, amended, discharged, modified, changed or terminated orally; nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by Maker and Holder. No delay or omission on the part of Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Town Note.

10. No Waiver by Holder. No waiver of any breach, default or failure of condition under the terms of this Town Note shall be implied from any failure of the Holder to take action, or any delay be implied from any failure by the Holder in taking action, with respect to such breach, default or failure from any prior waiver of any similar or unrelated breach, default or failure.

11. Usury. Notwithstanding any provision in this Town Note, the total liability for payment in the nature of interest shall not exceed the limit imposed by applicable laws of the State of California.

12. Nonassignability. Except as permitted in the Agreement, Maker may not transfer, assign, or encumber this Town Note in any manner without the prior, express, written authorization of Holder, which may be given or withheld by Holder in Holder's sole and absolute discretion. It shall be deemed reasonable for Holder to refuse authorization for any reason or no stated reason. Holder may freely transfer, assign, or encumber Holder's interest in this Town Note in any manner, at Holder's sole discretion.

13. Governing Law. This Town Note has been executed and delivered by Maker in the State of California and is to be governed and construed in accordance with the laws thereof.

14. Time of Essence. Time is of the essence in the performance of the obligations and provisions set forth in this Town Note.

15. Subordination. This Town Note is subordinate to the Senior Financing.

16. Non-Recourse. No deficiency judgment amount may be recovered from Maker, and neither the Maker, its agents, partners, consultants, employees, or representatives shall have any personal liability under this Town Note or for any amounts due with respect to the Town Note. The Holder's sole remedy shall be to foreclose on the Town Deed of Trust and Holder shall have no additional right to any deficiency after such foreclosure. The provisions hereof shall not be applicable to any completion Guaranty provided by any entity related to Maker, required pursuant to the provisions of the Agreement and held by the Town.

17. Conflicts. In the event of any conflict between the terms of this Town Note or any of the Town Agreements on the one hand, and the Agreement on the other hand, the terms of this Town Note or the applicable Town Agreement shall control.

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

“MAKER”:

YUCCA VALLEY SENIOR HOUSING PARTNERS L.P.,
a California Limited Partnership,
By its General Partner:

THE SOUTHERN CALIFORNIA HOUSING
DEVELOPMENT CORPORATION OF THE INLAND
EMPIRE, a California non-profit public benefit corporation

Date _____

Name: _____

[End of Signatures]

**ATTACHMENT “3” to FIRST AMENDMENT TO
AFFORDABLE HOUSING FINANCING AND DISPOSITION & DEVELOPMENT
AGREEMENT (DUMOSA)**

EXHIBIT “D” TO DDA: DEED OF TRUST

Recording Requested By
-- and --
And When Recorded Mail To:

Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284
Attn: Town Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE
The undersigned declares that this Deed of Trust is exempt from Recording Fees pursuant to California Government Code Section 27383.

**DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is dated as of _____, 201____, by and among YUCCA VALLEY SENIOR HOUSING PARTNERS, L.P., a California limited partnership ("Trustor"), FIDELITY NATIONAL TITLE INSURANCE COMPANY ("Trustee"), and the TOWN OF YUCCA VALLEY, a California general law municipality ("Beneficiary") and with respect to the following:

Trustor irrevocably grants, transfers and assigns to Trustee, in trust with the power of sale, together with right of entry and possession, the following property (collectively, the "Trust Estate"):

(a) all of that certain real property located in the Town of Yucca Valley, County of San Bernardino, State of California, more particularly described in Exhibit A attached hereto (collectively, the "Subject Property");

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (collectively, the "Improvements");

(c) all tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefitting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (collectively, the "Appurtenances");

(d) subject to the assignment to Beneficiary set forth in Section 4, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Subject Property, the Improvements and the Appurtenances (collectively, the "Real Property"), or the ownership, use, management, operation, leasing or occupancy of the Real Property, including those past due and unpaid (collectively, the "Rents");

(e) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions or or to any of such property (collectively, the "Goods"); and

(f) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Real Property, or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the Real Property, including (to the extent applicable to the Real Property) (i) permits, approvals and other governmental authorizations and entitlements, (ii) all site plans, surveys, soil and substrata studies, architectural renderings, engineering plans and studies, floor plans, landscape plans, structural plans, grading plans and all other improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of the Real Property, (vii) license agreements, service and maintenance agreements, (viii) reserves, reserve deposits, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (collectively, the "Intangibles").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estate in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under UCC Sections 9313 and 9402(6).

FOR THE PURPOSE OF SECURING, in such priority as Beneficiary may select, (i) payment of that certain Town Note of even date herewith executed by Trustor and payable to Beneficiary in the original principal amount of not to exceed Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00) (the "Town Note"); (ii) Trustor's due, prompt and complete payment, performance, observance and discharge of each and every covenant, condition, provision and agreement contained in this Deed of Trust; (iii) until recordation of the Release of Construction Covenants (as defined in the Agreement referred to herein), Trustor's due, prompt and complete performance, observance and discharge of all obligations of Trustor under that certain Affordable Housing, Financing & Disposition & Development Agreement dated as of March 20, 2012, executed by Trustor and Beneficiary (the "Agreement") and each other ancillary instrument or agreement executed by Trustor for the benefit of Beneficiary pursuant to executory provisions of the Agreement, including, but not limited to, the Regulatory Agreement and Declaration of Covenants and Restrictions from Trustor in favor of Beneficiary recorded concurrently herewith (the "Regulatory Agreement" and, with the Town Note and the Agreement, collectively the "Town Agreements"); and (iv) payment of all monies expended or advanced by Beneficiary pursuant to the terms hereof or to preserve the Trust Estate or the rights of Beneficiary under the Town Agreements (the foregoing obligations, duties and performance by Trustor secured hereby are referred to herein collectively as the "Secured Obligations"). This Deed of Trust shall secure any and all extensions, amendments, modifications or renewals of the Secured Obligations, however evidenced.

AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That Trustor shall perform the Secured Obligations at the required time and in the required manner.
2. That Trustor shall not permit or suffer the use of the Trust Estate for any purpose other than the use for which the Trust Estate was intended and as stated in the Town Agreements, as of the date of this Deed of Trust.
3. That Secured Obligations are incorporated in, and made a part of, this Deed of Trust. Upon default of Trustor for its failure to perform, observe, or discharges its obligations under the Secured Obligations and after the giving of notice and the

expiration of any applicable cure period (including a "Default" as defined in the Agreement) (an "Event of Default"), Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable. This Deed of Trust shall cover, and the Trust Estate shall include, Goods, Intangibles, all property now or hereafter affixed or attached to or incorporated upon the Real Property in, to or under which Trustor now has or hereafter acquires any right, title or interest, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Real Property. To the extent any of the Trust Estate consists of rights in personal property covered by the UCC, this Deed of Trust shall also constitute a security agreement, and Trustor hereby grants to Beneficiary, as secured party, a security interest in such personal property, including all proceeds thereof, for the purpose of securing the Secured Obligations. In addition, Trustor hereby grants to Beneficiary, as secured party, a security interest in all property in, to or under which Trustor now has or hereafter acquires any right, title or interest, whether present, future or contingent, including all equipment, inventory, accounts, general intangibles, instruments, documents and chattel paper, as those terms are defined in the UCC, and all other personal property of any kind (including money and rights to the payment of money), whether now existing or hereafter created, that are now or at any time hereafter (i) in the possession or control of Beneficiary in any capacity; (ii) erected upon, attached to or appurtenant to the Real Property; (iii) located or used on the Real Property or identified for use on the Real Property (whether stored on the Real Property or elsewhere); or (iv) used in connection with, arising from, related to, or associated with the Real Property or any of the Personal Property described herein, the construction of any Improvements on the Subject Property, the ownership, development, maintenance, management or operation of the Real Property, the use or enjoyment of the Real Property or the operation of any business conducted thereon, including all such property described as the Trust Estate. The security interests granted in this Section 3 are collectively referred to as the "Security Interest." The Security Interest shall be self-operative with respect to the Trust Estate, but Trustor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be requested in order to impose the Security Interest more specifically upon the Trust Estate. The Security Interest, at all times, shall be prior to any other interest in the personal property encumbered hereby. Trustor shall act and perform as necessary and shall execute and file all security agreements, financing statements, continuation statements and other documents requested by Beneficiary to establish, maintain and continue the perfected Security Interest. Trustor, on demand, shall promptly pay all costs and expenses of filing and recordation, to ensure the continued priority of the Security Interest. Trustor shall not transfer, sell, assign or otherwise dispose of any personal property encumbered hereby without obtaining the prior written consent of Beneficiary, except that Trustor may, in the ordinary course of business, replace personal property or dispose of personal property that will not be replaced because of its obsolescence. Unless Beneficiary then agrees otherwise in writing, all proceeds from any permitted sale or disposition in excess of that required for full replacement shall be paid to Beneficiary to be applied on the Town Note secured hereby. Although proceeds of personal property are covered hereby, this shall not be construed to mean that Beneficiary consents to any sale of such personal property. Upon its recordation in the Official Records of San

Bernardino County, California, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. In that regard, the following information is provided:

Name of Debtor: Yucca Valley Senior Housing Partners, L.P.

Address of Debtor: 9065 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730

Name of Secured Party: Town of Yucca Valley

Address of Secured Party: 57090 Twentynine Palms Highway, Yucca Valley, CA 92284

In addition, a carbon, photostatic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement.

4. That all Rents, profits and income from the Trust Estate are hereby assigned to Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as an Event of Default does not exist, to collect such Rents, profits and income for use in accordance with the provisions of the Secured Obligations.

5. That upon an Event of Default, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Trust Estate and operate the same and collect the Rents, profits and income therefrom.

6. That Trustor will keep the Improvements now existing or hereafter erected on the Subject Property insured against loss by fire and such other hazards, casualties, and contingencies and shall also provide to Beneficiary and maintain in force and effect comprehensive public liability insurance, all in amounts and as otherwise required in order for Trustor to satisfy applicable provisions in the Agreement to be performed by Trustor.

7. That Trustor shall pay before delinquency any taxes and assessments affecting the Real Property; to pay, when due, all encumbrances, charges and liens, with interest, on the Real Property that appear to be prior or superior hereto; and to pay all costs, fees and expenses of this Trust. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7.

8. That as is provided more specifically in the Secured Obligations, Trustor shall keep the Trust Estate in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon except as

provided in the Agreement; to complete or restore promptly and in good and workmanlike manner any building or Improvements which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting the Trust Estate or requiring any alterations or improvements to be made thereto (subject to Trustor's right to contest the validity or applicability of laws or regulations); not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Trust Estate in violation of law and/or covenants, conditions and/or restrictions affecting the Trust Estate; not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon the Trust Estate without the consent of Beneficiary.

9. That the Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

10. That following an Event of Default, Beneficiary or Trustee may, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from the Secured Obligations, cure such Event of Default in such manner and to such extent as either may deem necessary to protect the Trust Estate; Beneficiary or Trustee being authorized to (i) enter upon the Trust Estate for such purposes; (ii) commence, appear in and/or defend any action or proceeding purporting to affect the Trust Estate or the rights of Beneficiary or Trustee; (iii) pay, purchase, contest or compromise any encumbrance, charge or lien that, in the judgment of either, appears to be prior or senior to the lien hereof; and (iv) in exercising any such powers, pay necessary expenses, including reasonable attorneys' fees.

11. That Beneficiary shall have the right to pay fire and other property insurance premiums when due, should Trustor fail to make any required premium payments. All such payments made by Beneficiary shall be added to the sums secured hereby and shall bear interest as provided in the Town Note secured hereby.

12. That Trustor shall pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure, at the rate of interest specified in the Town Note, if unspecified, at the highest rate of interest permitted by law.

13. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the Trust Estate any lien or liens except as authorized by Beneficiary and further that it will keep and maintain the Trust Estate free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on the Trust Estate. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within

thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request, prior to foreclosure) record in the Office of the Recorder of San Bernardino County, a surety bond in an amount one-and-one-half (1½) times the amount of such claim item to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary.

14. That the funds advanced and secured hereby are to be used in accordance with the Agreement and the Secured Obligations. That the Trust Estate, including any and all improvements thereto, and all plans and specifications therefore, shall comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

15. Unless the same is a transfer permitted in the Agreement, Trustor confirms that if Trustor should sell, enter into a contract of sale, convey, or in any way transfer all or any interest of Trustor in the Real property or suffer Trustor's title or any interest therein to be divested, whether voluntarily or involuntarily, without the prior written consent of Beneficiary being first obtained, then Beneficiary shall have the right, at Beneficiary's sole option, to declare all sums payable under the Town Note secured hereby immediately due and payable in full, irrespective of the maturity date otherwise specified in the Town Note. No waiver of this right shall be effective unless in writing and signed by Beneficiary. Consent by Beneficiary to any one such transaction shall not be deemed a waiver of the right to require such consent to future or successive transactions. Further, upon an Event of Default, Beneficiary may, at its option, declare the whole of the indebtedness secured hereby to be immediately due and payable in full, irrespective of the maturity date otherwise specified in the Town Note.

16. Should the Trust Estate be taken or damaged by reason of any public improvements or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor that are not used to reconstruct, restore or otherwise improve the Trust Estate that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds that are not used to reconstruct, restore or otherwise improve the Trust Estate that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting the Trust Estate, are, subject to the rights of senior lenders, if any, hereby assigned to Beneficiary. After deducting therefrom all its expenses, including attorneys' fees, the balance of the proceeds which are not used to reconstruct, restore or otherwise improve the Trust Estate that was taken or damaged, shall be delivered to Beneficiary to apply toward payment due under the Town Note.

17. Upon default by Trustor in taking any action or in making any payments provided for herein or in the Town Note, or if Trustor shall fail to perform any non-monetary covenant or agreement in this Deed of Trust or the Town Agreements within thirty (30) days after written demand therefor by Beneficiary (or, in the event that more than 30 days is reasonably required to cure such default, should Trustor fail to promptly commence such cure within such thirty (30) day period, and diligently prosecute same to completion), after the giving of notice and the expiration of any applicable cure period, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of a written declaration of default and demand for sale, and of a written notice of default and election to cause the Trust Estate to be sold, which notice Trustee shall cause to be recorded in the Official Records of San Bernardino County, California, and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby. Concurrently or otherwise, Beneficiary may exercise its rights under this Deed of Trust with respect to the Trust Estate in accordance with the provisions of UCC Section 9501(4). In its exercise of any or all of the remedies of a secured party under the UCC with respect to personal property encumbered hereby, if Beneficiary should proceed to dispose of any such personal property collateral in accordance with the provisions of the UCC, ten (10) days notice by Beneficiary to Trustor shall be deemed to be commercially reasonable notice under any provision of the UCC requiring notice. Trustor, however, agrees that all property of every nature and description, whether real or personal, covered by this Deed of Trust, together with all personal property used on or in connection with the Subject Property is encumbered as one unit, that this Deed of Trust and the Security Interest, at Beneficiary's option may be foreclosed or sold in the same proceeding and that all property encumbered (both real and personal), at Beneficiary's option, may be sold as such in one unit, subject to the provisions of applicable law.

18. After the lapse of such time as may then be required by law following the recordation of such notice of default, and notice of sale having been given as required by law, Trustee, without demand on Trustor, shall sell the Trust Estate at the time and place fixed by it in such notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of the Trust Estate by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the Trust Estate so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee or Beneficiary, may purchase at the sale. Trustee shall apply the proceeds of sale to payment of (i) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee's fees or attorneys' fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (ii) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (iii) all sums expended under the terms hereof, not then repaid, with accrued

interest at the maximum rate allowed by law; (iv) all other sums then secured hereby; and (v) the remainder, if any, to the person or persons legally entitled thereto.

19. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust, which, when duly recorded in the Official Records of San Bernardino County, California, shall be conclusive proof of proper appointment of the successor trustee.

20. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived by Trustor to the full extent permissible by law.

21. Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Trust Estate then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

22. The trust created hereby is irrevocable by Trustor.

23. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future successor in interest to Beneficiary. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. If "Trustor" is composed of more than one person or entity, all obligations of Trustor hereunder are joint and several.

24. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

25. Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to it as follows: Yucca Valley Senior Housing Partners, L.P., 9065 Haven Avenue, Suite 100, Rancho Cucamonga, California 91730, attn: CFO.

26. Notwithstanding specific provisions of this Deed of Trust, non-monetary performance hereunder shall not be deemed to be in default where delays or defaults are

due to: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor or supplier; acts of the other party; acts or failure to act of any public or governmental agency or entity (except that any act or failure to act of Beneficiary shall not excuse performance by Beneficiary); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the delay and shall commence to run from the time of the commencement of the cause.

27. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as the Secured Obligations, the unsecured portion of the Secured Obligation shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the Secured Obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to complete payment of the unsecured portion of the Secured Obligations.

28. (a) Subject to the extensions of time set forth in Section 26, and subject to the further provisions of this Section 28, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Secured Obligations, Town Agreements, or this Deed of Trust constitutes a default under this Deed of Trust.

(b) If required by California law, Beneficiary shall give notice of default to Trustor specifying the default complained of by Beneficiary. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failures or delays by Beneficiary in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

(d) In no event shall Beneficiary be precluded from exercising remedies if its security becomes, or is about to become, materially jeopardized by any failure to cure a default after a notice of default is first given or an Event of Default.

29. Trustor agrees at any time and from time to time, upon receipt of a request from Beneficiary, to furnish Beneficiary detailed statements in writing of income, Rents, profits and operating expenses of the Trust Estate, and the names of the occupants and tenants in possession, together with the expiration dates of their leases and full information regarding all rental and occupancy agreements, and the rents provided for by such leases and rental and occupancy agreements, and such other information regarding the Trustee Estate and its use as may be requested by Beneficiary.

30. Trustor agrees that the obligations secured by this Deed of Trust are made expressly for the purpose of financing the acquisition of the Subject Property and the construction and operation of the Improvements, including 75 proposed apartment dwelling units that, with the exception of one apartment unit occupied by resident staff of Trustor, are to be maintained as affordable housing, at affordable rents, for qualifying households of Eligible Tenants, including a Senior Citizen, as defined in and as provided more specifically in the Agreement and the Regulatory Agreement.

31. As is provided more specifically in the Town Note, the obligations of Trustor are nonrecourse obligations. Neither Trustor nor any of its principals, nor any other party, shall have any personal liability for payment of obligations arising from the Town Note, except as specifically provided therein. The sole recourse of Beneficiary shall be the exercise of its rights against the Trust Estate and as provided under this Deed of Trust.

32. Trustor agrees that except in the ordinary course of business and then only so long as in strict compliance with all applicable hazardous substance laws, as follows:

(a) Not to use or permit the Real Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any hazardous substance;

(b) Not to cause, contribute to, permit or acquiesce in any prohibited release or threatened release of any hazardous substance;

(c) To comply with and to cause the Real Property to comply with all hazardous substance laws;

(d) To immediately notify Beneficiary in writing and to provide Beneficiary with a reasonably detailed description of any noncompliance of the Real Property with any hazardous substance laws or any hazardous substance claim relating to the Real Property received by Trustor.

As used herein, a "hazardous substance" shall be any oil, flammable substance, explosive, radioactive material, hazardous waste or substance, toxic waste or substance, or any other waste, material or pollutant; asbestos in any form; uria formaldehyde foam insulation; transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls; radon gas; any chemical, material or substance defined as or included in the definition of "hazardous substance," "hazardous waste," "hazardous material," "restricted hazardous waste," or "toxic substances" or words of similar import under any applicable local, state or federal law; any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or which may pose a hazard to the health and safety of the occupants of the Real Property or to the owners or occupants of property adjacent to or surrounding the Real Property or any other person coming on the Real Property or any adjacent property; and any other chemical, material or substance that may pose a hazard to the environment. As used herein, a "hazardous substance claim" shall mean any enforcement, cleanup,

removal, remediation or other governmental, regulatory or private actions or orders threatened, instituted or completed pursuant to any hazardous substance law, together with all claims made or threatened by any third party against Trustor or the Real Property relating to damage, contribution, injury or loss resulting from the presence, release or discharge of any hazardous substance. As used herein "hazardous substance law" shall mean any federal, state or local law, ordinance, regulation or policy relating to the environment, health and safety, or relating to any hazardous substance (including, without limitation, the use, handling, transportation, production, disposal, discharge or storage of such hazardous substance), industrial hygiene, soil, ground water, indoor and ambient air conditions or the environmental conditions of the Real Property.

In the event that Trustor discovers a release of or the presence of any hazardous substance on or about the Real Property in violation of any hazardous substance law, Trustor agrees to give prompt written notice to Beneficiary of that discovery, together with a reasonably detailed description thereof. Trustor agrees to cooperate with Beneficiary to engage a qualified environmental engineer reasonably satisfactory to Beneficiary to investigate these matters and to prepare and submit to the parties a written report containing the findings and conclusions resulting from that investigation. Trustor agrees to take, at Trustor's expense, all necessary actions to remedy, repair, cleanup or detoxify any release of hazardous substances on the Real Property, including, but not limited to, any remedial actions required by any hazardous substance laws.

Upon Beneficiary's reasonable belief the Trustor has failed to comply with any environmental provision of this Deed of Trust, those environmental provisions in the Agreement or of any of the other Secured Obligations and upon reasonable prior notice (except in the case of an emergency) to Trustor, Beneficiary or its representatives, employees and agents may, but are not obligated to, from time to time and at all reasonable times (or at any time in the case of an emergency) enter and inspect the Real Property and every part of it (including all samples of building materials, soils and ground water) and perform those acts and things that Beneficiary deems necessary or desirable to inspect, investigate, assess and protect the security of this Deed of Trust, for the purpose of determining the existence, location, nature and magnitude of any past or present release or threatened release of hazardous substances, or the present of any hazardous substances on or about the Real Property in violation of any hazardous substance law, and compliance by Trustor with every environmental provision of this Deed of Trust and every other similar provision of any Secured Obligation. In furtherance of the purposes set forth herein, and without limitation of any of its other rights, Beneficiary may obtain a court order to enforce Beneficiary's right to enter and inspect the Real Property under Civil Code §2929.5 and/or have a receiver appointed under Code of Civil Procedure §564 to enforce Beneficiary's rights to enter and inspect the Real Property for the purposes set forth above. All costs and expenses incurred by Beneficiary with respect to the tests, inspections and examinations that Beneficiary or its agents, representatives or employees may conduct shall be reimbursed to Beneficiary by Trustor. All costs and expenses incurred by Beneficiary pursuant to this provision, including, without limitation, court costs, consultants' fees and attorneys' fees, whether incurred in litigation and whether before or after judgment, shall be reimbursed to

Beneficiary by Trustor. Any inspections or tests made by Beneficiary or its representatives, employees and agents will be for Beneficiary's purposes only and will not be construed to create any responsibility or liability on the part of Beneficiary to Trustor or to any other person. Beneficiary shall have the right, but not the obligation, to communicate with any governmental authority regarding any fact or reasonable belief of Beneficiary that constitutes or could constitute a breach of any of Trustor's obligations under any environmental provision contained in this Deed of Trust or in any of the Secured Obligations. Trustor releases and waives any future claims against Beneficiary for indemnity or contribution in the event Trustor becomes liable for cleanup or other costs under any hazardous substance laws and agrees to reimburse Beneficiary, on demand, for all costs and expenses incurred by Beneficiary in connection with Beneficiary's enforcement of any of the environmental provisions contained in this Deed of Trust or in the Secured Obligations. Trustor further agrees to indemnify, defend and hold Beneficiary, and its officers, agents, and employees, and Trustee free and harmless from any and all losses, costs, claims, damages, penalties, liabilities, causes of action, judgments, court costs, attorneys' fees and other legal expenses (collectively, the "Expenses"), including, but not limited to, any Expenses incurred or accrued after the foreclosure of the lien of this Deed of Trust, which either entity may suffer or incur and which directly or indirectly arises out of or is in any way connected with a breach by Trustor of any environmental provision either in this Deed of Trust or in any of the Secured Obligations or as a consequence of any release or threatened release of a hazardous substance or the presence, use, generation, manufacture, storage, disposal, transportation, release or threatened release of any hazardous substance on or about the Real Property, including the soils and ground waters thereof and thereunder, caused or permitted by Trustor, including, without limitation, the cost of any required or necessary repair, cleanup, remedy or detoxification of any hazardous substance and the preparation for any closure, remedial action or other required plans. Trustor's obligations hereunder will survive the satisfaction, release or cancellation of the indebtedness secured hereby, the release and reconveyance or partial release and reconveyance of this Deed of Trust and/or the foreclosure of the lien of this Deed of Trust or deed in lieu of foreclosure of this Deed of Trust.

Beneficiary or its agents, representatives and employees may seek a judgment that Trustor has breached its covenants, representations or warranties deemed to be "environmental provisions" pursuant to Code of Civil Procedure §734 (each an "Environmental Provision") by commencing and maintaining an action or actions in any court of competent jurisdiction pursuant to Code of Civil Procedure §736, whether commenced prior to or after foreclosure of the lien of this Deed of Trust. Beneficiary or its agents, representatives and employees may also seek an injunction to cause Trustor to abate any action in violation of any Environmental Provision and may seek the recovery of all Expenses incurred or advanced by Beneficiary relating to the cleanup, remedy or other response action required by any hazardous substance law or which Beneficiary believes reasonably necessary to protect the Real Property.

Beneficiary or its agents, representatives and employees may waive its lien against the Real Property or any portion of it, including both the Real Property and the Personal

Property, to the extent that the Real Property is found to be environmentally impaired in accordance with the Code of Civil Procedure §726.5, and to exercise all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency and for the recovery of any environmental Expenses. As between Beneficiary and Trustor, for the purposes of Code of Civil Procedure §726.5, Trustor will have the burden of proving that Trustor or any related party (or any affiliate or agent of Trustor or any related party) was not in any way negligent in permitting the release or threatened release of the hazardous substances on the Real Property. Trustor agrees that regardless of anything in this Deed of Trust or in the Secured Obligations, the environmental Expenses will be exceptions to any nonrecourse or exculpatory provisions hereof and of the Secured Obligations. Trustor's obligations will survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Real Property or of this Deed of Trust.

33. No right, power or remedy conferred upon or reserved to Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

34. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

35. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California. Any action to enforce the provisions hereof shall be instituted and maintained in the Superior Court of the County of San Bernardino, State of California, or in any other appropriate court in that county.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

TRUSTOR:

Yucca Valley Senior Housing Partners, L.P.,
a California limited partnership

By its General Partner
The Southern California Housing Development Corporation of the Inland Empire, a
California nonprofit public benefit corporation

By:

Richard J. Whittingham, CFO

EXHIBIT A TO DEED OF TRUST

Description of Subject Property

ALL-PURPOSE ACKNOWLEDGMENT

State of _____)
County of _____) ss.

On _____, 2012, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Richard J. Whittingham
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature of Notary Public Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Deed of Trust . . .
Document Dated _____, 2012 Number of Pages: 14

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____ Right Thumbprint of Signer

- Individual
- Corporate Title(s): CFO
- Partner - Limited General
- Attorney in Fact
- Trustees
- Guardian or Conservator

Other:
Signer is Representing:

**ATTACHMENT "4" to FIRST AMENDMENT TO
AFFORDABLE HOUSING FINANCING AND DISPOSITION & DEVELOPMENT
AGREEMENT (DUMOSA)**

EXHIBIT "F" TO DDA: REGULATORY AGREEMENT

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284
Attn: Town Manager

(Space Above This Line for Recorder's Office Use Only)

**REGULATORY AGREEMENT AND
DECLARATION OF COVENANTS AND RESTRICTIONS**

THIS REGULATORY AGREEMENT AND DECLARATION OF COVENANTS AND RESTRICTIONS ("Agreement") is made and entered into this _____ day of _____, 2012, by and between the TOWN OF YUCCA VALLEY, a California general law municipality ("**Town**"), and YUCCA VALLEY SENIOR HOUSING PARTNERS, L.P., a California limited partnership ("**Owner**").

R E C I T A L S :

A. Pursuant to an AFFORDABLE HOUSING, FINANCING & DISPOSITION & DEVELOPMENT AGREEMENT between and among Town and Owner dated March 20, 2012 ("DDA"), Town has sold to Owner real property and provided to Owner a financial loan under the terms of one promissory note for the cumulative amount of Two Million Nine Hundred Twenty-Five Thousand Even Dollars (\$2,925,000.00) (collectively the "Town Financing"), all for the purpose of assisting Owner in the development of an affordable, senior housing complex as further described herein on that certain real property located in the Town of Yucca Valley, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference ("Site").

B. Pursuant to the DDA, Owner has agreed to develop, construct, and maintain an apartment complex consisting of a maximum of seventy-five (75) residential units ("Residential Units"), including one (1) resident manager's unit ("Manager Unit"), as well as approximately 87,482 square feet of building space for the age/income Restricted Units and their interior common areas (collectively, the "Project") on the Site.

C. The Town has fee or easement interests in various streets, sidewalks and other property within the Town and is responsible for the planning and development of land within the Town in such a manner so as to provide for the health, safety and welfare of the residents of the Town. The Site is developed for the mutual benefit and burden of the Site and of Town-owned properties surrounding the Site, including without limitation the Town Hall, Community Center, Senior Center and Museum, all of which public resources are contemplated as an integral component to Project operations.

D. Town and Owner now desire to place restrictions upon the use and operation of the Project to ensure that the Restricted Units within the Project are leased continuously to Eligible Tenants during the term of this Agreement.

E. It is the intent of the parties that the title vested in Owner by the Grant Deed for the Site dated _____ (“Grant Deed”), recorded concurrently herewith in Office of the County Recorder for the County of San Bernardino be subject to this Regulatory Agreement, and that the terms hereof shall be binding on the Owner and its successors in interest in the Site for so long as this Regulatory Agreement shall remain in effect.

A G R E E M E N T :

NOW, THEREFORE, the Owner and Town declare, covenant and agree, by and for themselves, their heirs, executors, administrators and assigns, and all persons claiming under or through them, that the Site shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied, subject to the covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a common plan for the improvement and sale of the Site, and are established expressly and exclusively for the use and benefit of the Town, the residents of the Town, and every person renting a Residential Unit on the Site.

A. DEFINITIONS.

The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

1. Affordable Rent. The term “Affordable Rent” shall mean the monthly payments charged to and paid by tenants for the use and occupancy of a Restricted Unit and facilities associated therewith, including a reasonable allowance for utilities, but shall not include any optional services provided by Developer to residents. Affordable Rent shall have the meaning prescribed for that term for each Project income level as follows:

- i. For Extremely Low Income households, the product of 1/12 of 30 percent times 30 percent of the AMI adjusted for family size appropriate for the unit (all age restricted units in the Project to be one-bedroom units).
- ii. For Very Low Income households, the product of 1/12 of 30 percent times 45% percent of the AMI adjusted for family size appropriate for the unit.
- iii. For Lower Income households, the product of 1/12 of 30 percent times 50% percent of the AMI adjusted for family size appropriate for the unit.

- iv. For Low Income households, the product of 1/12 of 30 percent times 55% percent of the AMI adjusted for family size appropriate for the unit.

2. **“AMI”.** The term “AMI” means "Area Median Income" and shall mean the area median income as published by the California Department of Housing and Community Development, as adjusted for household size, pursuant to Health and Safety Code Section 50093, or its successor.

3. **Eligible Tenant.** The term “Eligible Tenant” shall refer to those households seeking to rent a Restricted Unit (i.e., non-Manager Unit) who satisfy all of the following requirements:

- i. Upon execution of a lease with Owner, each member of the household will occupy the Residential Unit (other than the Manager Unit) as its principal residence, and each member intends to thereafter continuously occupy such Restricted Unit as its principal residence.
- ii. Upon execution of a lease with Developer, the household is a Low, Lower, Very Low, or Extremely Low, Income household.
- iii. The household has been selected in accordance with the tenant selection criteria set forth herein, and
- iv. At least one person in residence must be a Senior Citizen, and other residents in the same unit who are not Senior Citizens must be Qualified Permanent Residents, as defined in California Civil Code Section 51.3(b).

4. **Extremely Low Income.** The term “Extremely Low Income” shall mean a household earning no more than thirty percent (30%) of the AMI.

5. **Low Income.** The term “Low Income” shall mean those households earning no more than fifty five percent (55%) of the AMI.

6. **Lower Income.** The term “Lower Income” shall mean a household earning no more than fifty percent (50%) of the AMI.

7. **Property Manager.** As used in this Agreement, the term “Property Manager” shall refer to that entity, to be designated by Owner and approved in writing by Town, who shall be responsible for operating and maintaining the Project in accordance with the terms of this Agreement. Prior to Town’s approval, Owner shall act as Property Manager.

8. **Resident Manager; Manager Unit.** The term “Resident Manager” shall refer to that individual (or those individuals) who the resident manager of the Project who shall reside in the “Manager’s Unit” within the Project as designated by Developer. The

Manager's Unit shall be restricted to occupancy by the Resident Manager and his/her household, and shall not be subject to an income or age restriction.

9. Residential Unit. The term "Residential Unit" shall refer to any of the up to seventy-five (75) residential units in the Project.

10. Restricted Unit. The term "Restricted Unit" shall refer to each of the seventy-four (74) Residential Units which shall be reserved for Eligible Tenants, but not the Resident Manager.

11. Senior Citizen; Senior. The terms "Senior" or "Senior Citizen" shall mean a person who is 55 years of age or older who intends to reside in a Restricted Unit as his or her primary residence on a permanent basis and any other person residing in the unit is a "qualified permanent resident" or a "permitted health care resident" as provided in the Unruh Civil Rights Act, California Civil Code Section 51, *et seq.*, and all other applicable federal, state and local laws and regulations governing the use and occupancy of the Project.

12. Very Low Income. The term "Very Low Income" shall mean a household earning no more than forty-five percent (45%) of the AMI.

13. Other Definitions. Other initial-capped terms or definitional phrases utilized herein shall bear the same meaning as used in the DDA.

B. RESIDENTIAL RENTAL PROPERTY. The Owner hereby agrees that the Project is to be owned, managed, and operated as a project for Low, Lower, Very Low, and Extremely Low Income Eligible Tenant residential rental purposes for a term equal to fifty-five (55) years, commencing upon the date of the recordation of the Release of Construction Covenants for the Site in accordance with the DDA ("Term"). To that end, and for the term of this Agreement, the Owner hereby represents, covenants, warrants and agrees as follows:

1. Purpose. The Site is being acquired and the Project constructed for the purpose of providing , Lower, Very Low, and Extremely Low Income rental housing and the Owner shall own, manage, and operate the Project as a project to provide , Lower, Very Low, and Extremely Low Income rental housing, together with any functionally related and subordinate facilities.

2. Residential Use. None of the Residential Units in the Project will at any time be utilized on a transient basis or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, or trailer court or park without the Town's prior written consent which consent may be given or withheld in its sole and absolute discretion.

3. Conversion of Project. No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Owner take any steps in connection with the conversion to such ownership or uses to condominiums, or to any other form of ownership, without the prior written approval of Town which approval may be given or withheld in its sole and absolute discretion.

4. Preference to Eligible Tenants. All of the Residential Units will be available for rental in accordance with the terms of this Agreement, and the Owner shall not give preference to any particular class or group in renting the Residential Units in the Project, except to the extent that the Restricted Units are required to be leased or rented to Eligible Tenants and except as provided in Section C.6 below.

5. Resident Manager. One Residential Unit in the Project may be occupied by a Resident Manager.

6. Liability of Owner. Owner and Resident Manager shall not incur any liability under this Agreement as a result of fraud or intentional misrepresentation by a tenant.

C. OCCUPANCY OF PROJECT BY ELIGIBLE TENANTS. Owner hereby represents, warrants, and covenants as follows:

1. Occupancy. Except as expressly provided herein, throughout the term of this Agreement the occupancy of all of the Restricted Units in the Project (which excludes the Resident Manager Unit) shall be restricted to Eligible Tenants and qualified members of the Eligible Tenant's household.

2. Expiration of Occupancy and Rent Restrictions. The Restricted Units shall be subject to the restrictions contained in this Section C for the Term of this Agreement. All tenants residing in the Restricted Units during the final two (2) years of the Term shall be given notice of the expiration of the Term at least once every six (6) months during the final two years. After the expiration of the Term, the rents payable on the Restricted Units may be raised to market rates.

3. Rental Rates. Owner hereby agrees to rent at an Affordable Rent the following: at least eight (8) of the Restricted Units to no more than Extremely Low Income Eligible Tenants, and to rent no more than fourteen (14) of the Restricted Units to no more than Low Income Eligible Tenants. All other Restricted Units in the Project shall be rented to Very Low or Lower Income Eligible Tenants. All Restricted Units shall be single bedroom units, and occupied in household/residential numbers conforming with Town Municipal Code and State Building & Safety standards, and any occupancy standards applicable through the California Tax Credit Allocation Committee ("TCAC").

4. Occupancy By Eligible Tenant. A Restricted Unit occupied by an Eligible Tenant shall be treated as occupied by an Eligible Tenant until such Restricted Unit is vacated by such tenant.

5. Income Computation Certificate. Prior to an Eligible Tenant's occupancy of a Restricted Unit, Owner shall obtain and maintain on file an Income Computation and Certification form (which form shall be approved in advance by the Town) from each such Eligible Tenant dated prior to the date of initial occupancy in the Project by such Eligible Tenant. In addition, the Owner will provide such further information as may be reasonably required in the future by the Town. Owner shall use its best efforts to verify that the income provided by an applicant is accurate by taking the

following steps as a part of the verification process: (i) obtain three (3) pay stubs for the most recent pay periods; (ii) obtain a written verification of income and employment from applicant's current employer; (iii) obtain an income verification form from the Social Security Administration and/or California Department of Social Services if the applicant receives assistance from either Town; (iv) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other verification of such applicant's income; and (v) verification of that the prospective tenant qualifies as a Senior citizen and that any other resident qualifies as a "qualified permanent resident" or a "permitted health care resident" as provided in the Unruh Civil Rights Act, California Civil Code Section 51, *et seq.*, or (vi) such other information as may be reasonably requested. A copy of each such Income Computation and Certification shall be provided to the Town.

6. Rental Priority. During the term of this Agreement, and to the extent allowed under applicable law and Low Income Housing Tax Credit ("LIHTC") restrictions, Owner shall use its best efforts to lease vacant Restricted Units reserved for Eligible Tenants in the following order of priority: (i) persons displaced by the Town and entitled to a preference pursuant to California Health and Safety Code Section 33411.3 or successor statute, with highest priority in this category to residents of Yucca Valley; (ii) residents of the Town of Yucca Valley; and (iii) other persons meeting the eligibility requirements of this Agreement. Owner shall and Town may maintain a list (the "Housing List") of persons who have filed a complete application with Owner to rent a Restricted Unit in the Project and who have incomes and ages which would qualify them as an Eligible Tenant, and Owner shall offer to rent appropriately-sized Restricted Units on the above-referenced priority basis. Should multiple tenants be equally eligible and qualified to rent a Restricted Unit, Owner shall rent available Restricted Units to Eligible Tenants on a first-come, first-served basis.

7. Renting Vacant Units. When a Residential Unit becomes available as a result of a tenant vacation, Owner shall rent the Residential Unit to an Eligible Tenant in accordance with Section C.6.

8. Income Recertification. Prior to the first anniversary date of the occupancy of a Restricted Unit by an Eligible Tenant and on each anniversary date thereafter, Owner shall recertify the income of such Eligible Tenant by obtaining a completed Income Computation Certificate based upon the current income of each occupant of the Restricted Unit. Owner shall automatically provide the Town with a copy of each such recertification with the next submission of Certificate of Continuing Program Compliance pursuant to Section C.9.

9. Certificate of Continuing Program Compliance. Upon the issuance of the Release of Construction Covenants and annually by March 1 of each year, or at any time upon the written request of Town, Owner shall advise the Town of the occupancy of the Project by delivering a Certificate of Continuing Program Compliance in the form attached hereto as Exhibit "B" certifying: (i) the number of Residential Units of the Project which were occupied or deemed occupied pursuant to Section C.1 by an Eligible Tenant during the applicable time period, and (ii) to the knowledge of Owner either

(a) no unremedied default has occurred under this Agreement, or (b) a default has occurred, in which event the Certificate shall describe the nature of the default and set forth the measures being taken by the Owner to remedy such default.

10. Maintenance of Records. Owner shall maintain materially complete and accurate records pertaining to the occupancy of the Residential Units, and shall permit any duly authorized representative of the Town to inspect the books and records pertaining to the occupancy of the Residential Units upon reasonable request.

11. Reliance on Tenant Representations. Each lease shall contain a provision to the effect that Owner has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the Residential Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease.

12. Conflicts. The leasing priority provisions set forth in Section C.6 shall apply only in the event, and to the extent, such provisions are not in conflict with Internal Revenue Code provisions or IRS regulations, Fair Housing Laws, or other applicable law.

13. Town Remedy For Excessive Rent Charge.

a. It shall constitute a default for Owner to charge or accept for a Residential Unit rent amounts in excess of the amount provided for in Section C.3 of this Agreement. In the event that Owner charges or receives such higher rental amounts, in addition to any other remedy Town shall have for such default, Owner shall be required to pay to Town the entire amount of rent received in excess of the amount permitted pursuant to this Agreement. Notwithstanding the foregoing, Owner may accept rents exceeding Section C.3 restrictions to the extent Owner receives HUD Section 8 vouchers from the Department of Housing and Urban Development without default or violation of this Agreement or the DDA.

b. It shall constitute a default for Owner to rent any Restricted Unit to a tenant who is not an Eligible Tenant for the particular Restricted Unit pursuant to the rental rate requirements set forth in Section C.3 of this Agreement. In the event Owner rents a Restricted Unit to an ineligible tenant, in addition to any other equitable remedy Town shall have for such default, Owner, for each separate violation shall be required to pay to Town an amount equal to (i) two times the greater of (A) the total rent Owner received from such ineligible tenant or (B) the total rent Owner was entitled to receive for renting that Restricted Unit, plus (ii) any relocation expenses incurred by Town as a result of Owner having rented to such ineligible person.

c. It shall constitute a default for Owner to rent any of the Restricted Units in violation of the leasing priority requirements of Sections C.6 of this Agreement. In the event Owner rents a Restricted Unit in violation of the leasing priority requirements, in addition to any other equitable remedy Town shall have for such default, Owner, for each separate violation shall be required to pay Town an amount equal to two (2) months of rental charges for the Restricted Unit with the highest rent. The terms of

this Section C.13 shall not apply if Owner rents to an ineligible person as a result of such person's fraud or misrepresentation.

THE PARTIES HERETO AGREE THAT THE AMOUNTS SET FORTH IN SUBPARAGRAPHS (a) THROUGH (c) OF THIS SECTION C.13 (THE "DAMAGE AMOUNTS") CONSTITUTE A REASONABLE APPROXIMATION OF THE ACTUAL DAMAGES THAT TOWN WOULD SUFFER DUE TO THE DEFAULTS BY OWNER SET FORTH IN SUBPARAGRAPHS (a) THROUGH (c). CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE DAMAGE AMOUNTS TO THE RANGE OF HARM TO TOWN AND ACCOMPLISHMENT OF TOWN'S PURPOSE OF ASSISTING IN THE PROVISION OF AFFORDABLE HOUSING TO ELIGIBLE TENANTS THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. THE AMOUNTS SET FORTH IN THIS SECTION C.13 SHALL BE THE SOLE MONETARY DAMAGES REMEDY FOR THE DEFAULTS SET FORTH IN THIS SECTION C.14, BUT NOTHING IN THIS SECTION C.13 SHALL BE INTERPRETED TO LIMIT TOWN'S REMEDY FOR SUCH DEFAULT TO SUCH A DAMAGES REMEDY. IN PLACING ITS INITIAL AT THE PLACES PROVIDED HEREINBELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO HAS EXPLAINED

THE CONSEQUENCES OF THE LIQUIDATED DAMAGES PROVISION AT OR PRIOR TO THE TIME EACH EXECUTED THIS AGREEMENT.

OWNER'S INITIALS: _____

TOWN'S INITIALS: _____

D. MAINTENANCE.

1. Maintenance Obligation. Owner, for itself and its successors and assigns, hereby covenants and agrees to maintain and repair or cause to be maintained and repaired the Site and all related on-site improvements and landscaping thereon, including, without limitation, buildings, parking areas, lighting, signs and walls in reasonable condition and repair, free of rubbish, debris and other hazards to persons using the same, and in accordance with all applicable laws, rules, ordinances and regulations of all federal, state, and local bodies and agencies having jurisdiction, at Owner's sole cost and expense. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal; (ii) the care and replacement of all shrubbery, plantings, and other landscaping in a healthy condition; and (iii) the repair, replacement and restriping of asphalt or concrete paving using the same type of material originally installed, to the end that such pavings at all times be kept in a level and smooth condition. In addition, Owner shall be required to maintain the Site in such a manner as to avoid the reasonable determination of a duly authorized official of the Town that a public nuisance has been created by the absence of adequate maintenance such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within one thousand (1,000) feet of such portion of the Site.

2. Parking and Driveways. The driveways and traffic aisles on the Site shall be kept clear and unobstructed at all times. No vehicles or other obstruction shall project into any of such driveways or traffic aisles. Vehicles associated with the operation of the Site, including delivery vehicles, vehicles of employees and vehicles of persons with business on the Site shall park solely on the Site.

3. Tenant Compliance. Upon request, Owner shall provide any proposed tenants of any portion of the Site with a copy of this Agreement. All lease agreements shall be in writing and shall contain provisions which make compliance with the conditions of this Agreement express covenants of the lease.

4. Right of Entry. In the event Owner fails to maintain the Site in the above-mentioned condition, and satisfactory progress is not made in correcting the condition within thirty (30) days from the date of written notice from Town, or if Owner and Town agree such condition cannot reasonably be cured within such 30-day period, Owner shall have such time as Owner and Town mutually agree may be reasonably necessary to correct the condition provided that Owner is diligent in pursuit of the cure. Town may, at its option, and without further notice to Owner, declare the unperformed maintenance to constitute a public nuisance. Thereafter, Town, its employees, contractors or agents, may cure Owner's default by entering upon the Site and performing the necessary landscaping and/or maintenance. The Town shall give Owner, its representative or the residential manager reasonable notice of the time and manner of entry, and entry shall only be at such times and in such manner as is reasonably necessary to carry out this Agreement. Owner shall pay such costs as are reasonably incurred by Town for such maintenance, including attorneys' fees and costs. Town shall conduct itself on the Site in such a manner so as not to interfere with, delay, or impede the operation of the Project and Town shall indemnify and hold Owner free and harmless from any and all damages it sustains during its presence at the Site except if such damages are caused by the Owner's negligence or willful misconduct.

5. Lien. If such costs are not reimbursed within thirty (30) days after Owners' receipt of notice thereof, the same shall be deemed delinquent, and the amount thereof shall bear interest thereafter at a rate of the lower of ten percent (10%) per annum or the legal maximum until paid. Any and all delinquent amounts, together with said interest, costs and reasonable attorneys' fees, shall be a personal obligation of Owner as well as a lien and charge, with power of sale, upon the property interests of Owner, and the rents, issues and profits of such property. Town may bring an action at law against Owner obligated to pay any such sums or foreclose the lien against Owner's property interests. Any such lien may be enforced by sale by the Town following recordation of a Notice of Default of Sale given in the manner and time required by law as in the case of a deed of trust; such sale to be conducted in accordance with the provisions of Section 2924, *et seq.*, of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.

Any monetary lien provided for herein shall be subordinate to any bona fide mortgage or deed of trust covering an ownership interest or leasehold or subleasehold estate in and to any Site approved by Town pursuant to the DDA, and any purchaser at any foreclosure or trustee's sale

(as well as any deed or assignment in lieu of foreclosure or trustee's sale) under any such mortgage or deed of trust shall take title free from any such monetary lien, but otherwise subject to the provisions hereof; provided that, after the foreclosure of any such mortgage and/or deed of trust, all other assessments provided for herein to the extent they relate to the expenses incurred subsequent to such foreclosure, assessed hereunder to the purchaser at the foreclosure sale, as owner of the subject Site after the date of such foreclosure sale, shall become a lien upon such Site upon recordation of a Notice of Assessment or Notice of Claim of Lien as herein provided.

E. MANAGEMENT.

1. Approval of Property Manager; Designation of Resident Manager.

Subject to the terms and conditions contained hereinbelow, Owner shall at all times during the operation of the Project pursuant to this Agreement retain an entity to perform the management and/or supervisory functions ("Property Manager") with respect to the operation of the Project including day-to-day administration, maintenance and repair. Owner shall, before execution or any subsequent amendment or replacement thereof, submit and obtain Town's written approval, which shall not be unreasonably withheld, conditioned or delayed, of a management contract ("Management Contract") entered into between Owner and a Property Manager reasonably acceptable to Town. Town hereby accepts National Community Renaissance of California, a California public benefit corporation, as a Property Manager acceptable to Town for the initial operation of the Project following completion of construction. Subject to any regulatory or licensing requirements of any other applicable governmental Town, the Management Contract may be for a term of up to fifteen (15) years and may be renewed for successive terms in accordance with its terms, but may not be amended or modified without the written consent of Town. The Management Contract shall also provide that the Property Manager shall be subject to termination for failure to meet project maintenance and operational standards set forth herein or in other agreements between Owner and Town. Owner shall promptly terminate any Property Manager which commits or allows such failure, unless the failure is cured within a reasonable period, in no event exceeding 60 days, from Property Manager's receipt of notice of the failure from Owner or Town. Owner's obligation to retain a Property Manager shall remain in force and effect for the same duration as the use covenants set forth in Section B of this Agreement. Notwithstanding anything to the contrary in this Section, the Project may be self-managed by Owner.

In addition to the Property Manager, one Resident Manager shall be designated as necessary by Owner or Property Manager, with written notice to Town of the Resident Manager's name, address and telephone number.

2. Serious Mismanagement. In the event of "Serious Mismanagement" (as that term is defined below) of the Project, Town shall have the authority to require that such Serious Mismanagement cease immediately and, further, to require the immediate replacement of the Property Manager or Resident Managers. For purposes of this Agreement the term "Serious Mismanagement" shall mean management of the Project in a manner which violates the terms and/or intent of this Agreement and/or the

Management Contract to operate an affordable housing project of high standards appropriate to the community, and shall include, but is not limited to, the following:

- a. Knowingly leasing a Restricted Unit to ineligible tenants or tenants whose income exceeds the prescribed levels;
- b. Knowingly allowing the tenants of a Restricted Unit to exceed the prescribed occupancy levels without taking immediate steps to stop such overcrowding;
- c. Failing to timely maintain the Project and the Site in the manner required by this Agreement (including applicable cure periods);
- d. Failing to timely submit the reports required by this Agreement or failing to submit materially complete reports (including applicable cure periods);
- e. Fraud in connection with any document or representation relating to this Agreement or embezzlement of Project monies; and
- f. Failing to fully cooperate with the San Bernardino Sheriff's Department (or such other police enforcement agency as may be in place in the jurisdiction) in maintaining a crime-free environment on the Site.

3. Management Fees. Fees payable to Owner in the way of asset and general partnership management shall be limited as follows:

- a. During the 15 year California Tax Credit Allocation Committee compliance period for the Project, the asset management fee shall be limited to Five Thousand Dollars (\$5,000) per year with a CPI escalation up to three percent (3%) per year.
- b. During the 55 year affordability period for the Project, the general partnership fee shall be limited to Ten Thousand Dollars (\$10,000) per year with a CPI escalation up to three percent (3%) per year.

F. COMPLIANCE WITH LAWS.

1. State and Local Laws. Owner shall comply with all ordinances, regulations and standards of Town applicable to the Site. Owner shall comply with all rules and regulations of any assessment district of the Town with jurisdiction over the Site.

2. Lease Approval. Town shall have the right, but is not required to, approve any lease forms, revisions, amendments or modification made to same, used by the Property Manager or Resident Managers for leasing Restricted Units within the Site.

G. INSURANCE.

1. Duty to Procure Insurance. Owner covenants and agrees for itself, and its assigns and successors-in-interest in the Site that from completion of the Project as evidenced by Town's issuance of a certificate of occupancy, and continuing thereafter until the expiration of the Term of this Agreement, Owner or such successors and assigns shall procure and keep in full force and effect, or cause to be procured and kept in full force and effect for the mutual benefit of Owner and Town, and shall provide Town with evidence reasonably accepted to Manager, insurance policies meeting the minimum requirements set forth below:

a. Commercial General Liability insurance with respect to the Site and the operations of or on behalf of Owner; such insurance policies shall have (a) a combined single limit for both bodily injury or death in an amount not less than Three Million Dollars (\$3,000,000.00) and (b) a limit for both bodily injury or death in one accident or occurrence or for property damage in an amount not less than Two Million Dollars (\$2,000,000.00), which amounts shall be increased from time to time as reasonably required by the Town. (Umbrella policies may be used to satisfy Developer's coverage obligations.). The insurance to be provided by Owner may provide for a deductible or self-insured retention of not more than Twenty-Five Thousand Dollars (\$25,000), unless approved in writing by the Town, with such maximum amount to increase at the same rate as the periodic increases in the minimum amount of total insurance coverage set forth above.

b. With respect to the improvements and any fixtures and furnishings to be owned by Owner on the Site, All Risk Property insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in San Bernardino County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquake from and after completion of construction, to the extent generally and commercially available at commercially reasonable rates. Town shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement.

c. All policies of insurance required to be carried by Owner shall be written by responsible and solvent insurance companies licensed or authorized to do business in the State of California and having a policy-holder's rating of A or better, in the most recent addition of "Best's Key Rating Guide -- Property and Casualty." A copy of each paid-up policy evidencing such insurance (appropriately authenticated by the insurer) or a certificate of the insurer, certifying that such policy has been issued, providing the coverage required herein, and containing the provisions specified herein, shall be delivered to Town prior to its issuance of the Release of Construction Covenants for the Project and thereafter, upon renewals, not less than thirty (30) days prior to the expiration of coverage. Town may, at any time, and from time to time, inspect and/or copy any and all insurance policies required to be procured by Owner hereunder. In no

event shall the limits of any policy be considered as limiting the liability of Owner hereunder.

d. Each insurance policy required to be carried by Owner pursuant to this Agreement shall contain the following endorsements, provisions or clauses:

(1) The insurer will not cancel or materially alter the coverage provided by such policy in a manner adverse to the interest of the insured without first giving Town a minimum of ten (10) days prior written notice.

(2) A waiver by the insurer of any right to subrogation against Town, its agents, employees, or representatives, which arises or might arise by reason of any payment under such policy or policies or by reason of any act or omission of Town, its agents, officers, members, officials, employees, or representatives.

(3) The Town, its their respective agents, officers, members, officials, employees, volunteers, and representatives shall be named insureds on the Commercial General Liability policies.

(4) The Town shall be a loss payee on the All Risk Property insurance policies.

(5) Coverage provided by these policies shall be primary and non-contributory to any insurance carried by the Town, its officers, officials, employees, volunteers, agents, or representatives.

(6) Failure to comply with reporting provisions shall not affect coverage provided to Town, its officers, employees, volunteers, agents, or representatives.

e. Town's Manager may require an increase in the minimum limits of the insurance policies required by this Section as such increases are reasonably determined necessary to provide for changes in cost of living, liability exposure, the market for insurance, or the use of the Site. Such increases in insurance coverage shall be effective upon receipt of written notice from the Town Manager, provided that Owner shall have the right to appeal a determination of increased coverage by the Town Manager to the Town Board of Directors within 30 days of receipt of notice from the Town Manager.

f. Town's Manager may waive or modify the insurance requirements set forth herein if such insurance is determined by the Town Manager not to be commercially available. Owner shall submit such evidence of commercial availability as is reasonably required by the Town Manager. At least annually, Owner shall review the availability of any insurance requirement waived or modified pursuant to this section, and shall meet any such insurance requirement as such insurance becomes commercially available.

2. Failure to Procure Insurance. If Owner fails to procure and maintain the above-required insurance despite its commercial availability, then Town, in addition to any other remedy which Town may have hereunder for Owner's failure to procure, maintain, and/or pay for the insurance required herein, may (but without any obligation to do so) at any time or from time to time, after thirty (30) days written notice to Owner, procure such insurance and pay the premiums therefor, in which event Owner shall immediately repay Town all sums so paid by Town together with interest thereon at the maximum legal rate.

H. OBLIGATION TO REPAIR.

1. Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. Subject to Section H.3 below, if the Project shall be totally or partially destroyed or rendered wholly or partly uninhabitable by fire or other casualty required to be insured against by Owner, Owner shall promptly proceed to obtain insurance proceeds and take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as the Project is required to be maintained in pursuant to this Agreement, and Owner shall complete the same as soon as possible thereafter so that the Project can continue to be operated and occupied as an affordable housing project in accordance with this Agreement. Owner shall maintain insurance policy limits in a sufficient amount to guaranty full Project restoration and liability coverage in case of fire or other casualty. Subject to extensions of time for "force majeure" events described in the DDA, in no event shall the repair, replacement, or restoration period exceed sixteen (16) months from the date Owner obtains insurance proceeds unless Town's Manager, in his or her sole and absolute discretion, approves a longer period of time. Town shall cooperate with Owner, at no expense to Town, in obtaining any governmental permits required for the repair, replacement, or restoration. If, however, the then-existing laws of any other governmental agencies with jurisdiction over the Property do not permit the repair, replacement, or restoration, Owner may elect not to repair, replace, or restore the Project by giving notice to Town (in which event Owner shall be entitled to all insurance proceeds in excess of the claim of entities, including Town, holding secured interests in the Site; but Owner shall be required to remove all debris from the Site) or Owner may reconstruct such other improvements on the Site as are consistent with applicable land use regulations and approved by the Town and the other governmental agencies with jurisdiction.

If Owner fails to obtain insurance as required by the DDA or this Agreement (and Town has not procured such insurance and charged Owner for the cost), Owner shall be obligated to reconstruct and repair any partial or total damage to the Project and improvements located on the site in accordance with this Section H.1.

2. Continued Operations. During any period of repair, Owner shall continue, or cause the continuation of, the operation of the Project to the extent reasonably practicable from the standpoint of prudent business management.

3. Damage or Destruction Due to Cause Not Required to be Covered by Insurance. If the improvements comprising the Project are completely destroyed or substantially damaged by a casualty for which Owner is not required to (and has not) insured against, Owner shall not be required to repair, replace, or restore such improvements and may elect not to do so by providing Town with written notice of election not to repair, replace, or restore within one hundred eighty (180) days after such substantial damage or destruction. In such event, Owner shall remove all debris from the Property. As used in this Section H.3, “substantial damage” caused by a casualty not required to be (and not) covered by insurance shall mean damage or destruction which is fifty percent (50%) or more of the replacement cost of the improvements comprising the Project. In the event Owner does not timely elect not to repair, replace, or restore the improvements as set forth in the first sentence of this Section H.3, Owner shall be conclusively deemed to have waived its right not to repair, replace, or restore the improvements and thereafter Owner shall promptly commence and complete the repair, replacement, or restoration of the damaged or destroyed improvements in accordance with Section H.1 above and continue operation of the apartment complex during the period of repair (if practicable) in accordance with Section H.2 above.

I. LIMITATION ON TRANSFERS.

The Owner covenants that Owner shall not transfer the Site or any of its interests therein except as provided in this Section.

1. Transfer Defined. As used in this Section, the term “Transfer” shall include any assignment, hypothecation, mortgage, pledge, conveyance, or encumbrance of this Agreement, the Site, or the improvements thereon. A Transfer shall also include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) (in the aggregate) of the present ownership and/or control of any person or entity constituting Owner or its general partners, taking all transfers into account on a cumulative basis, except transfers of such ownership or control of interest between members of the same immediate family, or transfers to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor’s immediate family, or among the entities constituting Owner or its general partners or their respective shareholders. In the event any entity constituting Owner, its successor or the constituent partners of Owner or any successor of Owner, is a corporation or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of such corporation, of beneficial interests of such trust. In the event that any entity constituting Owner, its successor or the constituent partners of Owner or any successor of Owner is a limited or general partnership, such transfer shall refer to the transfer of more than twenty-five percent (25%) of such limited or general partnership interest. In the event that any entity constituting Owner, its successor or the constituent partners of Owner or any successor of Owner is a joint venture, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the ownership and/or control of any such joint venture partner, taking all transfers into account on a cumulative basis.

2. Town Approval of Transfer Required. Owner shall not Transfer the Site or any of Owner’s rights hereunder, or any interest in the Site or in the improvements

thereon, directly or indirectly, voluntarily or by operation of law, except as provided below, without the prior written approval of Town, which shall not be unreasonably withheld, conditioned or delayed, and if so purported to be Transferred, the same shall be null and void. In considering whether it will grant approval of any Transfer by Owner of its interest in the Site, Town shall consider factors such as (i) whether the completion of the Project is jeopardized; (ii) the financial credit, strength, and capability of the proposed transferee to perform Town's obligations hereunder; and (iii) the proposed transferee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects.

In the absence of specific written agreement by Town, no transfer by Owner of all or any portion of its interest in the Site (including without limitation a transfer not requiring Town approval hereunder) shall be deemed to relieve it or any successor party from the obligation to complete the Project or any other obligations under this Regulatory Agreement. In addition, no attempted transfer of any of Owner's obligations hereunder shall be effective unless and until the successor party executes and delivers to Town an assumption agreement in a form approved by the Town assuming such obligations.

3. Exceptions. The foregoing prohibition shall not apply to any of the following:

A. Any mortgage, deed of trust, or other form of conveyance for financing, but Owner shall notify Town in advance of any such mortgage, deed of trust, or other form of conveyance for financing pertaining to the Site.

B. Any mortgage, deed of trust, or other form of conveyance for restructuring or refinancing of any amount of indebtedness described in subsection (A) above, provided that the amount of indebtedness incurred in the restructuring or refinancing does not exceed the outstanding balance on the debt incurred to finance the Project, including any additional costs of construction, whether direct or indirect.

C. The granting of easements to any appropriate governmental Town or utility or permits to facilitate the development of the Site.

D. A sale or Transfer resulting from or in connection with a reorganization as contemplated by the provisions of the Internal Revenue Code of 1986, as amended or otherwise, in which the ownership interests of a corporation are assigned directly or by operation of law to a person or persons, firm or corporation which acquires the control of the voting capital stock of such corporation or all or substantially all of the assets of such corporation.

E. A sale or Transfer of 49% or more of an ownership or controlling interest between members of the same immediate family, or Transfers to a trust, testamentary or otherwise, in which the beneficiaries consist solely of immediate family members of the Trustor or Transfers to a corporation or partnership in

which the immediate family members or shareholders of the Transferor have a controlling majority interest of 51% or more.

F. A sale or Transfer of an interest in Owner to a Qualified Tax Credit Investor.

G. The (A) sale, transfer, conveyance or pledge of limited partnership interests in the Owner, (B) sale, transfer, conveyance or pledge of any partnership interest or membership interests in the limited partners of the Owner, or (C) notwithstanding any provision to the contrary in the DDA, the appointment by the partners of the Owner of an additional or substitute co-general partner in accordance with the partnership agreement of the Owner; provided the Owner delivers prior written notice thereof to the Town that any additional or substitute general partner of the Owner is a single purpose entity to which the Town has given its written consent, which consent shall not be unreasonably withheld;

H. The transfer (A) of an interest in and/or of an existing partner to another existing partner, or (B) of an interest in an existing general partner to an affiliate of any general partner, or (C) of an interest in an existing general partner so long as such transfer, together with any prior transfer of an interest or interests in an existing general partner, do not result in more than forty-nine percent (49%) of the interest in an existing general partner having been transferred since the date hereof;

I. Transfers of an interest to a new partner which is an affiliate of an existing partner, including transfers of an additional general partner interest to an affiliate of the Tax Credit limited partner;

J. Transfers of an interest in a parent of a partner, provided, however, transfers of an interest in a parent of a partner performing the primary management functions on behalf of the Owner which results in Related Companies of California, LLC (“Related”), owning less than a controlling interest in such parent of such partner shall be subject to the written consent of the Town, which consent shall not be unreasonably withheld; or

K. The lease of Residential Units to an Eligible Tenant.

L. Assignments for financing purposes as required in order to effect the Senior Financing (the loans taken by Owner to fund the construction of the Project and the permanent loans which shall replace the construction phase loans after the completion of development).

M. Transfer of the Project or partnership interests in the Owner’s limited partnership to a general partner of Owner at the end of the fifteen year Tax Credit initial compliance period.

N. Admission of the Qualified Tax Credit Investor to the Owner or the transfer of the Qualified Tax Credit Investor’s interest in Owner to another

party, or the redemption of the Qualified Tax Credit Investor's interest in the Owner provided that, prior to any such Transfer, the Qualified Tax Credit Investor has paid in full its capital contribution to Owner as and to the extent required in the Owner's partnership agreement.

O. Transfer of the interest of General Partner in the Developer to another entity controlled by Related Entity.

P. A conveyance resulting from eminent domain action or an acquisition under threat of an acquisition under threat of eminent domain.

J. ENFORCEMENT. In the event Owner defaults in the performance or observance of any covenant, agreement or obligation of Owner pursuant to this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice thereof shall have been given by Town, or, in the event said default cannot be cured within said time period, Owner has failed to commence to cure such default within said thirty (30) days and thereafter fails to diligently prosecute said cure to completion, then Town shall declare an "Event of Default" to have occurred hereunder, and, at its option, may take one or more of the following steps:

1. By mandamus or other suit, action or proceeding at law or in equity, require Owner to perform its obligations and covenants hereunder or enjoin any acts or things which may be unlawful or in violation of this Agreement; or

2. Take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of Owner hereunder; or

3. Enter the Site and cure the Event of Default as provided in Section E hereof.

4. Impose, through Town's Manager, an administrative fine for each day the violation continues. The amount of the fine shall be Twenty-Five Dollars (\$25.00) per day, unless the violation is deemed a major violation, in which case the fine shall be Seventy-Five Dollars (\$75.00) per day. The amounts of the foregoing fines shall be automatically increased by Five Dollars (\$5.00) every five (5) years during the Term of this Agreement. A "major" violation shall be one which affects adjacent property or the health and safety of persons. Owner may appeal the assessment of any fine to the Town Council who may reverse, modify or uphold the decision of the Town Manager. In making this decision, the Town Council shall determine whether the violation exists and whether the amount of the fine is appropriate under the circumstances.

Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by another party.

K. NONDISCRIMINATION. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, creed, religion, sex,

marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any part thereof, nor shall Owner, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site, or any part thereof (except as permitted by this Agreement).

L. COVENANTS TO RUN WITH THE LAND. Owner hereby subjects the Site to the covenants, reservations, and restrictions set forth in this Agreement. Town and Owner hereby declare their express intent that all such covenants, reservations, and restrictions shall be deemed covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Site; provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. All covenants without regard to technical classification or designation shall be binding for the benefit of the Town, and such covenants shall run in favor of the Town for the entire term of this Agreement, without regard to whether the Town is or remains an owner of any land or interest therein to which such covenants relate. Each and every contract, deed or other instrument hereafter executed covering or conveying the Site or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations, and restrictions, regardless of whether such covenants, reservations, and restrictions are set forth in such contract, deed or other instrument.

Town and Owner hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that Owner's legal interest in the Site is rendered less valuable thereby. Town and Owner hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by Eligible Tenants, the intended beneficiaries of such covenants, reservations, and restrictions, and by furthering the public purposes for which the Town was formed.

Owner, in exchange for the Town entering into the DDA, hereby agrees to hold, sell, and convey the Site subject to the terms of this Agreement. Owner also grants to the Town the right and power to enforce the terms of this Agreement against the Owner and all persons having any right, title or interest in the Site or any part thereof, their heirs, successive owners and assigns.

M. INDEMNIFICATION. Owner agrees for itself and its successors and assigns to indemnify, defend, and hold harmless Town and its respective officers, members, officials, employees, agents, volunteers, and representatives from and against any loss, liability, claim, or judgment relating in any manner to the Project excepting only any such loss, liability, claim, or judgment arising out of the intentional wrongdoing or gross negligence of Town or its respective officers, officials, employees, members, agents, volunteers, or representatives. Owner, while in possession of the Site, and each successor or assign of Owner while in possession of the Site, shall remain fully obligated for the payment of property taxes and assessments in connection with the Site. The foregoing indemnification, defense, and hold harmless agreement shall only be applicable to and binding upon the party then owning the Site or applicable portion thereof. This indemnification provision is not intended to and does not limit, negate, modify, nullify, or change the nonrecourse provisions of this Agreement or any other agreement, document, instrument, certificate or covenant executed by Owner.

N. ATTORNEYS' FEES. In the event that a party to this Agreement brings an action against the other party hereto by reason of the breach of any condition, covenant, representation or warranty in this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable expert witness fees, and its attorney's fees and costs. Attorneys' fees shall include attorneys' fees on any appeal, and in addition a party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such action, including the conducting of discovery.

O. AMENDMENTS. This Agreement shall be amended only by a written instrument executed by the parties hereto, or their successors in title, and duly recorded in the real property records of the County of San Bernardino.

P. NOTICE. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

Town: Town of Yucca Valley
57090 Twentynine Palms Highway
Yucca Valley, CA 92284
Attn: Town Manager

Copy to: Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 1700
Irvine, CA 92612
Attn: Town Attorney

Developer: Yucca Valley Senior Housing Partners, L.P.
9065 Haven Ave., Suite 100
Rancho Cucamonga, CA 91730
Attn: Richard J. Whittingham, CFO

Copy to: Law Office of Edward A. Hopson
655A North Mountain Ave
Upland, CA 91786
Attn: Edward A. Hopson

The notice shall be deemed given three (3) business days after the date of mailing, or, if personally delivered, when received.

Q. SEVERABILITY/WAIVER/INTEGRATION.

1. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

2. Waiver. A waiver by either party of the performance of any covenant or condition herein shall not invalidate this Agreement nor shall it be considered a waiver of

any other covenants or conditions, nor shall the delay or forbearance by either party in exercising any remedy or right be considered a waiver of, or an estoppel against, the later exercise of such remedy or right.

3. Integration. This Agreement contains the entire Agreement between the parties relating to the subject matter hereof and neither party relies on any warranty or representation not contained in this Agreement.

R. GOVERNING LAW. This Agreement shall be governed by the laws of the State of California.

S. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall constitute one original and all of which shall be one and the same instrument.

IN WITNESS WHEREOF, the Town and Owner have executed this Regulatory Agreement and Declaration of Covenants and Restrictions by duly authorized representatives on the date first written hereinabove.

“TOWN”
TOWN OF YUCCA VALLEY,
A California general law municipality

Date _____

Mayor Dawn Rowe

ATTEST:

Janet Anderson, Town Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Lona N. Laymon, Town Attorney

“OWNER”
YUCCA VALLEY SENIOR HOUSING
PARTNERS, L.P., a California Limited Partnership,
By its General Partner:

THE SOUTHERN CALIFORNIA HOUSING
DEVELOPMENT CORPORATION OF THE
INLAND EMPIRE, a California non-profit public
benefit corporation

Date _____

Name: _____

[End of Signatures]

Exhibit “A” to Exhibit “F” [Regulatory Agreement] of DDA

Legal Description of Site to be Inserted

Exhibit “B” to Exhibit “F” [Regulatory Agreement] of DDA

FORM:

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE TOWN OF YUCCA VALLEY SENIOR HOUSING, CALIFORNIA

Period Covered _____

The undersigned, YUCCA VALLEY SENIOR HOUSING PARTNERS, L.P., a California limited partnership (“Owner”), has read and is thoroughly familiar with the provisions of the AFFORDABLE HOUSING, FINANCING & DISPOSITION & DEVELOPMENT AGREEMENT between and among Town and Owner dated _____ (“DDA”) and documents referred to therein executed by Owner and THE Town of Yucca Valley (“Town”) including, but not limited to, the “Regulatory Agreement”, as such term is defined in the DDA. All initial-capped and definitional terms herein shall bear the same meaning as in the Regulatory Agreement.

As of the date of this Certificate, the following Restricted Units in the Project are: (i) occupied by Eligible Tenants (as defined in the Regulatory Agreement), or (ii) currently vacant and being held available for such occupancy and have been so held continuously since the date an Eligible Tenant vacated such Restricted Unit:

	Occupied	Vacant
Eligible Tenants	_____	_____

As of the date of this Certificate, the following are numbers of *not to exceed* Low, Lower, Very Low, and Extremely Low Income Eligible Tenants who commenced occupancy of Residential Units during the preceding year:

Low Income	Lower Income	Very Low Income	Extremely Low Income
Unit Nos. _____	Unit Nos. _____	Unit Nos. _____	Unit Nos. _____

Attached is a separate sheet (“Occupancy Summary”) listing, among other items, the following information for each Restricted Unit: the number of each Restricted Unit, the occupants of each Restricted Unit, the rental paid for each Restricted Unit, and the size and number of bedrooms of each Restricted Unit. The Owner certifies that the information contained in the Occupancy Summary is true and accurate.

The undersigned hereby certifies that (1) a review of the activities of the Owner during such period and of the Owner’s performance under the DDA and the documents referred to therein has been made under the supervision of the undersigned, and (2) to the best knowledge of

the undersigned, based on the review described in clause (1) hereof, the Owner is not in default under any of the terms and provisions of the above documents (or describe the nature of any detail and set forth the measures being taken to remedy such defaults).

“OWNER”

YUCCA VALLEY SENIOR HOUSING PARTNERS, L.P., a California Limited Partnership,
By its General Partner:

THE SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION OF THE INLAND EMPIRE, a California non-profit public benefit corporation

Date _____

Name: _____

