



AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES

July 14, 2015

REGULAR MEETING – 6:00 PM

City Council Study Sessions

First & Third Tuesdays of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:30 P.M.

Second & Fourth Tuesdays of each month – 6:00 p.m.

City Council Closed Session

Will be scheduled as needed at 4:30 p.m.

City Hall Council Chamber - 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Dr. Yxstian A. Gutierrez, Mayor Pro Tem
Jeffrey J. Giba, Council Member

Jesse L. Molina, Mayor

George E. Price, Council Member
D. LaDonna Jempson, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
July 14, 2015

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Presentation of 4th of July Independence Day Parade Awards (Molina approved)

2. Recognition of 4th of July Independence Day Parade and Family FunFest Sponsors (Molina approved) a) McDonalds - Firecracker Sponsor b) Waste Management - Liberty Sponsor c) Discount Tire Centers - Liberty Sponsor d) Skechers - Presenting Sponsor

3. Recognition of 4th of July Independence Day Essay Contest Winners (Molina approved)

4. Business Spotlight a) Cupcake and Espresso Bar (District 3) b) The Hole in Wall (District 1) c) Hangar Trampoline (District 2)

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING – 6:00 PM
JULY 14, 2015**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Pastor Joshua Wilson - St. John Baptist Church

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Bailiff. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council.

JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees

requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. MINUTES - CITY COUNCIL - REGULAR MEETING - JUN 23, 2015 6:00 PM

Recommendation: Approve as Submitted.

- A.3. CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk)

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of June 17 – July 7, 2015.

- A.4. APPOINT A VOTING DELEGATE AND ALTERNATE DELEGATES FOR THE LEAGUE OF CALIFORNIA CITIES (LCC) 2015 ANNUAL CONFERENCE BUSINESS MEETING (Report of: City Clerk)

Recommendation:

1. Appoint Mayor Pro Tem Dr. Yxstian A. Gutierrez as the voting delegate, Council Member Jeffrey J. Giba as the first alternate voting delegate, and Council Member George E. Price as the second alternate voting delegate for the League of California Cities (LCC) 2015 Annual Conference business meeting.

- A.5. APPROVAL OF A CONTRACT WITH QUINTANILLA AND ASSOCIATES TO PROVIDE INTERIM CITY ATTORNEY SERVICES (Report of: Administrative Services)

Recommendations:

1. Approve agreement with The Law Firm of Quintanilla and Associates for Interim City Attorney Services.
2. Authorize the Mayor to sign the agreement.

- A.6. PA11-0007 (PM 35879) – MARCH BUSINESS CENTER - APPROVE PARCEL MAP AND ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS. DEVELOPER – CSIP WR Moreno Valley LLC, Newport Beach, CA 92660 (Report of: Public Works)

Recommendations:

1. Approve Parcel Map for PA11-0007 (PM 35879), authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.
2. Accept the Agreement and Security for Public Improvements for CSIP WR Moreno Valley, LLC.
3. Authorize the Mayor to execute the Agreement.
4. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
5. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

- A.7. APPROVAL OF A LONG-TERM LAND LEASE ON BOX SPRINGS MOUNTAIN WITH CF&D CORP. FOR RADIO COMMUNICATIONS (Report of: Financial & Management Services)

Recommendation:

1. Authorize the City Manager to execute the contract with CF&D Corp. for leasing land on Box Springs Mountain for an amount not to exceed \$106,162 for the initial five years with an option to renew for up to seven additional five-year terms.

- A.8. APPROVE MORENO VALLEY UTILITY (MVU) ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAM UPDATES FOR FISCAL YEAR 2015/2016 (Report of: Public Works)

Recommendation:

1. Approve Moreno Valley Utility Energy Efficiency and Demand Response Program Updates for Fiscal Year 2015/2016.

- A.9. PAYMENT REGISTER - MAY 2015 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

A.10. GRANT OF UTILITY EASEMENT TO SOUTHERN CALIFORNIA EDISON COMPANY FOR POWER LINE RELOCATION AND MAINTENANCE ASSOCIATED WITH THE RECHE VISTA DRIVE REALIGNMENT PROJECT NO. 801 0009 70 77 (Report of: Public Works)

Recommendations:

1. Grant a utility easement to Southern California Edison Company (SCE) for power line relocation and maintenance associated with the Reche Vista Drive Realignment project.
2. Authorize the Public Works Director/City Engineer to execute the Grant of Easement for SCE once it has been finalized, subject to the review and approval of the City Attorney.

A.11. PROJECT PA96-0017 (TRACTS 27251 AND 27251-1) – SINGLE FAMILY RESIDENTIAL – ACCEPT SUBSTITUTION AGREEMENT AND REINSTATE THE LETTERS OF CREDIT FOR THE PUBLIC IMPROVEMENTS LOCATED ON THE EAST SIDE OF MORRISON STREET BETWEEN FIR AVENUE AND EUCALYPTUS AVENUE. DEVELOPER – RSI MORENO VALLEY, LLC - 620 NEWPORT CENTER DR. 12TH FLOOR, NEWPORT, CA 92660 (Report of: Public Works)

Recommendations:

1. Accept the substitution of Agreement for Public Improvements and reinstate the letters of credit for project PA96-0017 (Tracts 27251 and 27251-1).
2. Authorize the Mayor to execute the agreement in the form hereto.
3. Direct the City Clerk to forward the signed agreement to the County Recorder's Office for recordation.
4. Authorize the Public Works Director/City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

A.12. PA05-0034 (PM 33361) – APPROVE FINAL MAP AND ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS. DEVELOPER – INLAND LAND GROUP, LLC (Report of: Public Works)

Recommendations:

1. Approve Final Map for PA05-0034 (PM 33361), authorize the City

Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.

2. Accept the Agreement and Security for Public Improvements for Inland Land Group, LLC.
3. Authorize the Mayor to execute the Agreement.
4. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
5. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

A.13. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

A.14. ORDINANCE NO. 898. AN ORDINANCE OF THE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM. (RECEIVED FIRST READING AND INTRODUCTION ON JUNE 23, 2015) (Report of: Administrative Services) **Second reading of Ordinance**

Recommendations:

1. Adopt the required Ordinance No. 898. An Ordinance of the of the City Council of the City of Moreno Valley, California, Authorizing an Amendment to the Contract Between the City Council of the City of Moreno Valley and the Board of Administration of the California Public Employee's Retirement System.

A.15. AUTHORIZATION TO SUBMIT GRANT APPLICATIONS UNDER CYCLE 7 OF THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) (Report of: Public Works)

Recommendation:

1. Authorize the submittal of grant applications for Cycle 7 of the Highway Safety Improvement Program (HSIP).

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - REGULAR MEETING OF JUNE 23, 2015 (See A.2)

Recommendation: Approve as Submitted.

- B.3. AMEND THE CONTRACT WITH THINK TOGETHER, INC., TO OPERATE DAY-TO-DAY ACTIVITIES AND FUNCTIONS INVOLVING THE CITY'S AFTER SCHOOL EDUCATION AND SAFETY (ASES) GRANT PROGRAM FOR FISCAL YEAR 2015-16 (Report of: Parks & Community Services)

Recommendations:

1. Authorize the City Manager to amend the contract entered into with THINK Together, Inc., on April 26, 2011, to operate day-to-day activities and functions of the City.
2. Authorize the reduction of revenue and expense budgets in the ASES Program Grant Fund (Fund 2202) for the ASES Grant Program in the amount of \$28,983, respectively, upon approval of the contract amendment with THINK Together, Inc.

- B.4. ACCEPTANCE OF GRANT MONIES FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, CHILD DEVELOPMENT SERVICE, FOR CHILD CARE SERVICES AND ADOPTION OF THE RESOLUTION TO CERTIFY THE APPROVAL OF THE GOVERNING BOARD (Report of: Parks & Community Services)

Recommendations:

1. Authorize the acceptance of grant money in the amount of \$593,054 for Fiscal Year (FY)2015/2016 from the California Department of Education, Child Development Division, for the purpose of providing school age child care and development services; and
2. Adopt Resolution No. CSD 2015-28. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Certifying the Approval of the Governing Board to Enter into this Transaction with the California Department of Education for the Purpose of Providing Child Care and Development Services and to Authorize the Designated Personnel, as shown on the Resolution, to Sign Contract Documents for FY2015/2016.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - REGULAR MEETING OF JUNE 23, 2015 (See A.2)

Recommendation: Approve as Submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - REGULAR MEETING OF JUNE 23, 2015 (See A.2)

Recommendation: Approve as Submitted.

E. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration.

Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Bailiff.

- E.1. OPERATING COVENANT AGREEMENT FOR DECKERS OUTDOOR CORPORATION (Report of: Economic Development)

Recommendations: That the City Council:

1. Conduct a Public Hearing.
2. Adopt Resolution No. 2015-53. A Resolution of the City Council of the City of Moreno Valley, California, Accepting the Economic Development Subsidy Report prepared pursuant to Government Code Section 53083, regarding an Operating Covenant Agreement by and between the City of Moreno Valley and Deckers Outdoor Corporation, a Delaware Corporation.
3. Adopt Resolution No. 2015-54. A Resolution of the City Council of the City of Moreno Valley, California, Approving the Operating Covenant Agreement between the City of Moreno Valley and Deckers Outdoor Corporation, Authorizing the City Manager to execute the Operating Covenant Agreement and making related findings.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. REPORTS

- G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES (Informational Oral Presentation - not for Council action)
 - a) March Joint Powers Commission (JPC)
 - b) Riverside County Habitat Conservation Agency (RCHCA)
 - c) Riverside County Transportation Commission (RCTC)
 - d) Riverside Transit Agency (RTA)
 - e) Western Riverside Council of Governments (WRCOG)
 - f) Western Riverside County Regional Conservation Authority (RCA)
 - g) School District/City Joint Task Force

- G.2. ENVIRONMENTAL AND HISTORICAL PRESERVATION BOARD (ORAL PRESENTATION) (Report of: City Clerk)

- G.3. ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$29,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, SERIES 2015 TO FINANCE CERTAIN CAPITAL IMPROVEMENTS; APPROVING THE FORMS OF A MASTER TRUST AGREEMENT, AUTHORIZING EXECUTION AND DELIVERY OF A MASTER FACILITIES LEASE, A MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING FORM OF OFFICIAL STATEMENT; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE FINANCING WITH THE MORENO VALLEY PUBLIC FINANCING AUTHORITY (Report of: Financial & Management Services)

Recommendations: That the City Council:

- 1. Adopt Resolution No. 2015-55. A Resolution of the City Council of the City of Moreno Valley Approving the Issuance by the Moreno Valley Public Financing Authority of Not to Exceed \$29,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2015 to Finance Certain Capital Improvements; Authorizing Execution and Delivery of a Master Facilities Lease, a Master Facilities Sublease and a Bond Purchase Agreement; Approving Form of Official Statement; and

Authorizing Execution of Documents and the Taking of All Necessary Actions Relating to the Financing with the Moreno Valley Public Financing Authority.

2. Adopt Resolution No. MVPFA 2015-01. A Resolution Authorizing the Issuance and Sale of Lease Revenue Bonds to Finance Certain Capital Facilities; Approving the Forms of a Master Trust Agreement, a Master Facilities Lease, a Master Facilities Sublease and a Bond Purchase Agreement; Approving an Official Statement Describing Said Bonds; and Authorizing Execution of Documents and the Taking of All Necessary Actions Relating to the Issuance of the Bond.
3. Approve the budget amendment detailed in the fiscal impact section of this report, authorizing the receipt and expenditure of the debt proceeds and the project funds.

G.4. COUNCIL RECESS DISCUSSION (Report of: City Clerk)

G.5. CITY MANAGER'S REPORT (Informational Oral Presentation - not for Council action)

G.6. CITY ATTORNEY'S REPORT (Informational Oral Presentation - not for Council action)

H. LEGISLATIVE ACTIONS

H.1. ORDINANCES - 1ST READING AND INTRODUCTION

H.1.1. 1575 : ORDINANCE NO. 899, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, REPEAL (Report of: City Manager)

Recommendations: That the City Council:

1. Introduce Ordinance No. 899. An Ordinance of the City Council of the City of Moreno Valley, California, repealing and reenacting Chapter 11.60 of Title 11 of the Moreno Valley Municipal Code regulating and authorizing alarm systems.

H.2. ORDINANCES - 2ND READING AND ADOPTION - NONE

H.3. ORDINANCES - URGENCY ORDINANCES - NONE

H.4. RESOLUTIONS - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OR HOUSING AUTHORITY

Materials related to an item on this Agenda submitted to the City Council/Community Services District/City as Successor Agency for the Community Redevelopment Agency/Housing Authority or Board of Library Trustees after distribution of the agenda packet are available for public inspection in the City Clerk's office at 14177 Frederick Street during normal business hours.

ADJOURNMENT

CERTIFICATION

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, certify that the City Council Agenda was posted in the following places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Jane Halstead, CMC,
City Clerk

Date Posted:

MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
June 23, 2015

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Proclamation Recognizing the Moreno Valley Amazon Fulfillment Center, Developed by Trammell Crow Company, as the NAIOP E-Commerce Project of the Year (Molina approved) (Report of: City Clerk)

2. Proclamation Recognizing National Parks & Recreation Month – July 2015 (Giba/Jempson approved) (Report of: City Clerk)

3. Presentation of City Employees' Donation to Community Assistance Program (CAP) (Molina approved) (Report of: City Clerk)

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
June 23, 2015**

CALL TO ORDER

The Joint Meeting of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:30 p.m. by Mayor Jesse L. Molina in the Council Chamber located at 14177 Frederick Street

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Rick Sandzimier

INVOCATION

Pastor Jim Preston - Lighthouse Baptist Church

ROLL CALL

Council:	Jesse L. Molina	Mayor
	Dr. Yxstian A. Gutierrez	Mayor Pro Tem
	Jeffrey J. Giba	Council Member
	D. LaDonna Jempson	Council Member
	George E. Price	Council Member

INTRODUCTIONS

Staff:	Michelle Dawson	City Manager
	Shahiedah Coates	Interim Attorney
	Jane Halstead	City Clerk
	Richard Teichert	Chief Financial Officer
	Thomas M. DeSantis	Assistant City Manager
	Ahmad Ansari	Public Works Director/City Engineer
	William Tyler	Lieutenant
	Abdul Ahmad	Fire Chief
	Rix Skonberg	Purchasing & Facilities Division Manager
	Betsy Adams	Parks & Community Services Director

Minutes Acceptance: Minutes of Jun 23, 2015 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Mike Lee
Allen Brock

Economic Development Director
Community Development Director

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Mayor Jesse L. Molina announced that there will be 30 minutes of public comments not on the agenda. The remaining public comments will be heard prior to the City Council Reports and Closing Comments. In the event that the agenda item for such public comments has not been called by 9:00 p.m. it shall be called as the next item of business following the conclusion of any item being heard at 9:00 p.m.

Daryl Terrell

1. World Logistic Center
2. Charleston, S.C. tragedy

Evan Morgan

1. Inland Empire Business Daily
2. Recalls

Marina Smiley

1. World Logistic Center

Vivian Moreno

1. Public Records Request

Gabriel Colangelo

1. Encouraged Town Hall Meetings

Rafael Brugueras

1. Diesel Tucks
2. Food Trucks

Frank Wright

1. Recalls
2. Affordable Homes

Louise Palomarez

1. Amazon

Christopher Baca

1. Town Hall Meetings
2. Recalls

3. World Logistic Center

David Lara Tellez

1. Image of the City
2. World Logistic Center

Leo Gonzalez

1. Recession
2. Budget

JOINT CONSENT CALENDARS (SECTIONS A-D)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	George E. Price, Council Member
AYES:	Molina, Gutierrez, Giba, Jempson, Price

A. CONSENT CALENDAR-CITY COUNCIL

A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

A.2. CITY COUNCIL – REGULAR MEETING - Jun 9, 2015 6:00 PM

Recommendation:

1. Approved as submitted.

A.3. CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk)

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of June 3-16, 2015.

A.4. AWARD TO JOHNSON-MACHINERY FOR THE REPLACEMENT PURCHASE OF THREE CATERPILLAR 420F BACKHOES (Report of: Public Works)

Recommendations:

1. Award to Johnson-Machinery, Riverside, CA, for the purchase of three (3) 2015 Caterpillar 420F Backhoes, and:
2. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Johnson-Machinery in the amount of \$353,822.88.

A.5. FIRST AMENDMENT OF INDEPENDENT CONTRACTOR AGREEMENT WITH ESGIL CORPORATION (Report of: Community Development)

Recommendation:

1. Approve the first amendment of Independent Contractor Agreement with EsGil Corporation of San Diego, California, to provide plan review services for the Building Safety Division.
2. Authorize the Mayor to execute the Amendment.

A.6. FIRST AMENDMENT OF INDEPENDENT CONTRACTOR AGREEMENT WITH SCOTT FAZEKAS & ASSOCIATES, INC. (Report of: Community Development)

Recommendation:

1. Approve the first amendment of Independent Contractor Agreement with Scott Fazekas & Associates, Inc. of Irvine, California, to provide plan review services for the Building Safety Division.
2. Authorize the Mayor to execute the Amendment.

A.7. FIRST AMENDMENT OF INDEPENDENT CONTRACTOR AGREEMENT WITH WILLDAN ENGINEERING (Report of: Community Development)

Recommendations:

1. Approve the first amendment of Independent Contractor Agreement with Willdan Engineering of San Bernardino, California, to provide plan review and inspection services for the Building Safety Division.
2. Authorize the Mayor to execute the Amendment.

A.8. APPROVAL OF BUYER'S AGENT AGREEMENT FOR THE WHITNEY POINT SOLAR PROJECT (Report of: Public Works)

Recommendations:

1. Approve the Buyers' Agent Agreement for the Whitney Point Solar Project.
2. Authorize the City Manager to execute the Agreement on behalf of

the City.

- A.9. RESOLUTION FOR THE MULTI-SPECIES HABITAT CONSERVATION PLAN MITIGATION FEE CPI ADJUSTMENT (FY15-16) (Report of: Community Development)

Recommendation:

1. Adopt Resolution No. 2015-52. A Resolution of the City Council of the City of Moreno Valley, California, Amending the Mitigation Fees for the Multi-species Habitat Conservation Plan (MSHCP) Mitigation Fee by the Consumer Price Index (CPI).

- A.10. APPROVE THE EXECUTION OF A CITY AGREEMENT TO LETNER ROOFING FOR ROOF REHABILITATION OF THE CONFERENCE AND RECREATION CENTER AND THE PUBLIC SAFETY BUILDING. (Report of: Administrative Services)

Recommendations:

1. Authorize the City Manager to execute a contract with Letner Roofing, of Orange, CA, for purposes of repairing and restoring roof systems at the Conference and Recreation Center and the Public Safety Building.
2. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Letner Roofing in the not-to-exceed amount of \$490,209.10, once both parties have executed the contract.
3. Authorize the Purchasing and Facilities Division Manager to execute any subsequent minor project change orders, up to, but not exceeding the 10% contingency amount of \$44,564.00.

- A.11. FIRST AMENDMENT TO THE CITY OF MORENO VALLEY'S CALIFORNIA ENERGY EFFICIENCY STRATEGIC PLAN PHASE 3 (Report of: Community Development)

Recommendation:

1. Authorize the First Amendment to the Agreement to the California Energy Efficiency Strategic Plan Phase 3 Implementation Contract.
2. Authorize the City Manager to execute said Amendment.

- A.12. ORDINANCE NO. 897. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADDING CHAPTER 5.26 TO TITLE 5 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE

ESTABLISHING A LOBBYIST REGISTRATION PROGRAM. (RECEIVED INTRODUCTION AND FIRST READING ON JUNE 9, 2015 BY A 5-0 VOTE) (Report of: City Manager)

Recommendations:

1. Adopt Ordinance No. 897. An Ordinance of the City Council of the City of Moreno Valley, California, adding Chapter 5.26 to Title 5 of the City of Moreno Valley Municipal Code establishing a lobbyist registration program.

A.13. APPROVE AGREEMENT BETWEEN IIT INLAND EMPIRE LOGISTICS CENTER LP AND THE CITY OF MORENO VALLEY FOR TRAFFIC SIGNAL MAINTENANCE COSTS AT CACTUS AVENUE AND VACATED JOY STREET (Report of: Public Works)

Recommendations:

1. Approve agreement between IIT Inland Empire Logistics Center LP and the City of Moreno Valley for traffic signal maintenance costs at Cactus Avenue and vacated Joy Street.
2. Authorize the City Manager to execute the agreement between IIT Inland Empire Logistics Center LP and the City of Moreno Valley and any subsequent amendments, subject to approval by the City Attorney.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1. ORDINANCES - READING BY TITLE ONLY - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE

B.2. MINUTES - REGULAR MEETING OF JUNE 9, 2015 (SEE A.2)

Recommendation:

1. Approved as submitted.

B.3. AUTHORIZE VOTING YES ON OFFICIAL ASSESSMENT BALLOT FOR THE MOSQUITO, VECTOR AND DISEASE CONTROL ASSESSMENT BY THE RIVERSIDE COUNTY DEPARTMENT OF ENVIRONMENTAL HEALTH FOR TWO PARCELS AT MARCH FIELD PARK (Report of: Parks & Community Services)

Recommendation:

1. Authorize voting yes on the Mosquito, Vector and Disease Control

Assessment by the Riverside County Department of Environmental Health and authorize the Executive Director to execute the mail ballot.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE
- C.2. MINUTES - REGULAR MEETING OF JUNE 9, 2015 (SEE A.2)

Recommendation:

1. Approved as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE
- D.2. MINUTES - REGULAR MEETING OF JUNE 9, 2015 (SEE A.2)

Recommendation:

1. Approved as submitted.

E. PUBLIC HEARINGS

- E.1. PUBLIC HEARING FOR DELINQUENT RESIDENTIAL SOLID WASTE ACCOUNTS (Report of: City Manager)

Mayor Jesse L. Molina announced that the notification portion of the staff report reference was made to the date of June 9, 2016 and it should have read June 9, 2015.

Mayor Jesse L. Molina opened the public testimony portion of the public hearing. Public testimony was received from Christopher Baca, Louise Palomarez and Tom Jerele.

Recommendations: That the City Council:

1. Approve placing the submitted list of the 2014 delinquent solid waste accounts on the Fiscal Year (FY) 2015/2016 Riverside County property tax roll for collection.
2. Direct the City Clerk to file with the Riverside County Auditor a certified copy of Resolution No. 2012-55 and the list of 2014 delinquent solid waste accounts as required by Section 5473.4 of the

California Health and Safety Code and Section 6.02.030 of the City of Moreno Valley Municipal Code.

Motion to approve Staff's Recommendations 1 and 2.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	George E. Price, Council Member
SECONDER:	Jeffrey J. Giba, Council Member
AYES:	Molina, Gutierrez, Giba, Jempson, Price

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. REPORTS

Item G.7 was moved out of order to be heard prior to item G.1.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	LaDonna Jempson, Council Member
AYES:	Molina, Gutierrez, Giba, Jempson, Price

G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES (Informational Oral Presentation - not for Council action)

a) March Joint Powers Commission (MJPC)

Mayor Pro Tem Dr. Gutierrez reported that a presentation was received by Hillwood Development, a subsidiary of the Perot Corporation. Hillwood was selected to develop the JPA's civilian use parcels at the south end of the runway at March. Hillwood described their brainstorming process to identify development opportunities for each parcel. They are in the process of creating a master plan for development of supportive airport uses and will be bringing their proposed plan back to the JPC in September.

Also reviewed and approved the JPA's 3-year budget.

b) Riverside County Habitat Conservation Agency (RCHCA) - no report

c) Riverside County Transportation Commission (RCTC)

Mayor Molina announced at the June 10, board meeting, the Riverside County Transportation Commission (RCTC) approved several funding grants under the 2015 SB821 funding program specifically for the construction of Bicycle and Pedestrian Facilities. Moreno Valley submitted an application requesting funding

in the amount of \$315,000. I am pleased to announce that our application was selected to receive funding for the full amount requested. The project includes the installation of sidewalk, curb access ramps, and class 2 bike lanes. Specific locations that will be enhanced with this project include:

- Elsworth Street at Juan Bautista de Anza Trail
- Dracaea Avenue at Alexis Drive
- Pigeon Pass Road at Sunnymead Ranch Parkway
- Dracaea Avenue at Arbor Park Lane
- Alessandro Boulevard from Perris Boulevard to Kitching Street
- Perris Boulevard from Alessandro Boulevard to Brodiaea Avenue; and
- Brodiaea Avenue from Perris Boulevard to 600' west of Perris Boulevard

d) Riverside Transit Agency (RTA) - no report

e) Western Riverside Council of Governments (WRCOG) - no report

f) Western Riverside County Regional Conservation Authority (RCA) - on recess until September - no report

g) School District/City Joint Task Force - on recess - no report

G.2. REQUEST FOR CITY SPONSORSHIP OF SOUTHWEST VETERAN'S BUSINESS RESOURCE CENTER EVENT (CONTINUED FROM JUNE 9, 2015) (Report of: City Manager)

Mayor Jesse L. Molina opened the agenda item for public comments, which were received from Christopher Baca, Tom Jerele, and Louise Palomarez.

Recommendations: That the City Council:

1. Evaluate a request for sponsorship funds by the Southwest Veterans Business Resource Center based on criteria prescribed in the City's Sponsorship Policy.
2. Direct staff to actively promote the SVBRC's upcoming event in Moreno Valley Offer assistance through the City's communication programs.

RESULT:	APPROVED [3 TO 1]
MOVER:	Dr. Yxstian A. Gutierrez, Mayor Pro Tem
SECONDER:	Jeffrey J. Giba, Council Member
AYES:	Jesse L. Molina, Dr. Yxstian A. Gutierrez, Jeffrey J. Giba
NAYS:	D. LaDonna Jempson
ABSTAIN:	George E. Price

Mayor Pro Tem Dr. Yxstian A. Gutierrez moved to continue the City Council Meeting passed 11:00 p.m. Seconded by Mayor Molina.

G.3. ADOPTION OF A RESOLUTION OF INTENT TO APPROVE AN AMENDMENT TO THE CONTRACT BETWEEN THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE CITY COUNCIL OF THE CITY OF MORENO VALLEY (CONTINUED FROM JUNE 9, 2015) (Report of: Administrative Services)

Mayor Jesse L. Molina opened the agenda item for public comments, which were received from Evan Morgan.

Recommendations: That the City Council:

1. Approve Resolution No. 2015-51. A Resolution of Intent to amend the City's contract with CalPERS to provide Section 21548 (Pre-Retirement Option 2W Death Benefit) for service credit accumulated on and after the effective date of the amendment.
2. Introduce the required Ordinance No. 898. An Ordinance of the of the City Council of the City of Moreno Valley, California, Authorizing an Amendment to the Contract Between the City Council of the City of Moreno Valley and the Board of Administration of the California Public Employee's Retirement System.
3. Instruct the City Clerk to provide CalPERS with the required certifications of legislative body actions.
4. Set the required ordinance for final adoption at the regular City Council meeting scheduled for July 14, 2015

Motion to approve staff's recommendation No. 1

RESULT:	APPROVED [UNANIMOUS]
MOVER:	George E. Price, Council Member
SECONDER:	Jesse L. Molina, Mayor
AYES:	Molina, Gutierrez, Giba, Jempson, Price

Motion to approve staff's recommendation No. 2

Minutes Acceptance: Minutes of Jun 23, 2015 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

RESULT:	FIRST READING OF ORDINANCE [UNANIMOUS] Next: 7/14/2015 6:00 PM
MOVER:	George E. Price, Council Member
SECONDER:	Jesse L. Molina, Mayor
AYES:	Molina, Gutierrez, Giba, Jempson, Price

Motion to approve staff's recommendation No. 3 and 4

RESULT:	APPROVED [UNANIMOUS]
MOVER:	D. LaDonna Jempson, Council Member
SECONDER:	Dr. Yxstian A. Gutierrez, Mayor Pro Tem
AYES:	Molina, Gutierrez, Giba, Jempson, Price

G.4. REFUND OF APPEAL FEES - COTTONWOOD RESIDENTIAL PROJECT (PA14-0032 & PA14-0033) (Report of: Community Development)

Mayor Jesse L. Molina announced staff's recommendation to pull the item from the agenda.

Recommendation: That the City Council:

1. Deny the request for the additional refund of fees paid by appellants on an appeal filed on January 20, 2015 of prior January 8, 2015 City Planning Commission decisions on PA14-0032 and PA14-0033.

G.5. TRAVEL AND RELATED BUSINESS EXPENSES (ELECTED OFFICIALS) POLICY 3.20 REVISION (Continued from April 28, 2015) (Report of: City Clerk)

Mayor Jesse L. Molina announced the item was being continued.

Recommendation: That the City Council:

1. Provide staff direction on revisions to the policy.

G.6. APPOINTMENTS TO THE CITY COUNCIL ADVISORY BOARDS AND COMMISSIONS (Report of: City Clerk)

Mayor Jesse L. Molina opened the agenda item for public comments, which were received from Louise Palomarez and Christopher Baca.

Recommendations: That the City Council:

1. Appoint those applicants who received majority vote by the City Council.

- 2. If vacancies are not filled by a majority vote of the City Council, authorize the City Clerk to re-advertise the positions as vacant and carry over the current applications for reconsideration of appointment at a future date.

Motion to approve the candidates that received the majority vote for the Boards/Commissions Boards above listed candidates.

Accessibility Appeals Board - Arlen Henry Gaynor - term expiring June 30, 2018; Arts Commission - Christopher Baca, Stephen Healton and Constance Safi Jiroh - term expiring June 30, 2018; Environmental and Historical Preservation Board - Edgar Garcia and Nancy Gomez; Library - Norberto Perez and Karen Singleton - term expiring June 30, 2018; Parks & Recreation Commission - Jonneshia Bright and Linda Joyce Echols - term expiring June 30, 2018; Recreational Trails Board - Brenda Jackson and Vivian Joneswhy-Brock - term expiring June 30, 2018; Senior Citizen Board - Sara W. Anderson, Cleveland Johnson Jr., and Robert Arthur Snyder - term expiring June 30, 2018; Traffic Safety Commission - Michael J. Riff for a term expiring June 30, 2018; Utilities Commission - Oscar A. Alvarez for a term expiring June 30, 2018 and to re-advertise for one term expiring June 30, 2018 for the Traffic Safety Commission and one term expiring June 30, 2016 for the Environmental and Historical Preservation Board.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dr. Yxstian A. Gutierrez, Mayor Pro Tem
SECONDER:	D. LaDonna Jempson, Council Member
AYES:	Molina, Gutierrez, Giba, Jempson, Price

G.7. ADOPTION OF THE FISCAL YEAR 2015/16 – 2016/17 BUDGET (CONTINUED FROM JUNE 9, 2015) (Report of: Financial & Management Services)

Mayor Jesse L. Molina opened the agenda item for public comments, which were received from Christopher Baca, Mildred Bailey, Roy Bleckert, David Lara-Tellez and Louise Palomarez.

Recommendations: That the City Council:

- 1. Adopt Resolution No. 2015-49. A Resolution of the City Council of the City of Moreno Valley, California, Adopting the Budget for Fiscal Years 2015/16 – 2016/17.
- 2. Approve the Business License Liaison, Fleet Maintenance Supervisor and Building Safety Supervisor job classifications.
- 3. Approve the position control as detailed in the Proposed Budget presented as Exhibit A.

Minutes Acceptance: Minutes of Jun 23, 2015 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Recommendations: That the Housing Authority:

- 1. Adopt Resolution No. HA 2015-03. A Resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, Adopting the Budget for Fiscal Years 2015/16 – 2016/17.

Recommendations: That the CSD:

- 1. Adopt Resolution No. CSD 2015-26. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Adopting the Budget for Fiscal Years 2015/16 – 2016/17.

Motion by Council Member Price to approve the budget as recommended, Seconded by Council Member Giba.

Amendment to defund the Crossing Guards and direct staff to do a Memorandum of Understanding with Moreno Valley Unified School District.

RESULT:	FAILED [2 TO 3]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	Jesse L. Molina, Mayor
AYES:	Jesse L. Molina, Jeffrey J. Giba
NAYS:	Dr. Yxstian A. Gutierrez, D. LaDonna Jempson, George E. Price

Amendment to reduce the budget by four Community Service Officers by \$436,000.

RESULT:	FAILED [2 TO 3]
MOVER:	Jeffrey J. Giba, Council Member
SECONDER:	Jesse L. Molina, Mayor
AYES:	Jesse L. Molina, Jeffrey J. Giba
NAYS:	Dr. Yxstian A. Gutierrez, D. LaDonna Jempson, George E. Price

Amendment to reduce the budget by one School Resource Officer by \$223,000.

Minutes Acceptance: Minutes of Jun 23, 2015 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

RESULT: APPROVED [3 TO 2]
MOVER: Jeffrey J. Giba, Council Member
SECONDER: Jesse L. Molina, Mayor
AYES: Jesse L. Molina, Jeffrey J. Giba, D. LaDonna Jempson
NAYS: Dr. Yxstian A. Gutierrez, George E. Price

Amendment to defund two Community Service Officers by \$218,000.

RESULT: FAILED [2 TO 3]
MOVER: D. LaDonna Jempson, Council Member
SECONDER: Jesse L. Molina, Mayor
AYES: Jesse L. Molina, D. LaDonna Jempson
NAYS: Jeffrey J. Giba, Dr. Yxstian A. Gutierrez, George E. Price,

Amendment to redirect \$500,000 compensated absences to stay in the General Fund Fund Balance.

RESULT: APPROVED [4 TO 1]
MOVER: Dr. Yxstian A. Gutierrez, Mayor Pro Tem
SECONDER: D. LaDonna Jempson
AYES: Dr. Yxstian A. Gutierrez, Jesse L. Molina, George E. Price,
D. LaDonna Jempson
NAYS: Jeffrey J. Giba

Motion to approve the Business License Liaison, Fleet Maintenance Supervisor and Building Safety Supervisor job classifications.

RESULT: APPROVED [Unanimous]
MOVER: George E. Price, Council Member
SECONDER: D. LaDonna Jempson
AYES: Molina, Gutierrez, Giba, Jempson, Molina Price

Motion to approve the position control as detailed in the Proposed Budget presented as Exhibit A.

RESULT: APPROVED [Unanimous]
MOVER: George E. Price, Council Member
SECONDER: D. LaDonna Jempson
AYES: Molina, Gutierrez, Giba, Jempson, Price

Motion to approve staff's recommendation No. 1 as Housing Authority.

RESULT: APPROVED [Unanimous]
MOVER: Jeffrey J. Giba, Council Member
SECONDER: Dr. Yxstian A. Gutierrez, Mayor Pro Tem
AYES: Molina, Gutierrez, Giba, Jempson, Price

Motion to approve staff's recommendation No. 1 as CSD.

RESULT: APPROVED [Unanimous]
MOVER: D. LaDonna Jempson, Council Member
SECONDER: Dr. Yxstian A. Gutierrez, Mayor Pro Tem
AYES: Molina, Gutierrez, Giba, Jempson, Price

Motion to approve the budget as proposed with amendments to defund one School Resource Sergeant at \$223,000 and redirection of \$500,000 compensated absences to the General Fund Surplus Fund Balance.

RESULT: APPROVED [UNANIMOUS]
MOVER: George E. Price, Council Member
SECONDER: Jeffrey J. Giba, Council Member
AYES: Molina, Gutierrez, Giba, Jempson, Price

G.8. CITY MANAGER'S REPORT (Informational Oral Presentation - not for Council action)

No report

G.9. CITY ATTORNEY'S REPORT (Informational Oral Presentation - not for Council action)

Thanked the City Council on behalf of the firm Jenkins & Hogin. It was a pleasure to serve you.

H. LEGISLATIVE ACTIONS

H.1. ORDINANCES - 1ST READING AND INTRODUCTION - NONE

H.2. ORDINANCES - 2ND READING AND ADOPTION - NONE

H.3. ORDINANCES - URGENCY ORDINANCES - NONE

H.4. RESOLUTIONS - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OR HOUSING AUTHORITY

Council Member Giba

1. Commented on a small handful of people trying to take vote
2. Recalls big concern to the community at large

Mayor Pro Tem Dr. Gutierrez

1. Thanked residents, budget not a simple task, need for a solution
2. Coffee with Mayor Pro Tem at Starbucks and well attended
3. Would like to revise Ethics Policy to add Boards & Commission soliciting funds
4. Town Hall meeting regarding budget
5. Town Hall meeting regarding Recall; check accuracy possibility the public is being misled

Council Member Jempson

1. Support what Mayor Pro Tem Dr. Gutierrez stated, starts with leadership
2. Recalls have to stop, does not support them
3. Would like to talk to thirty (30) proponents
4. Hears a lot of things in community
5. June 25 public hearing for Planning Commission meeting
6. July 8th - Policy Zone 2, officers available to speak
7. Ethics Policy

Council Member Price

1. Has not been involved in a Recall
2. Wished people tell the truth
3. Spoke about the budget and 4th of July events
4. Took a tour of the City hospital, top stroke treatment center, over 3,100 employees, 900 registered nurses and 534 physicians

Mayor Molina

1. Recalls are known in the City
2. Recalls have put the City behind
3. Hates to see the Recalls
4. Has seen a lot of untruths in the last Recalls
5. People of Moreno Valley are sick and tired of Recalls
6. Read a quote from Bertrand Russell

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 11:42 p.m. by unanimous informal consent.

Submitted by:

Jane Halstead, City Clerk, CMC
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees

Approved by:

Jesse L. Molina, Mayor
 President, Moreno Valley Community Services District
 Chairperson, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley
 Chairperson, Moreno Valley Housing Authority
 Chairperson, Board of Library Trustees



Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk

AGENDA DATE: July 14, 2015

TITLE: CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of June 17 – July 7, 2015.

<i>Reports on Reimbursable Activities</i>			
June 17 – July 7, 2015			
Council Member	Date	Meeting	Cost
Jeffrey J. Giba	6/24/15 – 6/26/15	League of California Cities Mayors and Council Members Executive Forum and Advance Leadership Workshop	\$1208.52
	6/27/15	Moreno Valley Chamber of Commerce Taste of the Valley	\$25.00
Dr. Yxstian A. Gutierrez	6/24/15 – 6/26/15	League of California Cities Mayors and Council Members Executive Forum and Advance Leadership Workshop	\$1208.51
D. LaDonna Jempson		None	
Jesse L. Molina	6/24/15 – 6/26/15	League of California Cities Mayors and Council Members Executive Forum and Advance Leadership Workshop	\$545.00

	6/27/15	Moreno Valley Chamber of Commerce Taste of the Valley	\$25.00
George E. Price	6/24/15	Moreno Valley Chamber of Commerce Wake-Up Moreno Valley	\$15.00
	6/25/15	Moreno Valley Chamber of Commerce Leadership Moreno Valley	\$20.00

NOTIFICATION

Publication of Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Cindy Miller
Executive Assistant to the Mayor/City Council

Department Head Approval:
Jane Halstead
City Clerk

CITY COUNCIL GOALS

None

ATTACHMENTS

None

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>
City Attorney Approval	<u>✓ Approved</u>
City Manager Approval	<u>✓ Approved</u>



Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk

AGENDA DATE: July 14, 2015

TITLE: APPOINT A VOTING DELEGATE AND ALTERNATE DELEGATES FOR THE LEAGUE OF CALIFORNIA CITIES (LCC) 2015 ANNUAL CONFERENCE BUSINESS MEETING

RECOMMENDED ACTION

Recommendation:

1. Appoint Mayor Pro Tem Dr. Yxstian A. Gutierrez as the voting delegate, Council Member Jeffrey J. Giba as the first alternate voting delegate, and Council Member George E. Price as the second alternate voting delegate for the League of California Cities (LCC) 2015 Annual Conference business meeting.

SUMMARY

The League of California Cities Annual Conference is scheduled September 30 – October 2, 2015, in San Jose. At this meeting, the League membership will consider and take action on resolutions that establish League policy. The city must designate a voting delegate and may appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve. Designation of a voting delegate must be done by City Council action.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Cindy Miller
Executive Assistant to the Mayor/City Council

Department Head Approval:
Jane Halstead
City Clerk

CITY COUNCIL GOALS

None

ATTACHMENTS

1. League of California Cities 2015 Annual Conference Voting Delegate Alternate Form

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 8:30 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 10:36 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:09 PM



CITY: Moreno Valley

2015 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to the League office by Friday, September 18, 2015. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

1. VOTING DELEGATE

Name: Dr. Yxstian A. Gutierrez

Title: Mayor Pro Tem

2. VOTING DELEGATE - ALTERNATE

Name: Jeffrey J. Giba

Title: Council Member

3. VOTING DELEGATE - ALTERNATE

Name: George E. Price

Title: Council Member

PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.

OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ E-mail _____

Mayor or City Clerk _____ Phone: _____

(circle one) (signature)

Date: _____

Please complete and return by Friday, September 18, 2015

League of California Cities
ATTN: **Kayla Gibson**
1400 K Street, 4th Floor
Sacramento, CA 95814

FAX: (916) 658-8240
E-mail: kgibson@cacities.org
(916) 658-8247

Attachment: League of California Cities 2015 Annual Conference Voting Delegate Alternate Form (1584 : APPOINT A VOTING DELEGATE AND



Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: July 14, 2015

TITLE: APPROVAL OF A CONTRACT WITH QUINTANILLA AND ASSOCIATES TO PROVIDE INTERIM CITY ATTORNEY SERVICES

RECOMMENDED ACTION

Recommendations:

1. Approve agreement with The Law Firm of Quintanilla and Associates for Interim City Attorney Services.
2. Authorize the Mayor to sign the agreement.

SUMMARY

This report recommends approval of a contract with Quintanilla and Associates to provide Interim City Attorney services.

BACKGROUND

A Request for Proposal (RFP) for Interim City Attorney services was developed in April, 2015 to reflect the City Council's expectations for provision of these services. The RFP was posted in local newspapers, online and on the California League of Cities' City Attorney list-serve. Notices were also sent to a number of prominent regional firms with expertise in municipal law. Information sought for the purposes of the RFP included pricing, qualifications and attorney resumes.

The following requirements were specified in the Scope of Services:

- Provide clear and concise legal advice and consultation on a daily basis as requested or required for members of the City Council, the City Manager and City

staff. Contacts are usually made via telephone and email, and a prompt response is expected.

- Attend City Council meetings and be prepared to advise Council on matters on the agenda as well as procedural and substantive issues that arise during the meeting. Attendance at Planning Commission or other Council subcommittee meetings may be requested from time to time.
- Provide guidance concerning requirements of the Brown Act, Conflict of Interest (AB1234), the Political Reform Act, the Public Records Act, due process and other legal requirements imposed by statute and common law.
- Prepare, review and revise staff documents, including, but not limited to, initiation of memoranda concerning legal issues, contracts, agreements, ordinances, resolutions, land use decisions on appeal, and staff reports. Clear, concise, well-organized writing in plain English is a pre-requisite.
- Represent and/or advise the City in litigation not covered by the City's self-insured risk pools (which provide coverage for tort claims and worker's compensation claims).
- Represent the City in inter-agency projects and other legal matters.
- Oversee coordination with special legal counsel on all City litigation including oversight of the City's risk management program and general liability claims.
- Provide legal advice and assistance to operating departments.
- May serve as legal counsel to the Moreno Valley Community Services District, the Moreno Valley Housing Authority and the Moreno Valley Electric Utility.

A total of eleven law firms or individuals provided proposals by the City's May 6, 2015 deadline. Those proposals were evaluated by members of the City Council and four firms or individuals were selected for formal interviews.

The City Council enlisted the assistance of former Riverside County District Attorney Rod Pacheco to aid in the evaluation of those firms invited for interviews. The interviews were held on June 2, 2015 at a special closed session of the City Council. As a result of the interviews, the Council has selected Quintanilla and Associates of Rancho Mirage to serve as Interim City Attorney.

The agreed compensation is as follows:

Retainer \$ 10,000 per month (60 hours at \$167/hr)

Excess hours:

Attorney time:	\$ 200	per hour for senior attorneys
	\$ 175	per hour for junior attorneys
Paralegal:	\$ 125	per hour
Clerk:	\$ 100	per hour

The effective date of the contract shall be the date the document is signed by the Mayor.

ALTERNATIVES

The following alternatives are available to the City Council:

1. Approve the agreement for Interim City Attorney Services between the City of Moreno Valley and The Law Offices of Quintanilla and Associates and authorize the Mayor to sign the agreement and any subsequent amendments.
2. Do not approve the agreement and provide staff with further direction.

Staff recommends Alternative No. 1.

FISCAL IMPACT

Estimated costs of this contract are within the parameters of the existing Fiscal Year 2015-16 City Attorney’s budget. However, staff will monitor this budget closely and provide quarterly reports comparing budget to actual expenditures.

PREPARATION OF STAFF REPORT

Prepared By:
Chris Paxton
Administrative Services Director

Department Head Approval:
Chris Paxton
Administrative Services Director

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

ATTACHMENTS

1. Agreement for Interim Legal Services

APPROVALS

Budget Officer Approval	<u> ✓ Approved </u>	7/08/15 7:21 AM
City Attorney Approval	<u> ✓ Approved </u>	7/08/15 2:39 PM

City Manager Approval

✓ Approved

7/08/15 3:26 PM

AGREEMENT FOR LEGAL SERVICES

This Agreement by and between the City of Moreno Valley, a municipal corporation, the Community Redevelopment Agency of the City of Moreno and/or the Moreno Valley Community Services District (hereafter referred to collectively as “City”) and the Law Offices of Quintanilla & Associates (“Attorneys”), is made and becomes effective upon the date signed by the Mayor.

Section 1. Subject of the Agreement

The City desires to retain Attorneys to discharge the duties of Interim City Attorney. City may, at its sole discretion, employ other attorneys to perform the same type of legal services.

Section 2. Standard of Performance

Attorneys will perform all legal work referred to them in a professional manner pursuant to the standards of their profession and the rules and statutes governing their conduct.

- A. Steven B. Quintanilla is designated as the Interim City Attorney for the City. The parties understand and agree that Attorneys may, from time to time, utilize other attorneys within the firm to assist Mr. Quintanilla in the performance of this Agreement. Attorneys shall provide all services to the City of the kind and nature typically provided by an in-house City Attorney’s office and as set forth in the Scope of Services attached as Exhibit A hereto.
- B. Notwithstanding the Scope of Services set forth in Exhibit A hereto, Jenkins & Hogin, LLP shall continue to serve as the City’s counsel of record in litigation matters assigned prior to the effective date of this Agreement and shall continue to be responsible for all other assignments in progress and not yet completed, until such matters are resolved.
- C. Attorneys will furnish all office space, equipment, labor, materials, supplies, reference and background data and information necessary to accomplish the assigned tasks, except as otherwise provided in this Agreement.
- D. Attorneys will provide monthly progress reports describing in detail what work has been completed to date and setting forth all necessary information to monitor the progress and effectiveness of the work.
- E. Attorneys will keep City and/or its designated agent fully informed of all developments relevant to the status and value of all cases in which Attorneys represent City and will promptly communicate any settlement offers to City and/or its designated agent.

Section 3. Compensation

A. Legal services shall be compensated as follows:

Retainer	\$ 10,000	per month (60 hours at \$167/hr)
Excess Attorney time:	\$ 200	per hour for senior attorneys/partners (Attorneys with at least 5 years' experience)
	\$ 175	per hour for junior attorneys
Paralegal:	\$ 125	per hour
Clerk:	\$ 100	per hour

Attorneys shall not be compensated for travel between the Attorneys' office and City Hall. Attorneys will not bill the City for routine copying, telephone, mileage, facsimile, word processing or electronic research within the Attorneys' contract plan. Attorneys will bill the City, without any mark-up, actual expenses for electronic legal research, parking, fling fees, transcripts, delivery charges, extraordinary copying and similar out-of-pocket expenses. These items will be separately designated on Attorneys' monthly statements as "disbursements" and will be billed in addition to the fees for professional services. To obtain reimbursement, Attorneys will submit a summary of these expenses, along with supporting receipts, within 30 days of the expense being incurred.

B. Expert consultants and witnesses

Expert consultants and witnesses may be retained by Attorneys on terms acceptable to the City, approved in advance, in which case City shall reimburse Attorneys or pay consultants or experts directly.

C. Invoice

Attorneys agree to invoice the City monthly, within 10 days after the end of each calendar month. All charges must be itemized by Attorneys, showing in detail the work performed during the billing period, in line item format, so that each task is separately explained and has specific time recorded. Attorneys shall not charge the City for more than one attorney's time in appearing at a meeting or in court or for performing any tasks unless the City has expressly authorized the use of more than one attorney for the appearance or task.

D. Tax information

Attorneys agree to attach a completed federal W-9 form to this Agreement to facilitate tax reporting for payments under this Agreement.

E. Payment

Payment shall be made on or before the last day of each month for services rendered during the preceding month.

Section 4. Conflict of Interest

Attorneys represent that they presently have no material financial interest other than that which may be held by the general public and shall not acquire any interest, direct or indirect, in any contract or decision made on behalf of City which may be affected by the services to be performed by the Attorneys under this Agreement. Attorneys further agree that they shall employ no person having any such interest. If Attorneys or their employees acquire a direct or indirect personal interest, such interest shall be immediately disclosed to the City and the interested individual shall abstain from any contracts or decisions under this Agreement.

In addition to the proscriptions regarding conflicts of interest imposed on attorneys by the Business and Professions Code and by Rule 3-310 of the California Rules of Professional Conduct, Attorneys represent that no attorney shall represent clients before any board, commission, committee or agency of the City or represent a client adverse to the City for a period of one year from the date of termination of this Agreement.

Section 5. Indemnification and Hold Harmless

Attorneys agree to defend and indemnify City for any claims or lawsuits against City which are based on contentions that negligence or misconduct by Attorneys proximately caused damage to the claimant or plaintiff.

City will defend and indemnify Attorneys for any claims or lawsuits against Attorneys which are based on contentions that negligence or misconduct by the City, and/or City’s employees or agents, proximately caused damage to the claimant or plaintiff. City will also defend and indemnify Attorneys for claims and lawsuits which were expressly directed by the City, and/or City’s employees or agents, contrary to Attorneys’ professional advice.

No official or employee of City shall be personally liable for any default or liability under this Agreement.

Section 6. Nondiscrimination

In the performance of this Agreement, Attorneys shall not discriminate against any employee or applicant for employment because of race, religion, color, age, sex, national origin, sexual orientation or medical condition. Attorneys shall take affirmative action to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, age, sex, national origin, sexual orientation or medical condition. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training.

Section 7. Insurance

A. General Liability Insurance: During the entire term of this Agreement, Attorneys agree to procure and maintain general liability insurance at their sole expense to protect against loss from liability imposed by law for damages on account of bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever, resulting directly or indirectly from any act or activities of the

Attorneys or any person acting for the Attorneys or under its control or direction, and also to protect against loss from liability imposed by law for damages to any property of any persons caused directly or indirectly by or from acts or activities of Attorneys or any person acting for Attorneys or under its control or direction. Such liability and property damage insurance shall also provide for and protect the City against incurring any legal cost in defending claims for alleged loss. Such liability and property damage insurance shall be maintained in full force and effect throughout the term of the Agreement and any extension thereof in the minimum limits provided below:

- B. Automobile Liability: Attorneys shall procure and maintain, at their sole expense, and throughout the term of this Agreement and any extension thereof, Public Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City premises. Such coverage limits shall not be less than \$500,000 combined single limit.
- C. Professional Liability Insurance: During the entire term of this Agreement, Attorneys shall procure and maintain, at their sole expense, professional liability insurance to protect the City, the Moreno Valley Community Services District, and the Community Redevelopment Agency of the City of Moreno Valley against liability arising from errors or omissions committed in the performance of their work with coverage limits of not less than \$2,000,000 per occurrence.
- D. Workers' Compensation Insurance: Attorneys shall procure and maintain, at their sole expense, workers' compensation insurance in such amounts as will fully comply with the laws of the state of California.
- E. Primary Coverage and Insurance Company Ratings: The coverages provided pursuant to this Agreement shall be primary insurance and not contributory with any other insurance. Insurance companies providing insurance hereunder shall be rated (A-: VII – Admitted) or better in the Best's Insurance Rating Guide.
- F. Notice to City, Insurance Coverage Change: A certificate of insurance or an appropriate insurance binder evidencing each of the above referenced insurance coverage shall be submitted prior to the execution of this Agreement. Such evidence of insurance shall be sent to the attention of the requesting department and shall reference a project number, where appropriate.

Solely as respect to work done by or on behalf of the named insured for the City, it is agreed that the City of Moreno Valley, the Moreno Valley Community Services District, and Community Redevelopment Agency of the City of Moreno Valley are added as additional insureds under the general liability policy. A policy endorsement or an appropriate insurance binder evidencing the required general liability insurance must accompany the certificate of insurance. The endorsement shall be signed by a person authorized by that insurer to bind coverage on its behalf.

The terms of the insurance policies or policies issued to provide the above insurance coverage may not be amended or canceled by the carrier, without thirty (30) days prior written notice by certified or registered mail or amendment or cancellation to

the City, except that cancellation for nonpayment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event that the said insurance is canceled, Attorneys shall, prior to the cancellation date, submit to the City Clerk new evidence of insurance in the amounts established.

Section 8. Independent Contractor

Attorneys, and anyone employed by Attorneys, are not and shall not be deemed to be employees of the City. Attorneys are solely responsible for the payment of employment taxes, workers' compensation and any similar taxes for any employees of Attorneys.

Section 9. Files

All legal files of Attorneys pertaining to the City shall be and remain the property of the City. Attorneys will control the physical location of such legal files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

Section 10. Notices

Any notices under this Agreement by either party to the other may be given by either personal delivery in writing or by mail. Notices must be delivered or mailed to the following:

If to Attorneys: Law Offices of Quintanilla & Associates
P.O. Box 176
Rancho Mirage, CA 92270

If to City: Jesse Molina
Mayor
City of Moreno Valley
P. O. Box 88005
Moreno Valley, CA 92552-0805

Section 11. Entire Agreement of the Parties

This Agreement represents the parties' final and mutual understanding. It replaces and supersedes any prior agreements, whether oral or written.

Section 12. Nonassignment

Neither this Agreement nor any portion shall be assigned by Attorneys without the prior written consent of City.

Section 13. City Agent

Jesse Molina, Mayor, for the purpose of this Agreement, is the agent for the City. Whenever approval or authorization is required, Attorneys understand that the Mayor has the authority to provide that approval or authorization.

Section 14. Term of Agreement

The term of this Agreement shall be from the date signed by the Mayor until the City has selected and entered into an agreement with a permanent City Attorney. It is understood by and between the parties that City may also hire Attorneys or other legal counsel for other matters subsequent to the execution of this Agreement. Therefore, this Agreement shall remain in full force and effect unless and until this Agreement is terminated as provided for herein, or until a replacement agreement is executed by the parties. New matters subsequent to the execution of this Agreement shall be accomplished by a unilateral letter assignment by the City. Attorneys shall undertake the subsequent assignment of a new matter upon the same terms and conditions set forth herein.

Section 15. Termination

This Agreement may be terminated by City with or without cause upon thirty (30) days written notice to Attorneys. City shall be responsible for payment of all services rendered and costs incurred by Attorneys prior to the termination date. Attorneys may terminate this Agreement with or without cause upon ninety (90) days written notice to City and only if City will suffer no actual or perceived harm or prejudice in any pending matter by Attorneys' termination. In either event, Attorneys agree to cooperate fully in the transition, including the transfer of files. Upon Attorneys' termination of this Agreement, Attorneys, upon the request of the City, will continue to represent City on any specified matters pending at that time of the termination until completion or reassignment to new Attorneys, whichever occurs first. The rates and terms of compensation shall continue to be the same as set forth above.

Section 16. Resolution of Fee Disputes

The City is entitled to require that any fee dispute be resolved by binding arbitration in Riverside pursuant to the arbitration rules of the Riverside County Bar Association for legal fee disputes. In the event that the City chooses not to utilize the Riverside County Bar Association's arbitration procedures, the City agrees that all disputes regarding the professional services rendered or fees charged by Attorneys shall be submitted to binding arbitration in Riverside to be conducted by the American Arbitration Association in accordance with its commercial arbitration rules.

Section 17. Modification

This Agreement may not be modified or replaced except by another signed written agreement.

Section 18. Partial Invalidity

Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

Section 19. No Waiver

The waiver of any breach of any provisions of this Agreement does not waive any other breach of that term or any other term in this Agreement.

Section 20. Attorneys' Fees

If a party brings any action, including an action for declaratory relief to enforce or interpret the provisions of this Agreement, the prevailing party is entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. Such fees may be set by the court in the same action or in a separate action brought for that purpose.

Section 21. Governing Law

This Agreement shall be construed – and its performance enforced – under California law.

Section 22. Survival

All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the City and Attorneys survive the termination of this Agreement.

IN WITNESS THEREOF, the parties have executed this Agreement on the day and date signed by the Mayor.

Dated: _____

Firm: _____

By: _____
(Name)

Dated: _____

CITY OF MORENO VALLEY,
A Municipal Corporation

By: _____
Jesse Molina, Mayor

Attachment: Agreement for Interim Legal Services (1582 : APPROVAL OF A CONTRACT WITH QUINTANILLA AND ASSOCIATES TO PROVIDE

Exhibit A

SCOPE OF SERVICES

- Provide clear and concise legal advice and consultation on a daily basis as requested or required to members of the City Council, the City Manager and City staff. Contacts are usually made via telephone and email, and a prompt response is expected.
- Attend City Council meetings and be prepared to advise Council on matters on the agenda as well as procedural and substantive issues that arise during the meeting. Attendance at Planning Commission or other Council subcommittee meetings may be requested from time to time.
- Provide guidance concerning requirements of the Brown Act, Conflict of Interest (AB1234), the Political Reform Act, the Public Records Act, due process and other legal requirements imposed by statute and common law.
- Prepare, review and revise staff documents, including, but not limited to, initiation of memoranda concerning legal issues, contracts, agreements, ordinances, resolutions, land use decisions on appeal, and staff reports. Clear, concise, well-organized writing in plain English is a pre-requisite.
- Represent and/or advise the City in litigation not covered by the City's self-insured risk pools (which provide coverage for tort claims and worker's compensation claims).
- Represent the City in inter-agency projects and other legal matters.
- Oversee coordination with special legal counsel on all City litigation including oversight of the City's risk management program and general liability claims.
- Provide legal advice and assistance to operating departments.
- May serve as legal counsel to the Moreno Valley Community Services District, the Moreno Valley Housing Authority and the Moreno Valley Electric Utility.



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 14, 2015

TITLE: PA11-0007 (PM 35879) – MARCH BUSINESS CENTER - APPROVE PARCEL MAP AND ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS. DEVELOPER – CSIP WR MORENO VALLEY LLC, NEWPORT BEACH, CA 92660

RECOMMENDED ACTION

Recommendations:

1. Approve Parcel Map for PA11-0007 (PM 35879), authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.
2. Accept the Agreement and Security for Public Improvements for CSIP WR Moreno Valley, LLC.
3. Authorize the Mayor to execute the Agreement.
4. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
5. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

SUMMARY

This report recommends approval of the agreement by the City of Moreno Valley and CSIP WR Moreno Valley, LLC, to construct the required public improvements that are located on the Southeast corner of Heacock Street and Iris Avenue. The project is funded by CSIP WR Moreno Valley, LLC.

DISCUSSION

On January 22, 2013, the City Council of the City of Moreno Valley approved Tentative Parcel Map No. 35879 (PA11-0007) and Conditions of Approval. The developer proposes to subdivide 75.05-gross acres of Assessor's Parcel Number 316-020-032/033/034/035/036 into four parcels in the Industrial zone. This project is located at the southeast corner of Heacock Street and Iris Avenue.

CSIP WR Moreno Valley, LLC, the developer of this project, has completed an Agreement for Public Improvements. The developer agrees to perform and complete all of the required public improvements within twenty-four (24) months of the date the agreement is executed. The public improvements include, but are not limited to: asphalt, base, curb, gutter, sidewalk, storm drain, sewer and water driveway approaches, street lights, striping, signage, and traffic signal modifications. The City Engineer may execute any future amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

Parcel Map number 35879 is in substantial conformance with the approved tentative map. The developer has requested that the map be approved for recordation. The Conditions of Approval for this project require that the developer provide surety for the required improvements. Public improvements are to be constructed along the east side of Heacock Street between Iris Avenue and Krameria Avenue, south side of Iris Avenue east of Heacock Street along the project frontage, on the west side of Cosmos Street north of Krameria Avenue and on both sides of Krameria Avenue between Heacock and Cosmos Street.

Accompanying the agreement is a Faithful Performance Bond in the amount of \$5,546,000 and a Material and Labor Bond in the amount of \$2,731,500 issued by Travelers Insurance.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative ensures the completion of all public improvements as required by the Conditions of Approval in a timely manner.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative would not ensure the completion of all public improvements as required by the Conditions of Approval in a timely manner.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Guy Pegan
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Henry Ngo, P.E.
Interim Engineering Division Manager

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

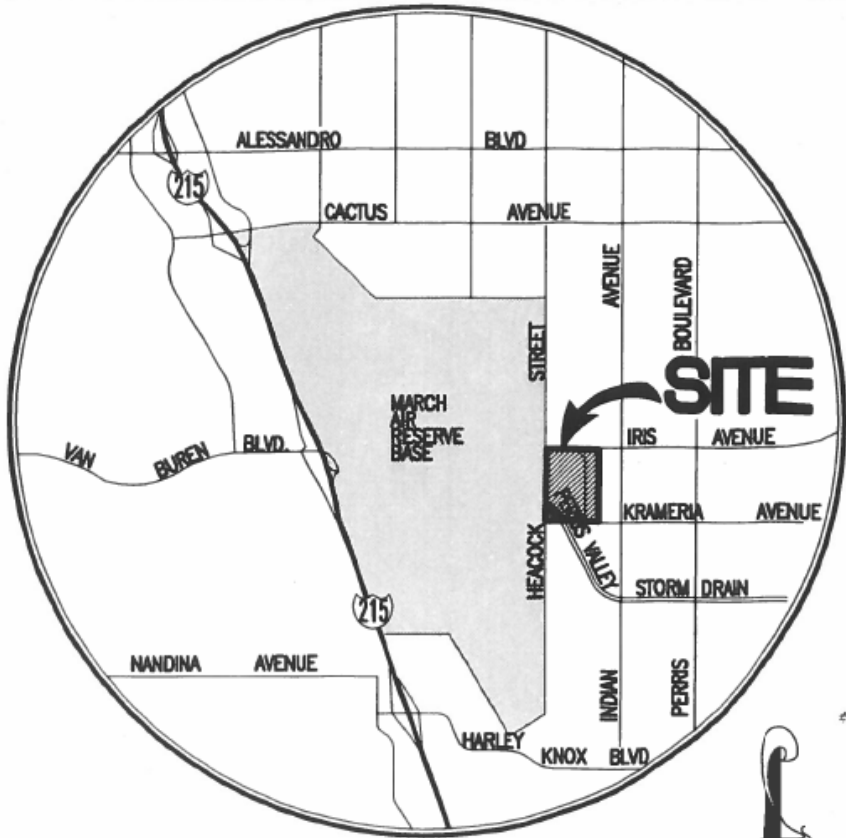
ATTACHMENTS

1. Vicinity Map - PA11-0007
2. PA11-0007 (PM 35879) - Agreement for Public Improvements
3. PA11-0007 (PM 35879) - Faithful Performance Bond
4. PA11-0007 (PM 35879) - Material Labor Bond

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 7:13 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 10:40 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:21 PM

ATTACHMENT 1



VICINITY MAP
N.T.S.



CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

PA11-0007 (PM 35879)

Attachment: Vicinity Map - PA11-0007 (1554 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER - APPROVE PARCEL MAP AND ACCEPT

**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA11-0007 (PM 35879)**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and **CSIP WR Moreno Valley, LLC**, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as **PA11-0007 (PM 35879)** agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within **TWENTY-FOUR (24)** months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum of **FIVE MILLION FOUR HUNDRED SIXTY THREE THOUSAND AND NO/100** Dollars (*****\$5,463,000.00*****). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of **TWO MILLION SEVEN HUNDRED THIRTY ONE THOUSAND FIVE HUNDRED AND NO/100** Dollars (*****\$2,731,500.00*****). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Upon entering the warranty period, the City shall retain ten percent of the original faithful performance security. Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at any time during the term of this agreement, subject to approval of the City Engineer and City Attorney.

SECOND: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is

**AGREEMENT FOR PROJECT NO. PA11-0007 (PM 35879)
PUBLIC IMPROVEMENTS**

necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at any time during the term of this agreement, subject to approval by the City Engineer and City Attorney.

THIRD: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

FOURTH: To the furthest extent allowed by law, including California Civil Code Section 2782, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees and agents from any and all claims, losses, liabilities, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including, but not limited to personal injury, death at any time and/or property damage) incurred by City or any other Person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the performance of this Agreement, including but not limited to the alleged acts or omissions of any contractor, subcontractor, employee or agent acting on behalf of Developer or the design of any improvements to be constructed pursuant to this Agreement or the use of any patent or patented article in the performance of this Agreement.

Developer's obligations to indemnify and hold City harmless shall apply in all instances except those claims caused by the active negligence, sole negligence, or willful misconduct of City or any of its officers, officials, employees or agents. Developer's obligations to defend the City and provide a legal defense (including the retention of attorneys acceptable to City and all legal costs and expenses) shall apply in all instances, except those claims arising out of the sole negligence or the willful misconduct of City or any of its officers, officials, employees or agents.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees and agents in accordance with the terms of the preceding paragraphs.

Developer's obligations under his section shall survive the completion of any work to be performed by Developer, the City's inspection and/or acceptance of any work performed by Developer, as well as the termination or expiration of this Agreement.

Developer's provision of insurance, as required below, does not terminate, alter, limit or satisfy Developer's defense and indemnity obligations provided for herein.

FIFTH: Throughout the life of the Agreement, Developer shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company (ies) either (I) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as authorized by the City Manager or his/her designee. The following policies of insurance are required:

(i) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with

**AGREEMENT FOR PROJECT NO. PA11-0007 (PM 35879)
PUBLIC IMPROVEMENTS**

coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage. Commercial Automobile Liability coverage is required if automobiles are to be operated on city-owned property or within City right-of-way.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

Developer shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Developer shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire before the completion of the work, Developer shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and endorsed to name the City and its officers, officials, employees and agents as additional insured's. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. Developer shall furnish City with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the start of work. NOTE: A Certificate of Insurance is not acceptable. The Certificate of Insurance must be accompanied by the additional insured and primary insurance endorsements.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees and agents in accordance with the terms of the Agreement. Any contractor or subcontractor performing work on behalf of Developer shall likewise be required to name City its officers, officials, employees and agents as additional insured's as required herein. Developer shall obtain certificates and endorsements from such contractors or subcontractors before the commencement of any work.

At any time during the Agreement, upon request of City, Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy.

If at any time Developer fails to maintain the required insurance in full force and effect, all work permitted thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure by Developer to provide or maintain the required insurance shall be considered a material breach of the Agreement.

**AGREEMENT FOR PROJECT NO. PA11-0007 (PM 35879)
PUBLIC IMPROVEMENTS**

The fact that insurance is obtained by Developer shall not be deemed to release or diminish its liability, including but not limited to, liability under the indemnity provisions on this Agreement. Developer's duty to defend and indemnify City shall apply to all claims and liabilities, regardless of whether any insurance policies are applicable. The policy limits stated herein do not act as a limitation upon the amount of indemnification required to be provided by Developer.

SIXTH The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

SEVENTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

EIGHTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

NINTH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time **may** be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

TWELFTH: In the event legal action is required to enforce the terms of the Agreement, the prevailing party shall be entitled to recover attorney's fees and costs, including expert fees.

**AGREEMENT FOR PROJECT NO. PA11-0007 (PM 35879)
PUBLIC IMPROVEMENTS**

THIRTEENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

City:
City Engineer
P.O. Box 88005
14177 Frederick Street
Moreno Valley, CA 92552-0805

Developer:
CSIP WR Moreno Valley, LLC
c/o Western Realco
500 Newport Center Drive, Suite 630
Newport Beach, CA 92660

IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: _____

CSIP WR Moreno Valley, LLC:
Developer

By: _____
Signature

Print/Type Name

Title

By: _____
Signature

Print/Type Name

Title

**ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY**

CITY OF MORENO VALLEY
By: _____
Mayor

By: _____
City Clerk

(SEAL)

**APPROVED AS TO FORM:
CITY ATTORNEY**

Date: _____

By: _____
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY
ORIGINAL - CITY CLERK; PINK - DEVELOPER; GREEN - SURETY; BLUE - PROJECT FILE

Attachment: PA11-0007 (PM 35879) - Agreement for Public Improvements (1554 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER -

FAITHFUL PERFORMANCE BOND

City of Moreno Valley
County of Riverside
State of California
(Government Code Section 66499.1)

Public Improvements \$5,463,000

Project No. PA11-0007 (PM 35879)

Bond No.

Premium

Surety

CSIP WR Moreno Valley, LLC. and
Principal Oltmans Construction Company

Address

Address 500 Newport Center Dr., Ste 630

City/Zip

City/Zip Newport Beach, CA 92660

WHEREAS, the City Council of the City of Moreno Valley, County of Riverside, State of California, and CSIP WR Moreno Valley, LLC and Oltmans Construction Company, (hereinafter designated as "Principal") have entered into, or are about to enter into the attached agreement whereby Principal agrees to install and complete the above-designated public improvements, relating to PA11-0007 (PM 35879) which agreement is hereby referred to and made a part hereof; and,

WHEREAS, said principal is required under the terms of said agreement to furnish bond for the faithful performance of said agreement;

NOW, THEREFORE, we the Principal, and _____, as Surety, are held and firmly bound to the City of Moreno Valley in the penal sum of FIVE MILLION FOUR HUNDRED SIXTY THREE THOUSAND AND NO/100 Dollars (**\$5,463,000.00**), lawful money of the United States for the payment of which sum will and truly to be made, we bind ourselves, our heirs, successors, executors and administrator, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bonded Principal, his or its heirs, executors administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered

Attachment: PA11-0007 (PM 35879) - Faithful Performance Bond (1554 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER - APPROVE

FAITHFUL PERFORMANCE BOND (Page 2 of 2)
PROJECT NO. PA11-0007 (PM 35879)

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications. Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code are not a condition precedent to Surety's obligations hereunder and are hereby waived by Surety.

When the work covered by the agreement is complete, the City Council of the City of Moreno Valley will accept the work and thereupon the amount of the obligation of this bond is reduced by 90%, with the remaining 10% held as security for the one-year maintenance period provided for in the agreement(s).

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named on _____, 20_____.

NAME OF PRINCIPAL: CSIP WR Moreno Valley, LLC and Oltmans Construction Company
Company Name

AUTHORIZED SIGNATURE(S): By

_____	_____
Name	Title
_____	_____
Name	Title

NAME OF SURETY: _____
Company Name

AUTHORIZED SIGNATURE: _____
ITS ATTORNEY-IN-FACT

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURE OF PRINCIPAL AND ATTORNEY-IN-FACT.
BOND COMPANY – ATTACH POWER OF ATTORNEY

Approved as to form:

Date: _____

City Attorney
City of Moreno Valley

MATERIAL AND LABOR BOND

City of Moreno Valley
County of Riverside
State of California
(Government Code Section 66499.2)

Public Improvements \$2,731,500
Bond No.
Surety
Address
City/Zip

Project No. PA11-0007 (PM 35879)
Premium
Principal CSIP WR Moreno Valley, LLC and Oltmans Construction Company
Address 500 Newport Center Dr., Ste. 630
City/Zip Newport Beach, CA 92660

WHEREAS, the City Council of the City of Moreno Valley, County of Riverside, State of California, and CSIP WR Moreno Valley, LLC and Oltmans Construction Company, (hereinafter designated as "Principal") have entered into, or are about to enter into the attached agreement whereby Principal agrees to install and complete the above-designated public improvements, relating to PA11-0007 (PM 35879) which agreement is hereby referred to and made a part hereof; and,

WHEREAS, under the terms of said agreement, principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Moreno Valley to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, we the Principal, and the undersigned as corporate Surety, are held and firmly bound unto the City of Moreno Valley and all contractors, subcontractors, laborers, material persons and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of TWO MILLION SEVEN HUNDRED THIRTY ONE THOUSAND FIVE HUNDRED AND NO/100 Dollars (**\$2,731,500.00**), lawful money of the United States, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth also in case suit is brought upon this bond, will pay, in addition to the face amount hereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgement therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Attachment: PA11-0007 (PM 35879) - Material Labor Bond (1554 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER - APPROVE PARCEL

MATERIAL AND LABOR BOND (Page 2 of 2)
PROJECT NO. PA11-0007 (PM 35879)

Should the condition of this bond be fully performed, then this obligation shall become null and void otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligation on this bond, and it does hereby waive notice of any such change, extension, alteration or addition. Surety further stipulates and agrees that the provision of Section 2845 of the Civil Code are not a condition precedent to the Surety's obligations hereunder and hereby waived by the Surety.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, or _____, 20____.

NAME OF PRINCIPAL: CSIP WR Moreno Valley, LLC and Oltmans Construction Company
Company Name

AUTHORIZED SIGNATURE(S):

Name Title

Name Title

NAME OF SURETY: _____
Company Name

AUTHORIZED SIGNATURE: _____
ITS ATTORNEY-IN-FACT

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURE OF PRINCIPAL AND ATTORNEY-IN-FACT.
BOND COMPANY – ATTACH POWER OF ATTORNEY

Approved as to form:

Date: _____

City Attorney
City of Moreno Valley

Attachment: PA11-0007 (PM 35879) - Material Labor Bond (1554 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER - APPROVE PARCEL



Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: July 14, 2015

TITLE: APPROVAL OF A LONG-TERM LAND LEASE ON BOX SPRINGS MOUNTAIN WITH CF&D CORP. FOR RADIO COMMUNICATIONS

RECOMMENDED ACTION

Recommendation:

1. Authorize the City Manager to execute the contract with CF&D Corp. for leasing land on Box Springs Mountain for an amount not to exceed \$106,162 for the initial five years with an option to renew for up to seven additional five-year terms.

SUMMARY

This report recommends approval of a long-term land lease agreement with CF&D Corporation (CF&D) for a Box Springs Communication Site (radio tower plus a base station). The cost of leasing communication tower and base station space on Box Springs Mountain has become unreasonably high. As an initial step to control the rate of cost increases by building its own communication site, a land lease on Box Springs Mountain is needed. Once the land lease is in place, the City will proceed with design and construction of its own tower and base station facility at the site. Leasing a portion of a parcel owned by CF&D, that is located just above the "M" on Box Springs Mountain, gives the City a great vantage point for radio communications that will cover most of the City. After securing the land lease for the project site, staff will send out Request For Proposals (RFP) to retain professional design services for the site. The design will include project plans, specifications and cost estimates for the tower, base station space and related equipment. Following the design phase, the next step is to advertise the project for public bidding for the construction phase. Results of the construction RFP will provide cost quotes for the City Council to consider for awarding the construction contract.

DISCUSSION

The City has leased tower space for its radio operations on Box Springs Mountain since 1999 and costs have steadily increased during that time while the facility housing City equipment has declined to unacceptable levels. American Towers, the lessor, has advised the City that future costs will continue to increase by approximately 4.5% per year.

The new communications site will replace leased space on an American Tower's tower and leased equipment space in their base station. Leasing tower space from American Towers has become very expensive. Costs increase each year and costs increase with each new piece of equipment added; meanwhile, the station facility is in subpar condition and is declining. Numerous break-ins, thefts, vandalism, and graffiti incidents, along with escalating costs make it wise for the City to lease land and build its own, secure, communications site. Other American Towers lessees on Box Springs Mountain have already built their own, secure, sites.

Preliminary activities to build a radio communications tower on Box Springs Mountain are underway. A site has been located and an environmental study has been conducted for the location. Additionally, Riverside County has informed the City that it does not need to obtain land use entitlement from the County, thus a California Environmental Quality Act (CEQA) review is not required at this time (see Attachment 2). If the lease is approved, the Technology Services and Capital Projects Divisions will issue RFPs for the design and construction of the site, and a future staff report will seek approval to award those RFPs as required by the City's Purchasing Ordinance.

City Reliance on the Radio Network

The City network relies on microwave radios to provide the following connectivity:

- Telephone
- Data
- Video
- Building security
- Remote site
- Backup to fiber optics

In the event of a natural disaster, the radio network adds a level of redundancy to our communications network, making it more resilient.

The City's Box Springs Mountain radio site currently supports five links of microwave radios that provide communication from City Hall to the Senior Center, Library, Corporate Yard, a building on March Air Reserve Base, and an amateur radio repeater for citizen use. The microwave radio system that makes these connections possible also provides backup communications to the fiber optic cable network in the event of a cable cut. It has been necessary to use backup communications during the past year.

Additionally, the City's growth potential with the radio system is limited due to the high cost of doing business with American Towers. Periodically over the past few years, Technology Services has been approached by other Divisions and by both public and

private entities wanting to take advantage of shared infrastructure on Box Springs Mountain. Technology Services has not been able to consider cooperative arrangements due to the costs that would fall to the City based on American Towers' current pricing structure for additional equipment.

Building a Tower and Base Station

As mentioned in the summary above, this lease is an initial step in a project to replace leased tower and base station space for the City's own communications site on Box Springs Mountain. The Capital Projects budget for the entire project is \$520,000. When comparing the land lease and the increased capital costs with the current lease, the City will break even on the investment in the twenty-first (21st) year. If the City continues to lease the site for more than 21 years, the City will not only have the use of the improved facilities, but will also begin to realize additional savings. (See also the Fiscal Impact section below.)

It is important to note that the City's capital investment when building a tower and base station is protected should this lease not work out. If the City cancelled the lease, it would remove the tower, base station and radio equipment; thus recuperating the bulk of its capital investment. The only remaining capital items would be the cement footings. The design RFP will consider the options of a fixed building or a modular building to house the base station equipment. Use of a modular building will allow the City to remove that investment should early lease termination occur. The tower will always be removable and most of the project costs involve the tower.

Comparison of the two alternatives is summarized in the table below.

CONSTRUCT CITY COMMUNICATIONS SITE	CONTINUE LEASING
\$520,000 capital investment	No capital investment
Lease: \$20,400 + 2% annual increase	Lease: \$39,504 + 4.5% annual increase
No cost for connecting additional equipment	Additional equipment connections added at current lessor prices
Secured facility	Unsecured facility; alarms & tenant keycards do not work
Minimized theft, vandalism & graffiti due to increased site security	Theft, vandalism & graffiti continue to occur
City controlled maintenance	American Towers controls maintenance
Tower & base station may be moved at end of lease	

ALTERNATIVES

1. Approve and authorize the recommended action as presented in this staff report. *This alternative will facilitate building our own communications site, reduce the land lease costs by more than 50%, limit annual increases, and enable the City to add equipment without affecting lease costs.*

- 2. Do not approve or authorize the recommended action as presented in this staff report. *This alternative will continue leasing radio tower space from American Towers. This alternative will not address the unacceptable and continually deteriorating condition of the current base station nor will it address the constantly increasing costs, especially as equipment is added to the tower. As the City desires to add equipment, the lease prices will increase for each piece of equipment added.*

FISCAL IMPACT

The costs of leasing tower and base station space on Box Springs Mountain have become unreasonably high and our current lessor has advised the City that costs will continue to grow at 4.5% per year. When the City initiated the current lease in 1999, the cost was \$16,000 per year. Over the past fifteen years, the costs have grown to \$39,504; an average growth rate of approximately 5.81% per year.

CF&D and the City have negotiated an initial lease cost of \$20,400 per year with the option of a 3% discount if the annual price is paid in advance. \$20,400 is close to the lease price paid in 2003. The lease does provide for annual increases of 2% or less.

Since this lease is an initial phase of a project that includes a large capital investment, building a tower and base station, the estimated capital costs for the whole project should be considered. The Capital Projects budget for the entire project is \$520,000; the source of these funds was an allocation from the General Fund several years ago in order to build a communications site. \$51,000 has already been spent on an environmental study for the CF&D location. The remaining budget of \$469,000 will include design and construction of the Box Springs Communication Site (radio tower and base station) as well as project administration.

When the capital and cumulative lease costs (including asset depreciation costs) are compared to continuing the current lease, the cumulative costs of the current lease becomes more expensive in the 21st year. Thus, the City will begin to realize a quantifiable savings on its investment in 21 years if only the current radio equipment remains on the tower. However, one of the advantages of the City building its own tower is the ability to add equipment without increasing lease costs. Thus, the time to realize savings on this investment may actually be shorter than 21 years.

Funding for the American Towers annual lease is budgeted in the Technology Services Division budget. These same funds will be used to pay the new lease and cover the maintenance needs of the site, thus the lease agreement will continue to be fully funded as the budget is approved each year by the City Council.

BUDGETED FUND FOR DESIGN AND CONSTRUCTION

Technology Services Project Fund	
(Account No. 7220-30-39-80003) (Project 803 0011 30 39).....	\$520,000
Total Project Budget	\$520,000

ESTIMATED PROJECT COSTS

Environmental Study	\$ 51,000
Design and Construction	\$ 440,000
Project Administration	\$ 29,000
Total Estimated Cost.....	\$ 520,000

PREPARATION OF STAFF REPORT

Prepared By:
Steve Hargis
Technology Services Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer

Concurred By:
Henry Ngo
Senior Engineer, P.E.

CITY COUNCIL GOALS

None

ATTACHMENTS

1. CFD Lease Agreement
2. Determination Letter from County of Riverside

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	6/29/15 8:30 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 11:54 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:20 PM

BOX SPRINGS MOUNTAIN GROUND LEASE

THIS LEASE is made between C F & D CORP. whose mailing address is 6774 Magnolia Ave., Riverside, Ca. 92506, and CITY OF MORENO VALLEY whose mailing address is, P.O. BOX 88055, MORENO VALLEY, CA 92552-0805 hereinafter called respectively "Lessor" and "Lessee" without regard to number or gender.

IT IS AGREED between Lessor and Lessee as follows:

1. **LEASED PROPERTY:** Lessor leases to Lessee and Lessee hires from Lessor on the terms and conditions hereinafter set forth, for Lessee's exclusive use, sufficient ground space for Ground Lease, See Attached A, a hand Sketched Drawing, final placement. The proposed lot will be uses for the Box Springs Communication Tower Site which includes shelter, equipment and tower. Said Lot to be located adjacent to underground fuel tank, located at Lessor's Box Springs Mountain Radio Repeater Site at 11050 Box Springs Mountain Road, Moreno Valley, Ca.

(a) Lessee shall not allow, cause or permit, for any reason, any lien or encumbrance to be placed upon or arise from this Lease against the Leased Real Property, which shall remain under the sole control of the Lessor.

(b) Lessor will provide electrical service to it's building at the sole expense of Lessor.

(c) Lessee agrees to provide complete cooperation in the event of on-site electrical or radio interference. Lessor agrees to provide like cooperation, as well as causing other tenants to provide the same.

(d) Lessee agrees that should its equipment be found to be the cause of electrical or radio interference, Lessee shall, upon written notice

from Lessor, take immediate steps to deactivate the offending equipment.

2. **TERM:** The term of this Lease shall be for Five (5) years with option of automatic extension upon concurrence of the City Manager for an additional Seven (7) Five (5) years terms starting date_____. Should Lessee not elect to hold over at the end of the term of this Lease, Lessee will notify Lessor of said intent, in writing, no later than six months prior to end of term.

3. **RENT:** The Lessee agrees to and shall pay to Lessor at its address set forth above as rent for the use of the Leased Property the total sum of \$20,400.00 per year, payable at the rate of \$1,700.00 per month commencing on:_____such rental payable in advance on the first (1st) day of each month. Lessee may elect to pay, a year's rent in advance of \$19,788.00, this sum reflects a three (3) percent discount on the total sum due.

4. **RENTAL INCREASES:** At the end of the term stipulated in paragraph (2), TERM the Lessor shall have the right to increase the rent to take in to account increases in costs due to inflation and other costs, upon notification by mail thirty (30) days prior to such increases. The increases will be considered on an annual basis.

5. **LATE CHARGES:** The Lessor has the right to charge, and the Lessee agrees to pay a 1.5% late charge that shall be a minimum of \$1.00 per month, if rent is not paid in full by the 10th of the month following the statement date.

6. **SECURITY MEASURES:** Lessee agrees to conform with Lessor's reasonable security measures regarding gates, locks, etc. Lessee agrees to pay to Lessor a fine not to exceed \$100.00 for any breach of security

by Lessee, his agent, officers, employees and persons with whom it deals, within ten (10) days of written notification by Lessor.

7. **USE**: The ground space provided shall be for the sole and exclusive use of Lessee for a relay point in the normal pursuance of its business and for no other purpose.

8. **TAXES AND INSURANCE**: Lessee shall pay any and all premium charges for fire, extended coverage's or any other insurance coverage and all real property taxes related to the construction by Lessee.

9. **ABANDONMENT**: Lessee shall not vacate or abandon the premises at any time during the term of this Lease.

10. **REPAIRS AND MAINTENANCE**: Lessee shall, at his sole expense, keep and maintain his property on site in good order and the appurtenances and every part thereof. Furthermore, Lessee shall not cause or allow Lessee's employees, officer or agents to deposit trash in and /or around the exterior areas of the site.

11. **ACCEPTANCE AND SURRENDER**: Lessee hereby accepts the Leased Property as being in good and proper condition for the above-stated use and agrees on the last day of the term of this Lease, or sooner termination, to surrender unto Lessor all singular property in good condition, reasonable use and wear thereof and damage by fire, acts of God or by elements excepted.

12. **COMPLIANCE WITH THE LAW**: Lessee shall at its sole cost and expense, comply with all the requirements of all Municipal, State and Federal authorities now in force, or which may hereafter be in force pertaining to its user spaces on the Leased Property, and shall faithfully observe in such use all Municipal Ordinances and State and Federal Statues

now in force or which may hereafter be in force.

13. **ENTRY**: Lessee shall permit Lessor or its agents entry into and upon Leased Property at all reasonable times for the purpose of inspection of the Leased Property.

14. **INSOLVENCY**: Either the appointment of a receiver to take possession of all or substantially all of the assets of Lessee, or a general assignment by Lessee for the benefit of creditors, or any action taken or suffered by Lessee under any solvency or bankruptcy act shall constitute a breach of the Lease by Lessee.

15. **ASSIGNMENT**: Lessee shall not assign this Lease or any interest therein and shall not sublet the Leased Property or any part thereof or any right or privilege appurtenant thereto without the prior written consent of Lessor.

16. **REMEDIES ON DEFAULT**: In the event of any breach of this Lease by Lessee, Lessor, besides other rights or remedies he may have, shall have immediate right of re-entry and may remove all persons and property from the premises. No such re-entry or taking of possession by Lessor shall be construed as an election on Lessor's part to terminate this Lease unless a written notice of such intention be given to Lessee by Lessor. In the event Lessee shall be in default of any payment to be made to Lessor as herein provided for any period in excess of thirty (30) days, then, in addition to any other rights or remedies Lessor may have, Lessor may, with ten (10) days written notice, turn-off or disconnect all power sources or connections to Lessee's equipment on the Leased Property.

17. **ATTORNEY'S FEES**: In case suit shall be brought for the breach of any covenant or condition herein contained, on the part of Lessee or

Lessor to be kept or performed, the prevailing party shall be entitled to such reasonable attorney's fees as shall be fixed by a court of competent jurisdiction, and all other costs and expenses of suit.

18. **WAIVER**: Failure or delay on the part of Lessor to exercise any right, power or privilege hereunder shall not operate as a waiver thereof.

19. **HOLDING OVER**: Any holding over after the expiration of the said term, with the consent of Lessor, shall be construed to be month to month tenancy on the terms and conditions herein. If month to month tenancy should occur Lessor and Lessee shall have the right to terminate Lease at the end of any month providing thirty (30) days written notice has been given.

20. **BINDING ON SUCCESSORS**: The covenants and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto.

21. **TIME**: Time is of the essence of this Lease and all the covenants, conditions, agreements and obligations herein contained.

22. **CAPTIONS**: Captions used herein are for indexing purposes and shall create no substantive effect.

23. **NOTICES OR DEMANDS**: Each and every notice or demand provided for under this Lease or for any other purpose shall be given in writing and delivered in person or by certified or registered mail at the address set forth above, for each party, or such other change of address as given in writing by one party to the other.

24. **NO SUBLET**: Lessee shall not have the right to sublet any part of the Leased Property.

25. **HOLD HARMLESS**: This Lease is made on the express condition that

Lessor is free from all liability for injury to the person or property of Lessee, his agents, officers, employees and persons with whom it deals. Lessee hereby covenants and agrees to, and shall defend Lessor and save him harmless for any and all liability, loss, cost or obligation3 on account of, or arising out of, any such injury or loss however occurring.

26. **NO PARTNERSHIP:** It is expressly understood that Lessor and Lessee do not, in any way or for any purpose, become a partner of each other in the conduct of each other's business or otherwise, or a member of a joint enterprise.

27. **SUPERSEDEENCE:** This agreement cancels and supersedes all previous agreements between the parties undersigned.

28. **SIGNATURES:** Signature of Lessee hereby covenants he has the right to bind Lessee to this Lease.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on

_____, 20____ at Riverside, California.

LESSOR: C, F & D CORP.

by: *Deann K. Johnson*
Owner

TITLE

LESSEE: CITY OF MORENO VALLEY

by: _____

TITLE

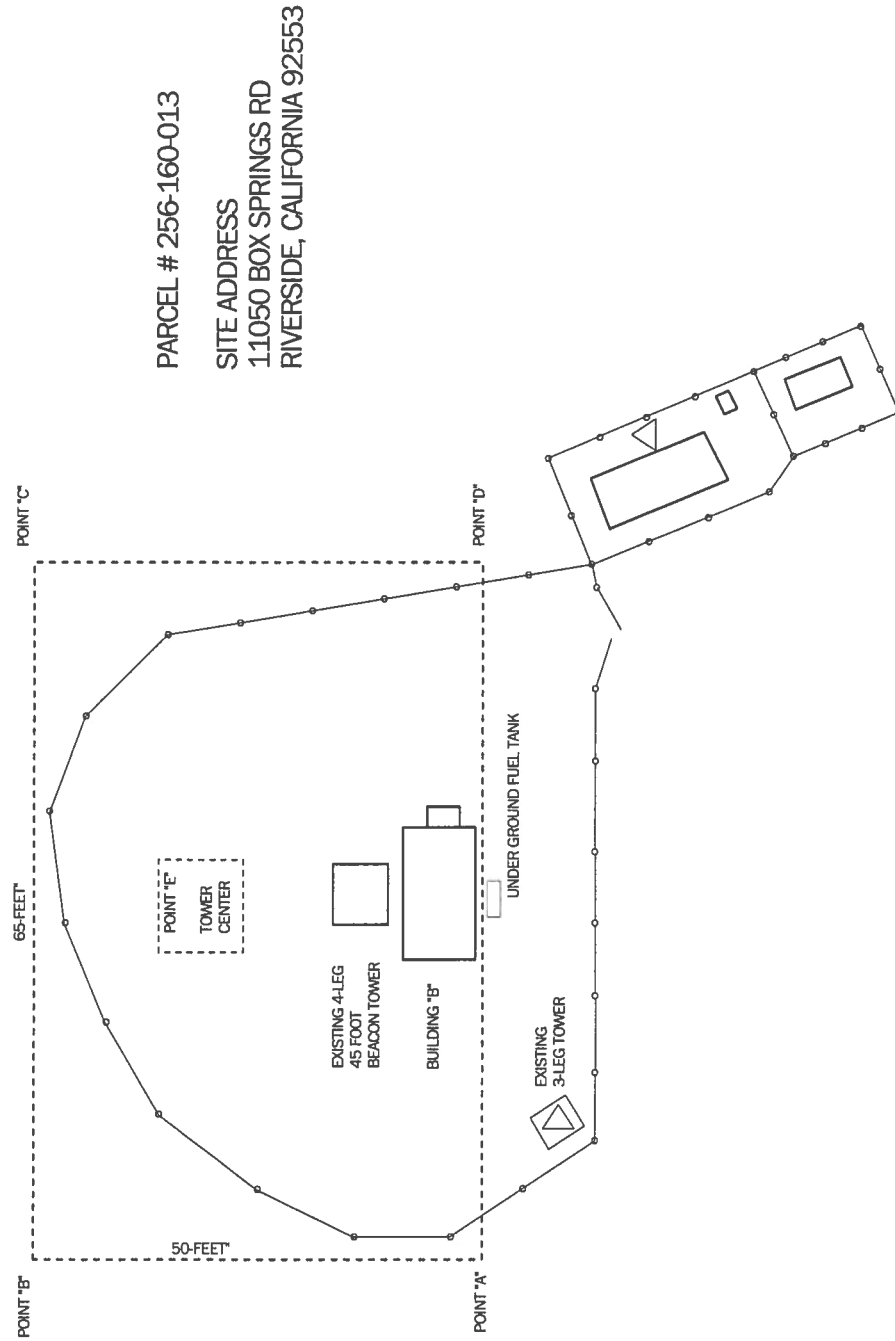
APPROVED AS TO FORM:

DATE 1-13-15

BY: *[Signature]*
CITY ATTORNEY
CITY OF MORENO VALLEY

CF & D SITE BOX SPRINGS
CITY OF MORENO VALLEY

ATTACHMENT "A"



PARCEL # 256-160-013
SITE ADDRESS
11050 BOX SPRINGS RD
RIVERSIDE, CALIFORNIA 92553

- POINT "A"
33-57-36.3352 N
117-16-45.0130 W
ELEV: 895-M / 2,937-FT
- POINT "B"
33-57-35.9030 N
117-16-44.9584 W
ELEV: 891-M / 2,925-FT
- POINT "C"
33-57-35.8200 N
117-16-45.7002 W
ELEV: 892-M / 2,929-FT
- POINT "D"
33-57-36.2938 N
117-16-45.8677 W
ELEV: 893-M / 2,930-FT
- POINT "E"
33-57-36.78 N
117-16-45.48 W
ELEV: 893-M / 2,930-FT

NOTES:
POINTS A, B, C, D, E TAKEN WITH TRIMBLE GEOXH GPS
POINTS A, B, C, D, E ARE MARKED ON ONSITE
LATITUDE AND LONGITUDE POINTS TO BE VERIFIED BY SURVEY

PROJECT NAME: PROPOSED CITY COMMUNICATIONS SITE	PAGE: 1	OF 1
SITE ADDRESS(S): 11050 BOX SPRINGS ROAD, RIVERSIDE, CALIFORNIA 92553		
LOCATION: BOX SPRINGS MOUNTAIN		
DESCRIPTION: CF & D SITE		
SCALE: NOT TO SCALE		

CITY OF MORENO VALLEY
TELECOMMUNICATIONS

DRAWN BY: DAVID EBARRA	DATE: DECEMBER 18, 2014
DRAWING NUMBER: ACAD_0000X	UPDATED: DECEMBER 18, 2014
REVISION: 2.0	DRAWING TYPE: SITE PLOT PLAN
CAD FILE NAME: \\CF.D_SITE_PLAN	



RIVERSIDE COUNTY PLANNING DEPARTMENT

Steve Weiss, AICP
Planning Director

May 27, 2015

Henry Ngo, Senior Engineer
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

RE: PP25823 80 ft. high radio tower for City Communications

Dear Mr. Ngo,

We are in receipt of the City of Moreno Valley's ("City") application for an eighty foot (80') high radio tower to be located on APN No. 256-160-013, which will be used for the City's communications. The application has been assigned project number PP25823. The Riverside County Planning Department determined that the City's proposed project is not subject to Riverside County's Zoning Ordinance No. 348 based upon the City's proposed use of the land.

Section 18.2.a.b.(1) of Riverside County Ordinance No. 348 provides the following:

"No federal, state, county or city governmental project shall be subject to the provisions of this ordinance, including such projects operated by any combination of these agencies or by a private person for the benefit of any such government agency, unless the agency provides by contract or otherwise that the project shall be constructed or operated in compliance with any or all provisions of this ordinance."

Based on this language, the City's proposed project does not need to obtain a land use entitlement from the County of Riverside ("County") pursuant to Riverside County Ordinance No. 348. Therefore, for purposes related to land use entitlements, the County would not be considered the lead agency under the California Environmental Quality Act ("CEQA") because the County would not be approving a project under Riverside County Ordinance No. 348. The City's project will, however, need to be reviewed by the County's Building and Safety Department for any necessary grading or building permits and applicable environmental review.

Please provide a withdrawal letter for PP25823 so the unused deposit may be returned to the City.

Sincerely,

RIVERSIDE COUNTY PLANNING DEPARTMENT
Steve Weiss, AICP, Planning Director


Larry Ross, Principal Planner

Cc: Rick Sandzimier, Planning Official

Riverside Office · 4080 Lemon Street, 12th Floor
P.O. Box 1409, Riverside, California 92502-1409
(951) 955-3200 · Fax (951) 955-1811

Desert Office · 77-588 El Duna Court, Suite H
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Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 14, 2015

TITLE: APPROVE MORENO VALLEY UTILITY (MVU) ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAM UPDATES FOR FISCAL YEAR 2015/2016

RECOMMENDED ACTION

Recommendation:

1. Approve Moreno Valley Utility Energy Efficiency and Demand Response Program Updates for Fiscal Year 2015/2016.

SUMMARY

On November 13, 2012, the City Council approved Resolution No. 2012-88 adopting an energy audit and energy efficiency program for the customers of Moreno Valley Utility. The fiscal year 2015/2016 updates to this program include an expansion of the program for commercial customers, a residential energy efficiency program, and a demand response program for both commercial and residential customers.

This item was discussed at the Utilities Commission meeting on June 26, 2015.

DISCUSSION

The initial energy efficiency program adopted in 2012 focused primarily on small commercial customers, and included an energy audit and the direct installation of various energy efficiency measures related to lighting, weatherization, sensors/timers, and motors up to \$1,000 per customer.

Under the updates proposed for fiscal year 2015/2016, the energy efficiency program is expanded to include both commercial and residential customers, and also includes a demand response component. The highlights of the expanded programs include the following categories.

Residential Programs

Energy Audit and Direct Installation

This program targets high energy use customers and low-income customers, and provides a free energy audit, air conditioner tune-up, air conditioner filter change, duct testing and seal, and LED lights up to a value of \$1,000.

Rebate Program

Rebates will be provided to customers if they purchase the following energy efficient items:

Windows and Doors

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
Low-E Glass Windows & Doors	U-Factor .35 or less <u>and</u> Solar Heat Gain Coefficient (SHGC) 0.30 or less	NA	\$2.00 per SF	\$1.00 Per SF

Lighting

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
LED Downlight Recessed Retrofit Kits	Energy Star qualified; eligible brands/models labeled as Residential or Residential & Commercial, solid state downlight recessed on the Energy Star Website	NA	\$25.00 per Kit	\$25.00 per Kit

Energy Star Appliance Rebates

If required to be Energy Star Qualified, the appliance must be Energy Star Qualified at the time of purchase:

Appliance	Energy Star Required	Requirements	Limit per 5 Years	Rebate if purchased in the City	Rebate if purchased online or outside the City
Clothes Washer	Yes	Modified Energy Factor (MEF) 2.0 or greater; Water Factor (WF) 6.0 or lower	1	\$50.00 each	\$25.00 each

Refrigerator	Yes	Full size, 15 CF or larger	1	\$75.00 each	\$50.00 each
Freezer	Yes	At least 7.75 CF or Larger	1	\$50.00 each	\$25.00 each
Dishwasher	Yes	All makes installed in residence only	1	\$35.00 each	\$20.00 each
Room AC	Yes		3	\$35.00 each	\$20.00 each
Ceiling Fan	Yes		3	\$25.00 each	\$15.00 each
Solar Attic Fan		All makes installed in residence only	3	\$100.00 each	\$50.00 each
Pool Pump – Variable Speed		Replacement only. Spa pumps, single or two speed pumps do not qualify.	1	\$200.00 each	\$100.00 each
Solar Water Heater		Only applies to customers with electric water heaters	1	\$1,500.00 each	\$1,500.00 each
Electric Heat Pump Water Heater		Energy Factor 2.0 or greater, must be on qualified list	1	\$140.00 each	\$120.00 each

Weatherization

Measure	Requirements	Limit per 5 Years	Rebate if purchased in the City	Rebate if purchased online or outside the City
Attic Insulation	Minimum value of R-30 or R-19 if less than 24 inch attic clearance. Supporting documentation showing total square footage must be submitted along with documentation on existing & newly installed. NOT for new construction	NA	\$0.15 per SF	\$0.10 per SF

Measure	Requirements	Limit per 5 Years	Rebate if purchased in the City	Rebate if purchased online or outside the City
Central A/C & Heat Pumps	15 SEER to 15.9 SEER	2	\$140 per Ton	\$120 per Ton
Central A/C & Heat Pumps	16+ SEER	2	\$160 per Ton	\$140 per Ton

To encourage customers to shop MoVal, the rebates will be higher if the items are purchased in the City.

Air Conditioning and Heat Pump Tune-Up Program

A rebate of \$75 per air conditioner is proposed for those customers who hire a certified technician to perform a tune-up on existing units.

Commercial Programs

Energy Audit and Direct Installation

This program targets small- or medium-sized businesses whose electrical demand does not exceed 100 kW for three consecutive months in a twelve-month period. Eligible customers will be provided an energy audit, energy-saving measures, and equipment upgrades up to a value of \$3,000.

Custom Program

Moreno Valley Utility staff will work with customers who desire to install energy efficient measures outside of lighting, air conditioning, and motor retrofits. The incentive to be paid is proposed to be \$0.05 per kilowatt-hour saved over a one-year period, with a maximum incentive per project of \$25,000.

New Construction and Major Tenant Renovation

Incentives will be provided to customers for new construction and/or major tenant improvements to encourage energy savings designs above Title 24 requirements. The incentive to be paid is proposed to be \$0.05 per kilowatt-hour saved over a one-year period with a maximum incentive per project of \$25,000.

Retrofit Program

Incentives will be available to customers who retrofit existing lighting and the following equipment:

- Heating, ventilation, and air conditioning (HVAC)
- Chiller
- Thermal energy storage
- Motors
- Miscellaneous

Demand Response Program

Customers who enroll in the demand response program will receive a smart thermostat that will allow the utility to adjust the temperature in the home or small business. On certain days when demand for electricity is at its peak, MVU may initiate an event and adjust the thermostats of participating customers a few degrees to help reduce power consumption and reduce peak demand. Customers who participate in this program will receive a monthly bill credit of \$7.50 from June 1 to October 1, and will receive an additional credit of \$5.00 each time an event is initiated. Customers may choose to not participate in all events, and will consequently not receive a credit for the events they choose to override. The thermostat will be provided and installed at no charge to the customer; customers must have central air conditioning and internet access to

participate in the program

Terms and Conditions of the Programs

Customers will be required to complete an application, and all rebates will be paid to the account holder or owner of the property. Proof of purchase is required, and all applicants may be subject to inspection and/or verification of installation or purchase. The maximum allowable rebate total for residential customers is \$5,000 per fiscal year, and \$25,000 for business customers. For new construction or major tenant renovations, the City Manager may approve incentives greater than \$25,000.

ALTERNATIVES

1. Approve the Moreno Valley Utility Energy Efficiency and Demand Response Program Updates for Fiscal Year 2015/2016. *The expanded Energy Efficiency and Demand Response Programs provide greater benefit to all MVU customers, and help the utility to reach the energy savings targets as approved by the City Council.* Staff recommends this alternative.
2. Do not approve the Moreno Valley Utility Energy Efficiency and Demand Response Program Updates for Fiscal Year 2015/2016. *MVU customers will not be given the opportunity to save energy and money on their electric bill, and may impact the utility's ability to reach its energy savings targets.* Staff does not recommend this alternative.

FISCAL IMPACT

The Energy Efficiency and Demand Response Programs will be funded through the collection of state mandated Public Purpose Program funds, which the City Council formally adopted on January 13, 2004. The Fiscal Year 2015/2016 budget year has proposed an allocation of \$330,000 for the program. **Public Purpose Program funds can only be utilized under a strict umbrella of programs, determined at the State level of government.**

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Jeannette Olko
Electric Utility Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Richard Teichert
Chief Financial Officer

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

- 1. MVU FY 2015-16 Energy Efficiency Program

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	6/29/15 8:36 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 3:09 PM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:17 PM

MORENO VALLEY UTILITY – FY2015/2016 ENERGY EFFICIENCY PROGRAMS

OVERVIEW

Moreno Valley Utility (MVU) has developed an energy efficiency program portfolio that supports conservation of energy and deployment of technologies and strategies that reduce energy demand and generation resource requirements. These programs are designed to achieve energy savings, reduce customer bills, support economic development, reduce generation resource requirements and lessen environmental impacts.

The energy efficiency programs are intended to capture real energy savings in the short term, but also to prime the residential and commercial markets for increased use of energy efficiency measures over time. As such, the portfolio design has clear, specific, measurable goals that reflect both short-term and long-term priorities.

For the fiscal year 2015/2016, MVU will expand its program for commercial customers and implement its program for residential customers.

The Residential Energy Efficiency Program and the Commercial Energy Efficiency Program are made up of measures that are prescriptive with specific fixed rebate amounts for customers by rate class who meet the program requirements for the equipment purchased and installed. Prescriptive programs are typically mass-market programs that provide rebates at retail for efficient lighting or appliance purchases, or small commercial programs that reduce program overhead by offering fixed rebates for the installation of efficient lighting or controls.

The Custom Energy Efficiency Program allows a broader selection of measures that require calculation of the expected savings that the customer will achieve and offers an incentive for making improvements specific to the economics of the project that the customer installs. Typically, custom programs are used for larger commercial and industrial (C&I) customers, but they are sometimes also used for Comprehensive Portfolio residential retrofit programs.

Rebates are capped at 50% of the cost of the measure with the exception of the Custom Program which is capped at 25% of the installed measure. The maximum allowable rebate total for any fiscal year is \$5,000 for residential customers and \$25,000 for business customers.

Funding & Expected Results

The budget for this fiscal year is \$330,000 and is funded by Public Purpose Funds. The Energy savings target as approved by the City Council is 0.18% of retail sales. MVU will inspect approximately 3% of the measures installed.

RESIDENTIAL ENERGY EFFICIENCY PROGRAM

RESIDENTIAL ENERGY AUDITS & DIRECT INSTALL

This program targets very high energy use customers and participants in our Low Income Program. The programs provides eligible residential customers with a full in-home energy audit and specific recommendations for their home plus a fixed set of maintenance and upgrades provided at no cost to the customer up to the value cap set by energy use range or program participation. Measures included with this program are AC tune-ups, duct testing and sealing, HVAC filter change and energy efficient lighting. The program is provided on a first-come, first-served basis until program funds are no longer available. This program may be modified or terminated without prior notice.

Range of Annual Energy Use	In Home Energy Audit	AC Tune UP	AC System Filter Change	Duct Testing & Seal	LED Screw In Fixtures	Value Cap, includes cost of Audit
Over 11,000 kWhs	Yes	Yes	Yes	Yes		\$1,000.00
Low Income Program Participant	Yes	Yes	Yes	Yes	10 lamps various sizes	\$1,000.00

WINDOWS AND DOORS

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
Low-E Glass Windows & Doors	U-Factor .35 or less <u>and</u> Solar Heat Gain Coefficient (SHGC) 0.30 or less	NA	\$2.00 per SF	\$1.00 Per SF

LIGHTING

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
LED Downlight Recessed Retrofit Kits	Energy Star qualified; eligible brands/models are labeled as Residential or Residential & Commercial, solid state downlight recessed on the Energy Star Website	NA	\$25.00 per Kit	\$25.00 per Kit

ENERGY STAR APPLIANCE REBATES

If required to be Energy Star Qualified, the appliance must be Energy Star Qualified at the time of purchase:

Appliance	Energy Star Required	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
Clothes Washer	Yes	Modified Energy Factor (MEF) 2.0 or greater; Water Factor (WF) 6.0 or lower	1	\$50.00 each	\$25.00 each
Refrigerator	Yes	Full size, 15 CF or larger	1	\$75.00 each	\$50.00 each
Freezer	Yes	At least 7.75 CF or Larger	1	\$50.00 each	\$25.00 each
Dishwasher	Yes	All makes installed in residence only	1	\$35.00 each	\$20.00 each
Room AC	Yes		3	\$35.00 each	\$20.00 each
Ceiling Fan	Yes		3	\$25.00 each	\$15.00 each
Solar Attic Fan		All makes installed in residence only	3	\$100.00 each	\$50.00 each
Pool Pump – Variable Speed		Replacement only. Spa pumps, single or two speed pumps do not qualify.	1	\$200.00 each	\$100.00 each
Solar Water Heater		Only applies to customers with electric water heaters	1	\$1,500.00 each	\$1,500.00 each
Electric Heat Pump Water Heater		Energy Factor 2.0 or greater, must be on qualified list	1	\$140.00 each	\$120.00 each

WEATHERIZATION

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
Attic Insulation	Minimum value of R-30 or R-19 if less than 24 inch attic clearance. Supporting documentation showing total square footage must be submitted along with documentation on existing & newly installed. NOT for new construction	NA	\$0.15 per SF	\$0.10 per SF

HEATING VENTILATION AND AIR CONDITIONING (HVAC) SYSTEMS

CENTRAL AC & HEAT PUMP TUNE UP

Performed on existing central air conditioners or existing heat pump systems: \$75 per AC or Heat Pump Unit. Limit 2 per household per year. Systems must be at least one year old to be eligible. Contractor must be NATE Certified.

To qualify for rebate the service must be performed by a NATE Certified Technician. The Tune up must include: checking and correcting the unit's refrigerant pressure and tubing, checking and adjusting belt tension, cleaning and lubricating the indoor blower unit, replacing filters, cleaning inside the "A" coil, and checking the thermostat, wiring and other electric parts. A receipt from a NATE Certified, licensed contractor stating that the above work was completed must be provided.

CENTRAL AIR CONDITIONER & HEAT PUMP REPLACEMENTS

As of January 1, 2015, Central A/C must be a minimum of 15 SEER to qualify for Rebate. Qualifying units are evaluated based on AHRI product certification ratings.

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
Central A/C & Heat Pumps	15 SEER to 15.9 SEER	2	\$140 per Ton	\$120 per Ton
Central A/C & Heat Pumps	16+ SEER	2	\$160 per Ton	\$140 per Ton

Paid contractor receipt required indicating brand and model number plus copy of AHRI Certificate. For more information, please visit www.ahridirectory.org.

COOLING REWARDS – RESIDENTIAL DEMAND REDUCTION PROGRAM

During the peak summer months, on days when the demand for electricity is at its highest, MVU may initiate an Energy Event. A signal is sent to your thermostat to increase the setpoint temperature up to 4 degrees. These events are optional and help reduce power consumption and electricity load to ensure a stable energy supply. By participating, customers can earn a monthly bill credit and the opportunity to earn Rebate Credits that get applied to their bill at the end of the year.

Participating customers will receive \$7.50 credit per month from June through September plus an energy reward of \$5.00 each time the program is implemented during that period and the AC setpoint is successfully turned up for the duration of the event.

Eligible customers must have broadband Internet access and central A/C. An intelligent thermostat enabled with energy optimization service will be installed at no charge. Requirements: Central air conditioning; Broadband Internet access and router (MVU does not provide Internet access).

COMMERCIAL ENERGY EFFICIENCY PROGRAMS

CUSTOM ENERGY EFFICIENCY PROGRAM

Custom incentives depend on the type of retrofit conducted and are capped at 25% of the installed cost of the measure, are paid at \$0.05 per kilowatt-hour saved over a one year period. Additionally, the annual customer rebate total may not exceed \$25,000.

To qualify for rebates, customers must schedule an onsite inspection prior to installation and onsite post verification of installation. Customers must provide completed rebate applications, including energy savings calculations performed by a licensed mechanical engineer and paid invoices within four months of the project completion date in order to be eligible for rebate consideration.

NEW CONSTRUCTION AND MAJOR TENANT RENOVATION

MVU offers rebates for new construction and major tenant renovation to encourage energy saving designs. Maximum rebate per project is \$25,000 unless specifically approved by the City Manager, and may be subject to City Council approval. Customers may also be eligible to participate in the Economic Development Rate Program. In addition to the standard documentation required for our Commercial Energy Efficiency Program, the following guidelines will also apply:

- Projects exceeding Title 24 by at least 10% will be eligible for incentives upon construction completion. Rebates will be based on the whole building performance of 10% over Title 24 baseline design standards.
- Incentives are paid at a rate of \$0.05 per kWh of annual savings in excess of Title 24 standards for electric-saving measures only.
- Customer is responsible for providing documentation of savings that are at least 10% above Title 24 baseline through an energy modeling software. Calculations must be signed by a licensed mechanical engineer.

COMMERCIAL DEEMED SAVINGS ENERGY EFFICIENCY PROGRAM

COMMERCIAL ENERGY AUDITS & DIRECT INSTALL

The Direct Install program provides eligible small- or medium-sized business customers with an onsite energy audit, energy-saving measures and equipment upgrades at no cost, providing a value up to \$3,000. This program is only available to qualified businesses that have electrical demand that does not exceed 100 kW for three consecutive months in a twelve-month period.

The program is provided on a first-come, first-served basis until program funds are no longer available. This program may be modified or terminated without prior notice.

MVU will send a certified energy resource manager to the customer's facility to conduct an onsite energy audit and will prepare and provide an audit report to the customer listing recommended retrofits and behavioral change measures. Each recommendation will include the cost to perform the retrofit, anticipated annual energy savings, and simple payback.

Business customers can select recommendations they would like to install and MVU's certified installers will conduct the work at the facility.

MVU will fund the energy audit, report preparation and cost of installation of measures up to a maximum cap of \$3,000 per site. Each customer site may participate one time regardless of change of tenancy or ownership.

If the customer elects to install measures above the MVU funding cap, then the customer may use the MVU contract installation service provider at the MVU negotiated pricing. The customer may also be eligible for an MVU rebate on their investment of measure above the cap under the Custom or Commercial Energy Efficiency Program.

LIGHTING RETROFITS

LED Fixture Retrofits: MVU will pay \$0.07 per kilowatt-hour saved over a one year period. In addition to the standard documentation required for a rebate, the following will be required for LED rebate applications:

- All new LED fixtures shall be UL listed, Energy Star™ labeled or contain labeling by an approved agency.
- Must be rated for a minimum life of 50,000 hours of operation.
- Manufacturer's warranty for LED fixtures must be a minimum of three years.

Other Energy Efficient Lighting: For all other lighting retrofits, the rebate is \$0.05 per kilowatt-hour saved over a one year period.

Exit Signs:

MVU offers rebates for when replacing older incandescent or fluorescent exit signs with LED or Photo-Luminescent exit signs. The rebate for exit sign replacement is \$20 per fixture when meeting the following criteria:

- Exit signs shall be LED or Photo-Luminescent and replace older incandescent or fluorescent exit signs.
- Qualifying exit signs must meet City of Moreno Valley fire and building codes.

COMMERCIAL CENTRAL AC & HEAT PUMP TUNE UP

Performed on existing central air conditioners or existing heat pump systems: \$75 per AC or Heat Pump Unit. Limit 1 per household per year. Systems must be at least one year old to be eligible. Contractor must be NATE Certified.

To qualify for rebate the service must be performed by a NATE Certified Technician. The Tune up must include: checking and correcting the unit's refrigerant pressure and tubing, checking and adjusting belt tension, cleaning and lubricating the indoor blower unit, replacing filters, cleaning inside the "A" coil, and checking the thermostat, wiring and other electric parts.

A receipt from a NATE Certified, licensed contractor stating that the above work was completed must be provided.

COMMERCIAL HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) RETROFITS

MVU will provide rebates based on the efficiency rating of the HVAC unit purchased. The higher the SEER, the greater the rebate. Qualifying units are evaluated based on AHRI product certification ratings.

As of January 1, 2015, Central A/C must be a minimum of 15 SEER to qualify for Rebate.

Measure	Requirements	Limit per 5 Years	Rebate Amount, if purchased in the City	Rebate Amount, if purchased online or outside the City
Central A/C & Heat Pumps	15 SEER to 15.9 SEER	2	\$140 per Ton	\$120 per Ton
Central A/C & Heat Pumps	16+ SEER	2	\$160 per Ton	\$140 per Ton

Paid contractor receipt required indicating brand and model number plus copy of AHRI Certificate. For more information, please visit www.ahridirectory.org.

CHILLER RETROFITS

MVU will pay \$0.05 per kilowatt-hour saved over a one year period for customers who elect to perform an early retirement of their inefficient equipment and install a new unit that exceeds Title 24 requirements. If replacing equipment that is no longer operational, rebates will be determined based on energy-savings exceeding Title 24 requirements.

THERMAL ENERGY STORAGE

Thermal Energy Storage (TES) is a method of shifting the demand of small commercial air conditioning systems from peak energy demand times to off-peak hours. TES systems make ice during off-peak hours and use the stored thermal energy during peak demand hours to provide cooling. The incentive is \$800 per kilowatt of demand shifted to off-peak.

MISCELLANEOUS ENERGY-SAVING RETROFITS

The vast majority of business retrofit projects will fall into the categories listed above. For those energy-saving projects that don't fall neatly into one of the above categories, yet will meet the criteria of this program, MVU will pay \$0.05 per kilowatt-hour saved over a one year period. See the Custom Rebate Program.

MOTOR REPLACEMENTS

MVU will provide incentives for premium efficiency motors as determined by the standards established by the U. S. Department of Energy’s Federal Energy Management Program. Motors covered under this program must be new, three phase, induction motors, NEMA Design A & B, from at least 1 hp in size to 200 hp ODP or TEFC motors with 1,200, 1,800 or 3,600 RPM and operate at least for 2,000 hours per year. These motors are used for HVAC fans, pumping and conveyance applications and are based on California’s Title 24 standards. The minimum nominal full-load motor efficiencies and incentives for the permanently wired, three-phase motors are listed below:

OPEN DRIP PROOF (ODP)				
SIZE HP	Speed (RPM) Customer			Customer Incentive (\$/Motor)
	1200	1800	3600	
	NEMA Nominal Efficiency			
1	82.5%	85.5%	77.0%	\$35
1.5	86.5%	86.5%	84.0%	\$35
2	87.5%	86.5%	85.5%	\$35
3	88.5%	89.6%	85.5%	\$40
5	89.5%	89.5%	86.5%	\$50
7.5	90.2%	91.0%	88.5%	\$60
10	91.7%	91.7%	89.5%	\$70
15	91.7%	93.0%	90.2%	\$80
20	92.4%	93.0%	91.0%	\$90
25	93.0%	93.6%	91.7%	\$135
30	93.6%	94.1%	91.7%	\$230
40	94.1%	94.1%	92.4%	\$300
50	94.1%	94.5%	93.0%	\$320
60	94.5%	95.0%	93.6%	\$355
75	94.5%	95.0%	93.6%	\$540
100	95.0%	95.4%	93.6%	\$720
125	95.0%	95.4%	94.1%	\$945
150	95.4%	95.8%	94.1%	\$1260
200	95.4%	95.8%	95.0%	\$1260

TOTALLY ENCLOSED FAN COOLED				
SIZE HP	Speed (RPM) Customer			Customer Incentive (\$/Motor)
	1200	1800	3600	
	NEMA Nominal Efficiency			
1	82.5%	85.5%	77.0%	\$35
1.5	87.5%	86.5%	84.0%	\$35
2	88.5%	86.5%	85.5%	\$35
3	89.5%	89.5%	86.5%	\$40
5	89.5%	89.5%	88.5%	\$50
7.5	91.0%	91.7%	89.5%	\$60
10	91.0%	91.7%	90.2%	\$70
15	91.7%	92.4%	91.0%	\$80
20	91.7%	93.0%	91.0%	\$90
25	93.0%	93.6%	91.7%	\$135
30	93.0%	93.6%	91.7%	\$230
40	94.1%	94.1%	92.4%	\$300
50	94.1%	94.5%	93.0%	\$320
60	94.5%	95.0%	93.6%	\$355
75	94.5%	95.4%	93.6%	\$540
100	95.0%	95.4%	94.1%	\$720
125	95.0%	95.4%	95.0%	\$945
150	95.8%	95.8%	95.0%	\$1260
200	95.8%	96.2%	95.4%	\$1260

Attachment: MVU FY 2015-16 Energy Efficiency Program [Revision 1] (1547 : APPROVE ENERGY EFFICIENCY AND DEMAND RESPONSE

PROGRAM PARTICIPATION INFORMATION TERMS & CONDITIONS – THE FINE PRINT

- Rebates will be paid to the customer of record or the owner of the property and cannot be assigned to a contractor or other third party. The customer of record is the primary or secondary name on the electric service account.
- Rebates are for existing homes and businesses only with the exception of the participants in the New Construction Program.
- Limited funds. Rebates are limited, not guaranteed and may be terminated without prior notice.
- **Applications for rebates totaling \$5,000 or more require pre-approval from MVU.** All measures must be installed and rebate applications postmarked no later than 30 days past from the end of the Fiscal Year or July 31, 2016.
- Rebates are capped at 50% of the cost of the measure with the exception of the Custom Program which is capped at 25% of the cost of the installed measure. The maximum allowable rebate total for any fiscal year is \$5,000 for residential customer sites and \$25,000 for business customer sites, except as approved by the City Manager, subject to approval by the City Council.
- The MVU Energy Efficiency Program is a Fiscal Year Program and thus the term “annually” or “fiscal year” for this program means from July 1 to June 30 of the program year.
- Rebate check time frame: If all program requirements are met, a rebate check is generally mailed within 6 to 8 weeks, unless the application is selected for inspection, which may take additional time. Incomplete applications will not be processed.
- Keep copies: Customers are advised to keep a copy of their completed application with required documentation (including receipts, invoices, etc.) for their records.
- Licensed Contractor Required: If replacing a Heating Ventilation and Air Conditioning (HVAC) system or installing attic insulation, these projects must be completed by a licensed contractor.
- Rebate frequency: A customer may only receive a rebate for the same product at the frequency indicated in the charts for this section or program description language.
- NEM customers: Net energy metered (self-generating) customer’s rebate amount will be determined by the percentage of their total energy usage that is not offset by their photovoltaic system. For example, if only 25% of an NEM customer’s energy is supplied by MVU then their incentive is reduced to 25% of the rebate amount listed on the application.
- Building permit requirements. Building permits are a requirement for certain projects, including the replacement of a Heating, Ventilation and Air Conditioning (HVAC) systems. Failure to apply for a building permit, when one is required, can result in a

- fine from the City building department and disqualification for receipt of rebate. Call the City building department for more information.
- The equipment must be new and installed at the residence or business service address listed on the application prior to submittal of an application. Resale units, units leased, rebuilt, rented, won as a prize or partially retrofitted units do not qualify.
 - To receive a rebate, customers must allow an onsite inspection if requested. The rebate will not be paid if participation in any required pre-payment verification is refused. Projects may be selected for evaluation studies and/or program measurement by external contractors appointed by MVU. These types of studies are used to analyze current program performance and improve future programs.
 - The selection, purchase, installation and ownership and maintenance of the product or improvement listed on the application is the sole responsibility of the customer and the customer's supplier, installer or contractor who provided the products or improvements is not an agent or representative of MVU. With respect to the measures a customer may choose to install, MVU makes no warranty, whether expressed or implied, including warranty of merchantability or fitness for any particular purpose. MVU has no liability whatsoever concerning (1) the measures installed; and the workmanship of any third parties.
 - By participating in the rebate program, the customer agrees to continue using the incentivized equipment for the service life of the product (as per manufacturer's recommendations) or for five years, whichever is less. If the customer does not comply with this requirement, MVU has the right to seek a refund for a prorated amount of the original incentive initially paid to the customer. Under no circumstances will rebates exceed 50 percent of the purchase price of the item. For purposes of the commercial program the "purchase price" includes unit cost plus installation labor. Customers who self-install may not charge installation labor. This charge applies to vendor labor only. Sales tax is not included in the item's purchase price.
 - The customer must provide proof-of-purchase for all equipment for which they are applying for a rebate with each rebate application. This documentation should include all of the following information: Customer name and address of installation; Text description of each type of equipment installed; Make or brand name and model number; Serial number (if applicable); Quantity installed; Cost per unit; Sales tax; Date of purchase; Vendor contact information (if applicable); and Receipt/invoice that shows fully paid.

TAX LIABILITY—Rebates and incentives may be taxable. Customers are urged to consult their tax advisor concerning the taxability of rebates. MVU is not responsible for any taxes that may be imposed on the customer as a result receiving a rebate.



Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: July 14, 2015

TITLE: PAYMENT REGISTER - MAY 2015

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Payment Register.

SUMMARY

The Payment Register is an important report providing transparency of financial transactions and payments for City activity for review by the City Council and the residents and businesses in Moreno Valley. The report is posted to the City's website as soon as it is available. The report is included in the City Council agenda as an additional means of distributing the report.

The payment register lists in alphabetical order all checks and wires in the amount of \$25,000 or greater, followed by a listing in alphabetical order of all checks and wires less than \$25,000. The payment register also includes the fiscal year-to-date (FYTD) amount paid to each vendor.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Financial Operations Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer

CITY COUNCIL GOALS

None

ATTACHMENTS

1. May 2015 Payment Register

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	6/24/15 5:10 PM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 11:54 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:09 PM



City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ACCELA, INC.	14973	05/14/2015	SSI01099	AUTOMATION/CIVIC PLATFORM-SUBSCRIPTION SVCS FOR 3/31/15-3/30/15	\$548,373.15
Remit to: CHICAGO, IL					FYTD: \$1,083,449.15
AKM CONSULTING ENGINEERS, INC	225127	05/26/2015	8200	CONSULTANT - SAN TIMOTEO FOOTHILL SK K-1 & K-2	\$50,070.00
Remit to: IRVINE, CA					FYTD: \$168,768.68
ALBERT A. WEBB ASSOCIATES	14873	05/04/2015	150739	CONSULTANT - EDGEMONT WATER SYSTEM REPLACEMENT	\$61,332.23
	14936	05/11/2015	151311	CONSULTANT - EDGEMONT WATER SYSTEM REPLACEMENT	\$72,081.10
Remit to: RIVERSIDE, CA					FYTD: \$228,649.84
BANC OF AMERICA PUBLIC CAPITAL CORP	14930	05/01/2015	W150503	2011 PRIV PLC REF OF 97 LRB-MAY 2015 INTEREST	\$46,048.60
Remit to: ATLANTA, GA					FYTD: \$1,125,241.70
COMPUCOM	225042	05/18/2015	62757561	MICROSOFT 3-YEAR ENTERPRISE LICENSE AGREEMENT	\$126,974.68
Remit to: CITY OF INDUSTRY, CA					FYTD: \$131,029.10
COUNTY OF RIVERSIDE SHERIFF	14925	05/05/2015	SH0000025807	CONTRACT LAW ENF. BILLING #8 (1/8-2/4/15)	\$2,430,374.32
	15049	05/26/2015	SH0000025936	CONTRACT LAW ENF. BILLING #9 (2/5-3/4/15)	\$2,304,561.02
Remit to: RIVERSIDE, CA					FYTD: \$33,649,449.76
COUNTY OF RIVERSIDE, AUDITOR- CONTROLLER	225045	05/18/2015	JAN-15	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	\$89,007.50
		05/18/2015	OCT-14	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	
		05/18/2015	DEC-14	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



**City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015**

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
COUNTY OF RIVERSIDE, AUDITOR- CONTROLLER	225045	05/18/2015	FEB-15	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	\$89,007.50
	225134	05/26/2015	MAR-15	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	\$31,620.06
Remit to: RIVERSIDE, CA					FYTD: \$254,954.30
DATA TICKET, INC.	14990	05/18/2015	57551	PARKING CITATION PROCESSING SVCS-CODE-OCT14	\$52,071.35
		05/18/2015	58923	PARKING CITATION PROCESSING SVCS-CODE-DEC14	
		05/18/2015	60140	PARKING CITATION PROCESSING SVCS-CODE-FEB15	
		05/18/2015	57551TPC	THIRD PARTY COLLECTIONS-CODE-OCT14	
		05/18/2015	59609	PARKING CITATION PROCESSING SVCS-CODE-JAN15	
		05/18/2015	61874-TPC	THIRD PARTY COLLECTIONS-CODE-DEC14	
		05/18/2015	61875-TPC	THIRD PARTY COLLECTIONS-CODE-JAN15	
Remit to: NEWPORT BEACH, CA					FYTD: \$204,601.62
E. AVICO, INC	14946	05/11/2015	1064267	CONSTRUCTION - FIRE STATION #48 REMODEL	\$64,135.69
Remit to: LOS ANGELES, CA					FYTD: \$398,278.24
EASTERN MUNICIPAL WATER DISTRICT	225048	05/18/2015	APR-15 5/18/15	WATER CHARGES	\$60,434.15
	225141	05/26/2015	MAY-15 5/26/15	WATER CHARGES	\$29,427.12
		05/26/2015	APR-15 5/26/15	WATER CHARGES	
Remit to: PERRIS, CA					FYTD: \$1,541,687.68
EMPLOYMENT DEVELOPMENT DEPARTMENT	14918	05/01/2015	2015-00000410	CA TAX - STATE TAX WITHHOLDING	\$29,682.13
	14976	05/15/2015	2015-00000427	CA TAX - STATE TAX WITHHOLDING	\$31,292.43

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
EMPLOYMENT DEVELOPMENT DEPARTMENT	15091	05/29/2015	2015-00000448	CA TAX - STATE TAX WITHHOLDING	\$30,712.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$852,878.77
ENCO UTILITY SERVICES MORENO VALLEY LLC	14879	05/04/2015	0402-MF-01631A	SOLAR METER INSTALLATION	\$25,708.13
		05/04/2015	40-278B-04	WORK AUTHORIZATION 40-278B	
		05/04/2015	40-312-04	WORK AUTHORIZATION 40-312	
		05/04/2015	40-311B-02	WORK AUTHORIZATION 40-311B	
		05/04/2015	40-294A-08	WORK AUTHORIZATION 40-294A	
		05/04/2015	40-313A-01	WORK AUTHORIZATION 40-313A	
		05/04/2015	40-314A-01	WORK AUTHORIZATION 40-314A	
		05/04/2015	40-314B-01	WORK AUTHORIZATION 40-314B	
		05/04/2015	40-309A-06	WORK AUTHORIZATION 40-309A	
		05/04/2015	40-296B-10	WORK AUTHORIZATION 40-296B	
		05/04/2015	40-302B-09	WORK AUTHORIZATION 40-302B	
		05/04/2015	40-311B-01	WORK AUTHORIZATION 40-311B	
		05/04/2015	0402-MF-01629A	SOLAR METER INSTALLATION	
		05/04/2015	40-308B-03	WORK AUTHORIZATION 40-308B	
		05/04/2015	0402-MF-01630A	SOLAR METER INSTALLATION	
		05/04/2015	0402-MF-01632A	SOLAR METER INSTALLATION	
		05/04/2015	40-282B-14	WORK AUTHORIZATION 40-282B	
		05/04/2015	0402-MF-01566A	SOLAR METER INSTALLATION	
		05/04/2015	0402-MF-01624A	SOLAR METER INSTALLATION	
		05/04/2015	0402-MF-01625A	SOLAR METER INSTALLATION	

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City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ENCO UTILITY SERVICES MORENO VALLEY LLC	14879	05/04/2015	0402-MF-01626A	SOLAR METER INSTALLATION	\$25,708.13
		05/04/2015	0402-MF-01627A	SOLAR METER INSTALLATION	
		05/04/2015	0402-MF-01628A	SOLAR METER INSTALLATION	
		05/04/2015	40-308A-06	WORK AUTHORIZATION 40-308A	
		05/04/2015	40-308B-04	WORK AUTHORIZATION 40-308B	
	14948	05/11/2015	0405-MTS1-SP117	ELECTRIC METER FEES	\$530,190.91
		05/11/2015	0405-1-194	DISTRIBUTION CHARGES 1/30/15-3/2/15	
		05/11/2015	0402-MF-01633A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01634A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01635A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01637A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01638A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01644A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01641A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01640A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01646A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01647A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01648A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01649A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01642A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01650A	SOLAR METER INSTALLATION	
		05/11/2015	0402-MF-01651A	SOLAR METER INSTALLATION	
		05/11/2015	40-310B-02	INSPECTION - HEACOCK/SAN MICHELE TO PVSD	
		05/11/2015	0402-MF-01639A	SOLAR METER INSTALLATION	

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**City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015**

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ENCO UTILITY SERVICES MORENO VALLEY LLC	14948	05/11/2015	0405-1-195	DISTRIBUTION CHARGES 3/2/15-4/2/15	\$530,190.91
		05/11/2015	0402-MF-01643A	SOLAR METER INSTALLATION	
		05/11/2015	0406-Temp MF-103	ELECTRIC METER FEES	
	15056	05/26/2015	40-314A-02	WORK AUTHORIZATION 40-314A	\$278,251.82
		05/26/2015	40-278B-05	WORK AUTHORIZATION 40-278B	
		05/26/2015	40-313A-02	WORK AUTHORIZATION 40-313A	
		05/26/2015	40-314B-02	WORK AUTHORIZATION 40-314B	
		05/26/2015	40-308B-05	WORK AUTHORIZATION 40-308B	
		05/26/2015	40-311B-03	WORK AUTHORIZATION 40-311B	
		05/26/2015	0405-MTS1-SP118	ELECTRIC METER FEES	
		05/26/2015	0406-TEMP MF-104	ELECTRIC METER FEES	
		05/26/2015	0405-1-196	DISTRIBUTION CHARGES 4/2-5/4/15	
Remit to: ANAHEIM, CA					FYTD: \$4,364,492.65
ESRI, INC.	15057	05/26/2015	92979276	ANNUAL LICENSING RENEWAL	\$26,840.00
Remit to: REDLANDS, CA					FYTD: \$27,040.00
EXELON GENERATION COMPANY, LLC	14997	05/18/2015	MVEU-00013A	POWER PURCHASE-ELECTRICITY	\$611,824.00
Remit to: BALTIMORE, MD					FYTD: \$5,523,569.89
FAIRVIEW FORD SALES, INC.	225050	05/18/2015	150860	ANIMAL CONTROL SERVICE TRUCK	\$54,608.43
Remit to: SAN BERNARDINO, CA					FYTD: \$94,895.78
GRIFFITH COMPANY	225053	05/18/2015	2-Cactus	CONSTRUCTION - CACTUS/VETERANS TO HEACOCK	\$270,905.80

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



City of Moreno Valley
Payment Register
 For Period 5/1/2015 through 5/31/2015

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
GRIFFITH COMPANY	225148	05/26/2015	7	PERRIS WIDENING/IRONWOOD TO MANZANITA	\$208,754.33
Remit to: BREA, CA					<u>FYTD:</u> \$3,147,615.22
HABITAT FOR HUMANITY RIVERSIDE	15061	05/26/2015	DRAW NO. 22	NSP 3-8 SINGLE FAMILY HOMES-24265 MYERS AVE	\$60,826.54
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,187,337.63
HILLCREST CONTRACTING, INC	15062	05/26/2015	PB 23320	CONTRACTOR - NASON/CACTUS TO FIR	\$298,449.71
Remit to: CORONA, CA					<u>FYTD:</u> \$5,017,961.04
INTERNAL REVENUE SERVICE CENTER	14919	05/01/2015	2015-00000411	FED TAX - FEDERAL TAX WITHHOLDING*	\$118,029.59
	14978	05/15/2015	2015-00000429	FED TAX - FEDERAL TAX WITHHOLDING*	\$123,155.88
	15093	05/29/2015	2015-00000450	FED TAX - FEDERAL TAX WITHHOLDING*	\$120,929.03
Remit to: OGDEN, UT					<u>FYTD:</u> \$3,226,735.70
JOHNSON POWER SYSTEMS	224998	05/11/2015	P3854901	40KW OLYMPIAN STANDBY LPG VAPOR GENERATOR-FS#6	\$25,125.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$25,125.00
KEYSTONE BUILDERS, INC	14887	05/04/2015	3	CONSTRUCTION - CORPORATE YARD	\$170,859.59
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$445,224.91
LIBRARY SYSTEMS & SERVICES, LLC	225000	05/11/2015	14898	LIBRARY SERVICES & MATERIALS-MAY15	\$119,417.58
		05/11/2015	14899	I.T. SERVICES FOR MAY 2015	
Remit to: GERMANTOWN, MD					<u>FYTD:</u> \$1,312,543.38

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**City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015**

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA HORTICULTURAL ENTERPRISES, INC.	15004	05/18/2015	68110	PASEO CLEAN UP-SD LMD ZN 02-MAR15	\$76,794.40
		05/18/2015	68029	LANDSCAPE MAINT.-SD LMD ZN 02-MAR 2015	
		05/18/2015	68400	LANDSCAPE MAINT.-SD LMD ZN 02-APR 2015	
		05/18/2015	68399	LANDSCAPE MAINT.-ZONE D-APR 2015	
Remit to: IRWINDALE, CA					<u>FYTD:</u> \$585,790.41
MERCHANTS LANDSCAPE SERVICES INC	15005	05/18/2015	45065	INSTALL COVER MULCH TO BARE AREAS ALONG GENTIAN AVE-SD LMD ZN 03	\$60,227.65
		05/18/2015	45066	INSTALL COVER MULCH TO BARE AREAS ALONG KITCHING & LASSELLE ST.	
		05/18/2015	45231	INSTALL COVER MULCH TO BARE AREAS IN SD LMD ZN 06	
		05/18/2015	45371	LANDSCAPE MAINT.-SD LMD ZN 03 & 03A-APR15	
		05/18/2015	45308	IRRIGATION REPAIRS-SD LMD ZN 03 & 03A-MAR 2015	
		05/18/2015	45370	LANDSCAPE MAINT.-ZONES E-8, SD LMD ZN 05, 06, & 07-APR15	
		05/18/2015	44356	REMOVE EXISTING IRRIGATION & CONVERT AREA 4 TO RECYCLABLE IRRIG.	
Remit to: Santa Ana, CA					<u>FYTD:</u> \$312,922.55
MORENO VALLEY UTILITY	225057	05/18/2015	MAY-15 5/18/15	ELECTRICITY	\$69,116.94
		05/18/2015	7013411-01/APR15	ELECTRICITY-UTILITY FIELD OFFICE	
Remit to: HEMET, CA					<u>FYTD:</u> \$889,147.58
NATIONWIDE RETIREMENT SOLUTIONS CP	14980	05/15/2015	2015-00000431	8010 - DEF COMP 457 - NATIONWIDE*	\$26,409.90
		05/29/2015	2015-00000452	8010 - DEF COMP 457 - NATIONWIDE*	\$26,409.90

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
Remit to: COLUMBUS, OH					FYTD: \$796,888.40
NOBLE AMERICAS ENERGY SOLUTIONS	15071	05/26/2015	151310004452669	ELECTRICITY POWER PURCHASE FOR MV UTILITY	\$212,407.80
Remit to: PASADENA, CA					FYTD: \$4,061,863.00
PERS HEALTH INSURANCE	14972	05/08/2015	W150502	EMPLOYEE HEALTH INSURANCE	\$201,600.06
Remit to: SACRAMENTO, CA					FYTD: \$2,050,577.81
PERS RETIREMENT	14933	05/08/2015	P150424	PERS RETIREMENT DEPOSIT - CLASSIC	\$229,597.29
	15036	05/22/2015	P150508	PERS RETIREMENT DEPOSIT - CLASSIC	\$224,340.24
Remit to: SACRAMENTO, CA					FYTD: \$5,663,672.05
RIVERSIDE HOUSING DEVEL CORP	14905	05/04/2015	22862 ADRIENNE-4	MULTI FAMILY AFFORDABLE HOUSING	\$74,392.82
Remit to: RIVERSIDE, CA					FYTD: \$365,797.96
SOUTHERN CALIFORNIA EDISON 1	224919	05/04/2015	7500534780	WDAT CHARGES-IRIS AVE. LOCATION	\$52,589.80
		05/04/2015	7500534784	WDAT CHARGES-FREDERICK AVE. LOCATION	
		05/04/2015	7500534783	WDAT CHARGES-NANDINA AVE. LOCATION	
		05/04/2015	7500534785	WDAT CHARGES-SUBSTATION 115KV INTERCONNECTION	
		05/04/2015	7500534781	WDAT CHARGES-GRAHAM ST. LOCATION	
		05/04/2015	7500534782	WDAT CHARGES-GLOBE ST. LOCATION	
		05/04/2015	7500534788	WDAT CHARGES-24417 NANDINA AVE. SUBSTATION	
	225069	05/18/2015	APR-15 5/18/15	ELECTRICITY	\$99,149.80
	225160	05/26/2015	APR-15 5/26/15	ELECTRICITY	\$75,852.65

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City of Moreno Valley
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SOUTHERN CALIFORNIA EDISON 1	225160	05/26/2015	707-6081/MAR-15	ELECTRICITY	\$75,852.65
		05/26/2015	587-9520/MAR-15	ELECTRICITY-FERC CHARGES	
Remit to: ROSEMEAD, CA					FYTD: \$2,898,076.41
STANDARD INSURANCE CO	14909	05/04/2015	150501a	LIFE & DISABILITY INSURANCE	\$25,375.26
Remit to: PORTLAND, OR					FYTD: \$297,302.39
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	14927	05/05/2015	86627	APR. 2015 ADMINISTRATION FEES FOR HRA, FLEX & COBRA PROGRAMS	\$42,046.39
		05/05/2015	201505	MAY 2015 RETIREE MEDICAL BENEFIT BILLING	
Remit to: TEMECULA, CA					FYTD: \$239,714.41
THINK TOGETHER, INC	15021	05/18/2015	111-14/15-9	ASES PROGRAM MANAGEMENT SERVICES	\$493,437.50
Remit to: SANTA ANA, CA					FYTD: \$4,453,985.27
TRANSPORTATION & ENERGY SOLUTIONS, INC	15087	05/26/2015	MOV-002-03-26-15	CONSULTANT - DYNAMIC MESSAGE BOARDS	\$51,259.78
		05/26/2015	MOV-002-04-24-15	CONSULTANT - DYNAMIC MESSAGE BOARDS	
		05/26/2015	MOV-001-04-24-15	CONSULTANT - ITS DEPLOYMENT PHASE 1B	
		05/26/2015	MOV-001-03-26-15	CONSULTANT - ITS DEPLOYMENT PHASE 1B	
Remit to: YORBA LINDA, CA					FYTD: \$51,259.78
U.S. BANK/CALCARDS	14912	05/04/2015	04-27-15	PAYMENT FOR APR 2015 CALCARD ACTIVITY	\$179,649.38
Remit to: ST. LOUIS, MO					FYTD: \$2,040,682.64

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City of Moreno Valley
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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
U.S. POSTAL SERVICE	225123	05/18/2015	REFUND-UUT/SURCH	REFUND OF TAXES/SURCHG. PAID ON UTILITY BILLS-23800 CACTUS AVE.	\$52,455.77
Remit to: WINDSOR, CT					<u>FYTD:</u> \$52,455.77
WELLS FARGO CORPORATE TRUST	15034	05/15/2015	W150501	2013 TRIP COPS DEBT SVC JUNE 2015	\$495,654.76
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$8,253,273.22
WEST COAST ARBORISTS, INC.	15032	05/18/2015	105267	TREE TRIMMING/REMOVAL SERVICES-PARKS DEPT. ZONE A	\$27,945.00
		05/18/2015	102248	TREE TRIMMING/REMOVAL SERVICES-ZONE D	
		05/18/2015	104916	TREE TRIMMING/REMOVAL SERVICES-ZONE D	
		05/18/2015	104915	TREE TRIMMING/REMOVAL SERVICES-ZONE E-7 & SD LMD ZN 02	
		05/18/2015	105397	TREE TRIMMING/REMOVAL SERVICES-CFD PARKS	
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$119,950.00
WRCOG WESTERN RIVERSIDE CO. OF GOVT'S.	225023	05/11/2015	APR-15 TUMF	TUMF FEES COLLECTED FOR 4/1-4/30/15	\$193,530.97
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$5,064,454.72
WRCRCA	225024	05/11/2015	APR-2015 MSHCP	MSHCP FEES COLLECTED FOR APRIL 2015 - RESIDENTIAL	\$73,644.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$392,389.23
TOTAL AMOUNTS OF \$25,000 OR GREATER					\$12,165,961.93

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
2013 I IH BORROWER, LP	224934	05/04/2015	BL#25383-YR2015	REFUND OF OVERPAYMENT FOR BL#25383	\$45.53
Remit to: CORONA, CA					FYTD: \$45.53
ABILITY COUNTS, INC	14983	05/18/2015	ACI11634	LANDSCAPE MAINT-CFD#1-APR15	\$2,065.00
Remit to: CORONA, CA					FYTD: \$22,715.00
ACTION DOOR REPAIR CORP.	14871	05/04/2015	92979	REAR DOOR #4 REPAIRS-FS#91	\$967.00
	14984	05/18/2015	10049	DOOR REPAIRS (INSTALL 3 BUTTONS)-FS#65	\$920.42
Remit to: ORLANDO, FL					FYTD: \$21,081.27
ACTIVE NETWORK, LLC	14872	05/04/2015	4100110071	CLASS/PAYMENT MGR-MAINT. & SUPPORT RENEWAL 7/1/15-6/30/16	\$18,996.76
		05/04/2015	4100110134	CLASS-MAINT. & SUPPORT RENEWAL 7/1/15-6/30/16	
Remit to: SAN DIEGO, CA					FYTD: \$18,996.76
ADLERHORST INTERNATIONAL INC.	15038	05/26/2015	30968	MONTHLY K-9 TRAINING-MAY15	\$435.82
		05/26/2015	30955	E-COLLAR FOR K-9 OZZI (CREDIT APPLIED FOR RETURNED ITEM)	
Remit to: RIVERSIDE, CA					FYTD: \$5,451.13
ADMINSURE	224891	05/04/2015	8574	WORKERS' COMP CLAIMS ADMINISTRATION-MAY15	\$4,350.00
		05/04/2015	8522	WORKERS' COMP CLAIMS ADMINISTRATION-APR15	
Remit to: DIAMOND BAR, CA					FYTD: \$26,100.00
ADVANCED ELECTRIC	224892	05/04/2015	11259	ELECTRICAL SERVICES-CITY HALL (2ND FLOOR)	\$339.00
		05/04/2015	11272	ELECTRICAL SERVICES-CITY YARD	
	224987	05/11/2015	11258	GOLF COURSE DATA CABLE	\$610.00

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ADVANCED ELECTRIC	225037	05/18/2015	11292	FACILITIES STAFF ONSITE TRAINING	\$4,053.76
		05/18/2015	11269	ELECTRICAL REPAIRS-MARCH FIELD	
		05/18/2015	11290	ELECTRICAL REPAIRS-EL PORTRERO PAPRK WEST	
		05/18/2015	11289	ELECTRICAL REPAIRS-EL PORTRERO PARK EAST	
		05/18/2015	11288	ELECTRICAL REPAIRS-EL PORTRERO PARK WEST	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$150,735.83
AEROTEK, INC.	14935	05/11/2015	OP05639196	TEMPORARY STAFF SERVICES-CODE 4/14-4/17/15	\$621.60
	14985	05/18/2015	OP05652680	TEMPORARY STAFF SERVICES-CODE 4/20-4/24/15	\$692.64
	15039	05/26/2015	OP05665866	TEMPORARY STAFF SERVICES-CODE 4/20-4/24/15	\$594.96
Remit to: CHICAGO, IL					<u>FYTD:</u> \$7,312.92
ALCARAZ, ARTURO	225180	05/26/2015	R15-084450	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$75.00
ALESSANDRO SELF STORAGE	224935	05/04/2015	BL#18817-YR2015	REFUND OF OVERPAYMENT FOR BL#18817	\$217.96
Remit to: IRVINE, CA					<u>FYTD:</u> \$217.96
ALFONSO CAMPA	225085	05/18/2015	5/26-5/29/15	TRAVEL PER DIEM-SO. CA. GANG CONFERENCE	\$177.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$432.50
ALPHA AUTOMATION	14874	05/04/2015	4930	DATA SERVICE FOR FUEL TANKS (JUL-DEC 2014)	\$120.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$217.89
ALTERNATIVES TO DOMESTIC VIOLENCE	15040	05/26/2015	FEB-2015	DOMESTIC VIOLENCE SERVICES-CDBG REIMBURSEMENT	\$1,400.74
		05/26/2015	MAR-2015	DOMESTIC VIOLENCE SERVICES-CDBG REIMBURSEMENT	

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Remit to: RIVERSIDE, CA					FYTD: \$10,431.47
AMERICAN FORENSIC NURSES	14937	05/11/2015	66289	PHLEBOTOMY SERVICES	\$1,120.00
		05/11/2015	66264	PHLEBOTOMY SERVICES	
	15041	05/26/2015	66316	PHLEBOTOMY SERVICES	\$1,480.00
		05/26/2015	66344	PHLEBOTOMY SERVICES	
Remit to: PALM SPRINGS, CA					FYTD: \$27,305.00
AMERICAN PUBLIC POWER ASSOCIATION	225038	05/18/2015	262618	DEED ANNUAL MEMBERSHIP	\$1,280.42
Remit to: BOSTON, MA					FYTD: \$8,361.51
AMERICAN TOWERS	14938	05/11/2015	1917706	RADIO EQUIPMENT TOWER LEASE-MAY15	\$3,291.75
Remit to: CHARLOTTE, NC					FYTD: \$35,784.00
AMERICAN TRAFFIC PRODUCTS	224988	05/11/2015	15-13847	PAINT MATERIALS (TAPES)	\$1,170.72
Remit to: FONTANA, CA					FYTD: \$4,272.27
ANDERSON, SUSAN	225181	05/26/2015	MV3140520031	REFUND-PARKING CITATION OVERPAYMENT	\$230.00
Remit to: MORENO VALLEY, CA					FYTD: \$230.00
ANDRADE, JUAN JOSE	224936	05/04/2015	1237458 1237459	CRC RENTAL REFUND DEPOSIT AND CREDIT ON ACCT	\$751.00
Remit to: MORENO VALLEY, CA					FYTD: \$751.00
ANIMAL EMERGENCY CLINIC, INC.	15042	05/26/2015	146AG	AFTER HOURS EMERGENCY VET SVCS	\$160.00
		05/26/2015	146AF	AFTER HOURS EMERGENCY VET SVCS	

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Remit to: GRAND TERRACE, CA					<u>FYTD:</u> \$1,052.00
ANIMAL HEALTH AND SANITARY SUPPLY	224893	05/04/2015	33924	MISC. KENNEL SUPPLIES	\$388.15
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$5,479.70
ANIMAL PEST MANAGEMENT SERVICES, INC.	14986	05/18/2015	140054	PEST CONTROL SVCS-MARCH FIELD CNTR	\$1,525.50
		05/18/2015	140153	PEST CONTROL SVCS-CFD #1	
		05/18/2015	140053	PEST CONTROL SVCS-MARB/CHILD CARE GRNDS/BALLFIELDS	
		05/18/2015	140051	PEST CONTROL SVCS-CITY PARKS	
		05/18/2015	140168	PEST CONTROL SVCS-GOLF COURSE	
		05/18/2015	140052	PEST CONTROL SVCS-SCE ESMNT/AQDCT/BIKEWAY	
Remit to: CHINO, CA					<u>FYTD:</u> \$17,905.50
ARNOLD, EUGENIA ANGELICA	225182	05/26/2015	MV3140807015	REFUND-PARKING CITATION OVERPAYMENT	\$20.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$20.00
ARROW PARKING LOT SERVICE, INC	225092	05/18/2015	BL#29256-YR2015	REFUND OF OVERPAYMENT FOR BL#29256	\$57.50
Remit to: BALDWIN PARK, CA					<u>FYTD:</u> \$57.50
ARROWHEAD WATER	15043	05/26/2015	05E0029647971	WATER PURIF. UNIT RENTAL-FIRE ST. #2	\$485.82
		05/26/2015	05E0032389744	WATER PURIF. UNIT RENTAL-FIRE ST. #99	
		05/26/2015	05E0032414377	WATER PURIF. UNIT RENTAL-PUBLIC SAFETY BLDG.	
		05/26/2015	05D0029115359	WATER PURIF. UNIT RENTAL-CRC	
		05/26/2015	05E0029647997	WATER PURIF. UNIT RENTAL-FIRE ST. #58	

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ARROWHEAD WATER	15043	05/26/2015	05E0029648037	WATER PURIF. UNIT RENTAL-FIRE ST. #91	\$485.82
		05/26/2015	05E0029647914	WATER PURIF. UNIT RENTAL-FIRE ST. #6	
		05/26/2015	05E0029115144	WATER PURIF. UNIT RENTAL-LIBRARY	
		05/26/2015	05E0028990919	WATER PURIF. UNITS RENTAL-CITY HALL	
		05/26/2015	05E0029647948	WATER PURIF. UNIT RENTAL-FIRE ST. #48	
		05/26/2015	05D0029115177	WATER PURIF. UNITS RENTAL-ANIMAL SHELTER	
		05/26/2015	05E0029648052	WATER PURIF. UNIT RENTAL-FIRE ST. #65	
		05/26/2015	05D0029115201	WATER PURIF. UNIT RENTAL-SENIOR CENTER	
Remit to: LOUISVILLE, KY					<u>FYTD:</u> \$6,342.65
ART OF WAR TATTOO PARLOR	224937	05/04/2015	BL#23278-YR2015	REFUND OF OVERPAYMENT FOR BL#23278	\$74.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$74.00
AVRIO RMS GROUP	224938	05/04/2015	BL#24489-YR2015	REFUND OF OVERPAYMENT FOR BL#24489	\$71.09
Remit to: BUFFALO GROVE, IL					<u>FYTD:</u> \$71.09
BANC OF AMERICA PUBLIC CAPITAL CORP	14929	05/01/2015	W150504	2011 PRIV PLC REF OF 97 VAR RATE COPS-MAY 2015 INTEREST	\$22,330.70
Remit to: ATLANTA, GA					<u>FYTD:</u> \$1,125,241.70
BANDA, GABRIEL V	225183	05/26/2015	C11964	REFUND-ADMIN CITATION OVERPAYMENT	\$271.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$271.00
BEATY, DOROTHAY	225184	05/26/2015	R15-085281	AS REFUND-TRAP DEPOSIT REFUND	\$50.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$50.00
BIO-TOX LABORATORIES	225128	05/26/2015	30436	BLOOD TOXICOLOGY ANALYSIS	\$6,787.80

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BIO-TOX LABORATORIES	225128	05/26/2015	30448	BLOOD TOXICOLOGY ANALYSIS	\$6,787.80
		05/26/2015	30449	BLOOD TOXICOLOGY ANALYSIS	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$62,413.98
BLOUNT, JACQUELINE	224939	05/04/2015	1237542 1237543	REFUND CANCELLED PICNIC SHELTER	\$80.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$80.00
BOX SPRINGS MUTUAL WATER COMPANY	225039	05/18/2015	721-1 4/27/15	WATER USAGE ZONE 01-TOWNGATE	\$362.61
		05/18/2015	1087-1 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	204-9 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	45-4 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	189-13 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	1088-1 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	1085-1 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	1086-1 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	1084-1 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/18/2015	80-4 4/27/15	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$3,857.26

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BRAUN BLAISING MCLAUGHLIN	224894	05/04/2015	15439	LEGAL SERVICES-MVU-MAR15	\$542.70
	224989	05/11/2015	15440	LEGAL SVCS-CASL CASE	\$11,216.16
Remit to: SACRAMENTO, CA					FYTD: \$107,355.16
BUREAU VERITAS NORTH AMERICA, INC	15044	05/26/2015	1267566	PLAN REVIEW SVCS-FEB15	\$598.50
Remit to: LOS ANGELES, CA					FYTD: \$5,710.50
BURNS & MCDONNELL ENGINEERING COMPANY, INC	225040	05/18/2015	77878-5	PROF. SERVICES-ELECTRIC RATE DESIGN STUDY	\$12,906.00
Remit to: KANSAS CITY, MO					FYTD: \$18,155.00
CAFE GOSSIP	224940	05/04/2015	BL#13199-YR2015	REFUND OF OVERPAYMENT FOR BL#13199	\$122.74
	224941	05/04/2015	BL#23254-YR2015	REFUND OF OVERPAYMENT FOR BL#23254	\$74.10
Remit to: MORENO VALLEY, CA					FYTD: \$122.74
CALDERON, BRIANA	225093	05/18/2015	R15-083153	AS REFUND-RABIES & S/N DEPOSITS	\$95.00
Remit to: BEAUMONT, CA					FYTD: \$95.00
CALGO VEBA CITY OF MORENO VALLEY	14924	05/05/2015	2015-00000400	4020 - EXEC VEBA*	\$3,210.41
	14987	05/18/2015	2015-00000416	4020 - EXEC VEBA*	\$9,237.91
	225176	05/26/2015	05082015	RESIDUAL BALANCE FROM PRIOR VEBA PLAN	\$3,526.54
Remit to: MORENO VALLEY, CA					FYTD: \$203,024.83
CALIFORNIA SHOPPING CART RETRIEVAL CORP.	14939	05/11/2015	155784	SHOPPING CART RETRIEVAL SVCS-MAR15	\$1,800.00
	15045	05/26/2015	156156	SHOPPING CART RETRIEVAL SVCS-APR15	\$1,800.00

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Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$19,800.00
CALVARY CHAPEL OF MORENO VALLEY	225029	05/11/2015	4/5/15 EVENT	REFUND-MOBILE STAGE UNIT DEPOSIT	\$100.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$100.00
CAMPBELL, RICK	224942	05/04/2015	R15-084095	AS REFUND-REF FULL ADOPTION	\$67.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$67.00
CAMPBELL, RICK	225094	05/18/2015	R15-084095	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$20.00
CANON SOLUTIONS AMERICA, INC.	14940	05/11/2015	1103031201312153	COPIER SVCS-ERC-JAN THRU MAR 2015	\$2,425.34
Remit to: BURLINGTON, NJ					<u>FYTD:</u> \$64,881.47
CARMONA, ANDREA	225185	05/26/2015	R15-082487	AS REFUND-S/N AND RABIES DEPOSITS	\$95.00
Remit to: EASTVALE, CA					<u>FYTD:</u> \$95.00
CASTRO, RAYMOND	224943	05/04/2015	1236322	REFUND CLASS CANCELLED	\$55.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$55.00
CHANDLER ASSET MANAGEMENT, INC	14941	05/11/2015	17307	INVESTMENT MANAGEMENT SVCS-APR15	\$4,095.00
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$62,092.00
CHARLES ABBOTT ASSOCIATES, INC	14988	05/18/2015	54589	CONSULTING SVCS-NPDES/SWMP-APR15	\$15,825.00

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Remit to: MISSION VIEJO, CA					FYTD: \$49,986.50
CHJ CONSULTANTS	225186	05/26/2015	BL#26253-YR2015	REFUND OF OVERPAYMENT FOR BL#26253	\$57.82
Remit to: COLTON, CA					FYTD: \$57.82
CHJ INCORPORATED	15046	05/26/2015	87408	CONSULTANT - NASON/CACTUS TO FIR	\$1,875.00
Remit to: COLTON, CA					FYTD: \$22,486.25
CHUCK GALLEY	225129	05/26/2015	MAY-2015	INSTRUCTOR SERVICES-ELECTRIC GUITAR & BASS INSTRUCTION CLASS	\$150.00
Remit to: RIALTO, CA					FYTD: \$240.00
CINTAS CORPORATION	14875	05/04/2015	150445903	UNIFORM RNTL SVC-ST SWEEPING	\$899.74
		05/04/2015	150453254	UNIFORM RENTAL SVC.-TRAFFIC SIGNAL STAFF	
		05/04/2015	150445905	UNIFORM RNTL SVC-ST MAINT	
		05/04/2015	150445906	UNIFORM RNTL SVC-CONCRETE MAINT	
		05/04/2015	150449551	UNIFORM RNTL SVC-GRAFFITI RMVL	
		05/04/2015	150449553	UNIFORM RNTL SVC-ST TREE MAINT	
		05/04/2015	150453258	UNIFORM RENTAL SVC.-TREE MAINT. STAFF	
		05/04/2015	150449556	UNIFORM RNTL SVC-DRAIN MAINT	
		05/04/2015	150445900	UNIFORM RNTL SVC-VEHICLE MAINT	
		05/04/2015	150449557	UNIFORM RNTL SVC-ST MAINT	
		05/04/2015	150445901	UNIFORM RNTL SVC-ST TREE MAINT	
		05/04/2015	150453255	UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF	
		05/04/2015	150456909	UNIFORM RENTAL SVC.-TRAFFIC SIGNAL STAFF	
		05/04/2015	150456910	UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF	

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CINTAS CORPORATION	14875	05/04/2015	150449552	UNIFORM RNTL SVC-VEHICLE MAINT	\$899.74
		05/04/2015	150456911	UNIFORM RENTAL SVC.-GRAFFITI RMVL. STAFF	
		05/04/2015	150453263	UNIFORM RENTAL SVC.-CONCRETE MAINT. STAFF	
		05/04/2015	150453260	UNIFORM RENTAL SVC.-ST. SWEEPING STAFF	
		05/04/2015	150453261	UNIFORM RENTAL SVC.-DRAIN MAINT. STAFF	
		05/04/2015	150464250	UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF	
		05/04/2015	150464249	UNIFORM RENTAL SVC.-TRAFFIC SIGNAL STAFF	
		05/04/2015	150460592	UNIFORM RENTAL SVC.-PURCHASING STAFF	
		05/04/2015	150460594	UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF	
		05/04/2015	150453253	UNIFORM RENTAL SVC.-PURCHASING STAFF	
		05/04/2015	150460593	UNIFORM RENTAL SVC.-TRAFFIC SIGNAL STAFF	
		05/04/2015	150453262	UNIFORM RENTAL SVC.-STREET MAINT. STAFF	
		05/04/2015	150456918	UNIFORM RENTAL SVC.-CONCRETE MAINT. STAFF	
		05/04/2015	150445904	UNIFORM RNTL SVC-DRAIN MAINT	
		05/04/2015	150456916	UNIFORM RENTAL SVC.-DRAIN MAINT. STAFF	
		05/04/2015	150449558	UNIFORM RNTL SVC-CONCRETE MAINT	
		05/04/2015	150456915	UNIFORM RENTAL SVC.-ST. SWEEPING STAFF	
		05/04/2015	150453256	UNIFORM RENTAL SVC.-GRAFFITI RMVL. STAFF	
		05/04/2015	150456908	UNIFORM RENTAL SVC.-PURCHASING STAFF	
		05/04/2015	150449555	UNIFORM RNTL SVC-ST SWEEPING	
		05/04/2015	150464248	UNIFORM RENTAL SVC.-PURCHASING STAFF	
		05/04/2015	150445899	UNIFORM RNTL SVC-GRAFFITI RMVL	
		05/04/2015	150456913	UNIFORM RENTAL SVC.-TREE MAINT. STAFF	
		05/04/2015	150456917	UNIFORM RENTAL SVC.-STREET MAINT. STAFF	

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>		
CINTAS CORPORATION	14942	05/11/2015	150464261	UNIFORM RENTAL SVC.-GOLF COURSE STAFF	\$291.41		
		05/11/2015	150456907	UNIFORM RENTAL SVC.-PARKS MAINT. STAFF			
		05/11/2015	150453259	UNIFORM RENTAL SVC.-CFD #1 STAFF			
		05/11/2015	150453252	UNIFORM RENTAL SVC.-PARKS MAINT. STAFF			
		05/11/2015	150456921	UNIFORM RENTAL SVC.-GOLF COURSE STAFF			
		05/11/2015	150460591	UNIFORM RENTAL SVC.-PARKS MAINT. STAFF			
		05/11/2015	150460598	UNIFORM RENTAL SVC.-CFD #1 STAFF			
		05/11/2015	150460605	UNIFORM RENTAL SVC.-GOLF COURSE STAFF			
		05/11/2015	150464247	UNIFORM RENTAL SVC.-PARKS MAINT. STAFF			
		05/11/2015	150464254	UNIFORM RENTAL SVC.-CFD #1 STAFF			
		05/11/2015	150456914	UNIFORM RENTAL SVC.-CFD #1 STAFF			
		05/11/2015	150453266	UNIFORM RENTAL SVC.-GOLF COURSE STAFF			
		14989	05/18/2015	150475315		UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF	\$99.09
			05/18/2015	150471606		UNIFORM RENTAL SVC.-TRAFFIC SIGNAL STAFF	
			05/18/2015	150471607		UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF	
05/18/2015	150475314		UNIFORM RENTAL SVC.-TRAFFIC SIGNAL STAFF				
05/18/2015	150467942		UNIFORM RENTAL SVC.-ST. SIGNS/STRIPING STAFF				
15047	05/26/2015	150464255	UNIFORM RENTAL SVC.-ST. SWEEPING STAFF	\$531.38			
	05/26/2015	150464256	UNIFORM RENTAL SVC.-DRAIN MAINT. STAFF				
	05/26/2015	150467940	UNIFORM RENTAL SVC.-PURCHASING STAFF				
	05/26/2015	150475313	UNIFORM RENTAL SVC.-PURCHASING STAFF				
	05/26/2015	150464258	UNIFORM RENTAL SVC.-CONCRETE MAINT. STAFF				
		05/26/2015	150460601	UNIFORM RENTAL SVC.-STREET MAINT. STAFF			

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CINTAS CORPORATION	15047	05/26/2015	150471605	UNIFORM RENTAL SVC.-PURCHASING STAFF	\$531.38
		05/26/2015	150460597	UNIFORM RENTAL SVC.-TREE MAINT. STAFF	
		05/26/2015	150460596	UNIFORM RENTAL SVC.-MECHANICS	
		05/26/2015	150460602	UNIFORM RENTAL SVC.-CONCRETE MAINT. STAFF	
		05/26/2015	150460600	UNIFORM RENTAL SVC.-DRAIN MAINT. STAFF	
		05/26/2015	150464251	UNIFORM RENTAL SVC.-GRAFFITI RMVL. STAFF	
		05/26/2015	150460595	UNIFORM RENTAL SVC.-GRAFFITI RMVL. STAFF	
		05/26/2015	150464253	UNIFORM RENTAL SVC.-TREE MAINT. STAFF	
		05/26/2015	150464257	UNIFORM RENTAL SVC.-STREET MAINT. STAFF	
		05/26/2015	150464252	UNIFORM RENTAL SVC.-MECHANICS	
		05/26/2015	150460599	UNIFORM RENTAL SVC.-ST. SWEEPING STAFF	
		05/26/2015	150456912	UNIFORM RENTAL SVC.-MECHANICS	
		05/26/2015	150453257	UNIFORM RENTAL SVC.-MECHANICS	
Remit to: ONTARIO, CA					<u>FYTD:</u> \$17,700.53
COLONIAL SUPPLEMENTAL INSURANCE	224895	05/04/2015	7133069-0501394	SUPPLEMENTAL INSURANCE	\$6,174.64
Remit to: COLUMBIA, SC					<u>FYTD:</u> \$65,090.65
COMMUNITY ASSISTANCE PROGRAM - CAP	14943	05/11/2015	FEB 2015	CAP FOOD PROGRAM-CDBG	\$4,717.00
		05/11/2015	JAN 2015	CAP FOOD PROGRAM-CDBG	
		15048	05/26/2015	NOV 2014	CAP FOOD PROGRAM-CDBG
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$29,325.48
COMMUNITY HEALTH CHARITIES	224980	05/05/2015	2015-00000401	8725 - CH CHARITY	\$37.00

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COMMUNITY HEALTH CHARITIES	225041	05/18/2015	2015-00000417	8725 - CH CHARITY	\$37.00
Remit to: COSTA MESA, CA					FYTD: \$3,358.00
CONTINUING EDUCATION OF THE BAR	224990	05/11/2015	10380809	BOOKS FOR THE LAW LIBRARY	\$234.94
Remit to: OAKLAND, CA					FYTD: \$848.45
CORDERO, JACQUELINE	225187	05/26/2015	MV4131105037	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
Remit to: BALDWIN PARK, CA					FYTD: \$115.00
COSTCO	224896	05/04/2015	21684	SNACK SUPPLIES-COTTONWOOD GOLF COURSE	\$988.21
		05/04/2015	21660	SNACK SUPPLIES FOR A CHILD'S PLACE	
	225043	05/18/2015	21729	SNACK SUPPLIES FOR SENIOR CTR	\$651.65
		05/18/2015	21567	MISC. SUPPLIES FOR FIRE OPERATIONS	
		05/18/2015	21530	MISC. SUPPLIES FOR EOC	
		05/18/2015	21709	SNACK SUPPLIES FOR SENIOR CTR	
		05/18/2015	21566	MISC. SUPPLIES FOR FIRE OPERATIONS	
	225130	05/26/2015	21750	REFRESHMENTS FOR THE ACCELA-DEV SVCS KICK OFF EVENT	\$1,450.19
		05/26/2015	21401	REFRESHMENTS FOR GLAD PROGRAM	
		05/26/2015	21751	SNACK SUPPLIES FOR SKATE PARK	
		05/26/2015	21772	SNACK SUPPLIES-COTTONWOOD GOLF COURSE	
		05/26/2015	21643	SNACK SUPPLIES FOR SKATE PARK	
Remit to: MORENO VALLEY, CA					FYTD: \$26,203.88
COUNSELING TEAM, THE	225131	05/26/2015	25736	EMPLOYEE SUPPORT SERVICES	\$1,250.00

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Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$19,800.00
COUNTRY SQUIRE ESTATES	224897	05/04/2015	APRIL 2015	UUT REFUND FOR APRIL 2015	\$20.90
Remit to: ONTARIO, CA					<u>FYTD:</u> \$537.44
COUNTY OF RIVERSIDE	224898	05/04/2015	9990085000-1503	TRAFFIC MOTOR RADIO COMMUNICATIONS/PARTS/TECH SVCS FOR PD-MAR15	\$3,530.98
	225025	05/11/2015	1.1.15	PLOT PLAN NON EXEMPT CEQA FEES	\$5,269.32
	225044	05/18/2015	FEB 2015	MAP RECORDING FEES	\$260.50
	225132	05/26/2015	JAN-2015	RELEASE FEES (5)	\$115.00
	225133	05/26/2015	9990085000-1504	TRAFFIC MOTOR RADIO COMMUNICATIONS/TECH SVCS FOR PD-APR15	\$2,846.46
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$544,377.97
CREASON AND AARVIG, LLP	224899	05/04/2015	28595-MAR15	LEGAL SERVICES-MV1510 (J. DOMINGUEZ)	\$508.91
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$508.91
CUSTODIO, ROSELIE	224944	05/04/2015	MVU 7013429-02	SOLAR INCENTIVE REBATE	\$8,307.25
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$8,307.25
CUT-RATE BATTERIES, INC	225135	05/26/2015	INCRB24415	HT BATTERY REPLACEMENTS	\$5,601.00
		05/26/2015	INCRB24597	HT BATTERY REPLACEMENTS	
Remit to: POWELL, TN					<u>FYTD:</u> \$5,601.00
CUTWATER INVESTOR SERVICES CORP	15050	05/26/2015	19968A	INVESTMENT MANAGEMENT SERVICES-APR15	\$2,700.15
Remit to: DENVER, CO					<u>FYTD:</u> \$12,762.77

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D&D SERVICES DBA D&D DISPOSAL, INC.	225046	05/18/2015	73719	DECEASED ANIMAL REMOVAL SVCS-APR15	\$745.00
Remit to: VALENCIA, CA					<u>FYTD:</u> \$7,450.00
DATA TICKET, INC.	15051	05/26/2015	60976-TPC	THIRD PARTY COLLECTIONS-CODE-MAR15	\$18,678.32
		05/26/2015	61567	ADMIN CITATION PROCESSING-PD-APR15	
		05/26/2015	60976	PARKING CITATION PROCESSING SVCS-CODE-MAR15	
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$204,601.62
DATAQUICK CORPORATE HEADQUARTERS	225136	05/26/2015	B1-2404421	ONLINE SOFTWARE SUBSCRIPTION-POP UNIT-APR15	\$130.50
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$1,435.50
DAUGHERTY, MAURICE	225086	05/18/2015	5/26-5/29/15	TRAVEL PER DIEM-SO. CA. GANG CONFERENCE	\$177.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$177.50
DEBINAIRE COMPANY	224900	05/04/2015	152800	BOILER REPAIR-CITY HALL	\$295.92
	225137	05/26/2015	154712	PSB BOILER REPAIRS	\$907.20
Remit to: CORONA, CA					<u>FYTD:</u> \$5,078.08
DEBRON GRAPHICS	14876	05/04/2015	APR-2015	INSTRUCTOR SERVICES-CREATIVE WRITING CLASS	\$56.00
	15052	05/26/2015	MAY-2015	INSTRUCTOR SERVICES-CREATIVE WRITING CLASS	\$42.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$266.00
DELGADILLO, MARTINA	225095	05/18/2015	R15-083797	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00

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DELTA DENTAL OF CALIFORNIA	14877	05/04/2015	BE001145126	EMPLOYEE DENTAL INSURANCE-PPO	\$10,396.07
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$111,807.69
DELTACARE USA	224901	05/04/2015	BE001146214	EMPLOYEE DENTAL INSURANCE-HMO	\$4,846.05
Remit to: DALLAS, TX					<u>FYTD:</u> \$55,490.73
DENNIS GRUBB & ASSOCIATES, LLC	14944	05/11/2015	1322	PLAN REVIEW SERVICES 4/16-4/30/15	\$3,265.00
		05/11/2015	1323	PLAN REVIEW SERVICES-ALDI (T&M) 4/16-4/30/15	
	14991	05/18/2015	1318	PLAN REVIEW SERVICES-ALDI (T&M) 4/1-4/15/15	\$5,520.00
		05/18/2015	1317	PLAN REVIEW SERVICES 4/1-4/15/15	
Remit to: MIRA LOMA, CA					<u>FYTD:</u> \$164,375.00
DEPARTMENT OF ENVIRONMENTAL HEALTH	225138	05/26/2015	IN0220251	LATE PAYMENT PENALTY FOR COMMUNITY PARK SNACK BAR	\$41.60
Remit to: Riverside, CA					<u>FYTD:</u> \$20,518.69
DESCOTEAUX, JULIA M.	225047	05/18/2015	SPRING 2015	TUITION REIMBURSEMENT	\$275.00
Remit to: MURRIETA, CA					<u>FYTD:</u> \$275.00
DESIGN SPACE MODULAR BUILDINGS	225139	05/26/2015	895283	TEMP. BUILDING - FIRE STATION #48 REMODEL	\$891.06
Remit to: PASADENA, CA					<u>FYTD:</u> \$17,630.63
DIEGO, ALFREDO	225188	05/26/2015	MV4130909009	REFUND-PARKING CITATION OVERPAYMENT	\$133.00
Remit to: CANYON COUNTRY, CA					<u>FYTD:</u> \$133.00
DISABILITY ACCESS CONSULTANTS	15053	05/26/2015	15-136	ADA SELF-EVALUATION AND TRANSITION PLAN UPDATE	\$392.00

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Remit to: OROVILLE, CA					FYTD: \$30,232.00
DMC DESIGN GROUP, INC	14992	05/18/2015	2015-006	CONSULTANT - STREET IMPROVMENT PROGRAM	\$5,230.52
Remit to: TERREBONNE, OR					FYTD: \$65,148.92
DMS FACILITY SERVICES	14878	05/04/2015	L37695	SPECIAL CLEANING FOR COTTONWOOD GOLF CTR. RENTALS-3/21 & 3/28/15	\$1,415.00
		05/04/2015	L37696	SPECIAL CLEANINGS FOR MAR. EVENT RENTALS AT TOWNGATE COMM. CTR.	
		05/04/2015	L37158	REFRIGERATOR CLEANINGS FOR SEP'14-JAN'15 AT ANNEX 1	
		05/04/2015	L37155	CARPET CLEANING EXTRA TRIP CHARGE-FIRE STATION 99	
		05/04/2015	L37448	SPECIAL CLEANINGS FOR FEB. 28 EVENT RENTAL AT CRC	
		05/04/2015	L37447	SPECIAL CLEANING FOR FEB. 28 EVENT RENTAL AT SENIOR CTR.	
		05/04/2015	L37318	SPECIAL CLEANING FOR COTTONWOOD GOLF CTR. RENTAL-2/7/15	
		05/04/2015	L37698	SPECIAL CLEANINGS FOR MAR. 22-29 EVENT RENTALS AT CRC	
	14945	05/11/2015	RC-L103880	JANITORIAL SERVICES - APRIL 2015	\$2,183.55
		05/11/2015	L37570	SPECIAL CLEANINGS FOR MAR. 1-20 EVENT RENTALS AT CRC	
		05/11/2015	L37412	SPECIAL CLEANINGS FOR FEB. 22-26 EVENT RENTALS AT CRC	
	15054	05/26/2015	L37317	SPECIAL CLEANING-MARCH FIELD PARK COMM. CTR. KITCHEN	\$180.00
Remit to: MONROVIA, CA					FYTD: \$270,836.70
DOAN, QUANG THANH	225096	05/18/2015	BL#25502-YR2014	REFUND OF OVERPAYMENT FOR BL#25502	\$166.53
Remit to: GARDEN GROVE, CA					FYTD: \$166.53
E.R. BLOCK PLUMBING & HEATING, INC.	14993	05/18/2015	118066	REPLACED BACKFLOW DEVICE-FS#6	\$3,860.00

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E.R. BLOCK PLUMBING & HEATING, INC.	14993	05/18/2015	117925	BACKFLOW DEVICE TESTS	\$3,860.00
	15055	05/26/2015	117868	REPLACED BACKFLOW DEVICE-CITY PARKS	\$900.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$36,771.04
E2LOGICX CORPORATION	225140	05/26/2015	1103	AUDIO & VIDEO INVESTIGATIVE & TECHNICAL ANALYSIS SVCS	\$15,845.17
Remit to: TEMECULA, CA					<u>FYTD:</u> \$15,845.17
EASTERN MUNICIPAL WATER DISTRICT	224902	05/04/2015	MAR-15 5/4/15	WATER CHARGES	\$20,920.90
		05/04/2015	APR-15 5/4/15	WATER CHARGES	
	224991	05/11/2015	APR-15 5/11/15	WATER CHARGES	\$12,304.88
	225142	05/26/2015	20150000216	DIRECT PAY - CORP YARD - HENRY	\$420.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$1,541,687.68
EDGELANE MOBILE HOME PARK	14994	05/18/2015	APRIL 2015	UUT REFUND FOR APRIL 2015	\$3.17
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$44.68
EGGERSTEN, ANNE	224992	05/11/2015	CK 256189	REISSUE LOST CHECK#256189 DTD 11/4/14	\$208.36
Remit to: RANCHO MIRAGE, CA					<u>FYTD:</u> \$208.36
ELLISON, GABRIELLA	225097	05/18/2015	R15-085393	AS REFUND-FULL REFUND-MEDICAL	\$87.00
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$87.00
EMERGENT BATTERY TECHNOLOGIES, INC.	14947	05/11/2015	25954	BATTERY BACKUP SYSTEMS	\$4,968.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$14,990.40

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EMPLOYMENT DEVELOPMENT DEPARTMENT	14974	05/13/2015	1ST QTR 2015	UNEMPLOYMENT INSURANCE 1/1-3/31/15	\$735.00
Remit to: SACRAMENTO, CA					FYTD: \$852,878.77
ENCO UTILITY SERVICES MORENO VALLEY LLC	14995	05/18/2015	0402-MF-01652A	SOLAR METER INSTALLATION	\$10,332.61
		05/18/2015	0402-MF-01655A	SOLAR METER INSTALLATION	
		05/18/2015	40-290B-08	CONSULTANT - NASON/CACTUS TO FIR	
		05/18/2015	0402-MF-01656A	SOLAR METER INSTALLATION	
		05/18/2015	0402-MF-01660A	SOLAR METER INSTALLATION	
		05/18/2015	40-290B-07	CONSULTANT - NASON/CACTUS TO FIR	
		05/18/2015	0402-MF-01658A	SOLAR METER INSTALLATION	
		05/18/2015	0402-MF-01664A	SOLAR METER INSTALLATION	
		05/18/2015	0402-MF-01663A	SOLAR METER INSTALLATION	
		05/18/2015	0402-MF-01659A	SOLAR METER INSTALLATION	
		05/18/2015	0402-MF-01657A	SOLAR METER INSTALLATION	
		05/18/2015	0402-MF-01654A	SOLAR METER INSTALLATION	
Remit to: ANAHEIM, CA					FYTD: \$4,364,492.65
EVANS ENGRAVING & AWARDS	14880	05/04/2015	42815-20	RETIREMENT PLAQUE FOR MICHELLE PIERCE	\$32.40
	14949	05/11/2015	42315-16	RECOGNITION & APPRECIATION PLAQUE FOR JEFFREY GIBA	\$133.92
		05/11/2015	42415-12	NAMEPLATES FOR PLANNING COMMISSION	
Remit to: BANNING, CA					FYTD: \$4,296.64
EVANS, CALVIN	225098	05/18/2015	1244010	TOWNGATE RENTAL REFUND DEPOSIT	\$200.00

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Remit to: MORENO VALLEY, CA					FYTD: \$200.00
EWING IRRIGATION PRODUCTS	225049	05/18/2015	9557425	IRRIGATION PARTS & SUPPLIES-CONTRACT AREAS	\$780.06
		05/18/2015	9572727	IRRIGATION PARTS & SUPPLIES-CONTRACT AREAS	
		05/18/2015	9531641	IRRIGATION PARTS & SUPPLIES-CONTRACT AREAS	
	225143	05/26/2015	9596769	IRRIGATION PARTS & SUPPLIES-CONTRACT AREAS	\$286.57
Remit to: PHOENIX, AZ					FYTD: \$21,244.05
EXCEL LANDSCAPE, INC	14996	05/18/2015	83998	IRRIGATION REPAIRS	\$69.37
		05/18/2015	83896	IRRIGATION REPAIRS	
Remit to: CORONA, CA					FYTD: \$67,864.92
EXCLUSIVE TOWING	225144	05/26/2015	71677	EVIDENCE TOW & STORAGE	\$252.00
Remit to: RIVERSIDE, CA					FYTD: \$1,680.00
FAIR PRICE CARPETS	224945	05/04/2015	BL#02388-YR2015	REFUND OF OVERPAYMENT FOR BL#02388	\$81.24
Remit to: RIVERSIDE, CA					FYTD: \$81.24
FAST SIGNS	224903	05/04/2015	70-35111	MAGNETIC SIGNS FOR 7/4/15 PARADE	\$1,052.90
		05/04/2015	70-35146	SIGNS FOR LANDSCAPE AREA-DROUGHT 2015	
Remit to: MORENO VALLEY, CA					FYTD: \$6,168.09
FENCECORP, INC	225145	05/26/2015	14607	FENCING/GUARDRAIL AT VARIOUS LOCATIONS	\$6,894.00
Remit to: RIVERSIDE, CA					FYTD: \$54,629.00
FIRST INDUSTRIAL	224946	05/04/2015	PA11-0001	REFUND-BALANCE OF DEPOSITS FOR PA11-0001 & PA12-0023	\$1,179.89

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Remit to: ELSEGUNDO, CA					FYTD: \$1,179.89
FIRST INDUSTRIAL REALTY TRUST	14881	05/04/2015	2544230	PROPERTY LEASE RENT-MV UTILITY-MAY15	\$515.00
	15058	05/26/2015	2549416	PROPERTY LEASE RENT-MV UTILITY-JUN15	\$515.00
Remit to: PASADENA, CA					FYTD: \$6,105.00
FLANAGAN, KEISHA	225189	05/26/2015	MV4140102007	REFUND-PARKING CITATION OVERPAYMENT	\$125.00
Remit to: MORENO VALLEY, CA					FYTD: \$125.00
FLORENCE, CYNTHIA	225030	05/11/2015	1241862	TOWNGATE RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
FRANCHISE TAX BOARD	224981	05/05/2015	2015-00000402	1015 - GARNISHMENT - CREDITOR %*	\$385.36
	225051	05/18/2015	2015-00000418	1015 - GARNISHMENT - CREDITOR %*	\$356.66
Remit to: SACRAMENTO, CA					FYTD: \$16,134.58
FRANKLIN, L. C.	14950	05/11/2015	4/6-4/30/15	MILEAGE REIMBURSEMENT	\$282.90
Remit to: PERRIS, CA					FYTD: \$2,003.70
FRAZEE INDUSTRIES, INC	224904	05/04/2015	6108-4	GRAFFITI REMOVAL PRODUCTS	\$491.13
	225146	05/26/2015	1701-3	GRAFFITI REMOVAL PRODUCTS	\$462.99
Remit to: SAN BERNARDINO, CA					FYTD: \$5,531.05
FUSCOE ENGINEERING, INC	14998	05/18/2015	120977	CONSULTANT PLAN CHECK SVCS-TR 36436-APR15	\$1,003.00
Remit to: IRVINE, CA					FYTD: \$5,580.25
G/M BUSINESS INTERIORS, INC.	225052	05/18/2015	0211122-IN	CITY HALL-1ST FLOOR RECONFIGURATION	\$764.31

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$104,579.03
GALICIA, MARIA	224947	05/04/2015	MVU 7009167-09	SOLAR INCENTIVE REBATE	\$7,666.75
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$7,666.75
GALLS INC., INLAND UNIFORM	14999	05/18/2015	BC0148658	UNIFORMS & EQUIPMENT FOR PARK RANGER-BRETT MURRAY	\$2,105.28
	15059	05/26/2015	BC0154104	UNIFORMS FOR TRAFFIC UNIT	\$151.14
		05/26/2015	BC0152264	UNIFORMS FOR POP UNIT	
Remit to: PASADENA, CA					<u>FYTD:</u> \$8,454.06
GARRETT, DARRELL	225190	05/26/2015	C11671	REFUND-ADMIN CITATION PAYMENT-VIOLATION DISMISSED	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
GARRETT, VINCENT	225099	05/18/2015	C11518	REFUND-ADMIN CITATION OVERPAYMENT	\$400.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$400.00
GENESIS SPORTS	14882	05/04/2015	APR-2015	INSTRUCTOR SERVICES-GENESIS HOOPS BASKETBALL TRAINING	\$643.80
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,446.80
GEO PLASTICS, INC.	225147	05/26/2015	68180	OIL FILTER RECYCLING CONTAINERS	\$2,961.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$2,961.00
GIBA, JEFFREY J.	224930	05/04/2015	5/7-5/8/15	TRAVEL PER DIEM-SCAG REGIONAL CONF. & GEN. ASSEMBLY	\$106.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$320.00
GIRL SCOUTS OF SAN GORGONIO	224948	05/04/2015	1237387	CRC/COTTONWOOD RENTALS REFUND DEPOSIT	\$200.00

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Remit to: REDLANDS, CA					<u>FYTD:</u> \$200.00
GIRON, VICENTE B.	15060	05/26/2015	SPRING 2015	TUITION REIMBURSEMENT	\$1,500.00
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$1,500.00
GLOBAL SOFTWARE, INC	14883	05/04/2015	A53631	EXECUTIVE DASH/SPREADSHEET SRVR-MAINT. RENEWAL 5/1/15-4/30/16	\$22,181.00
Remit to: RALEIGH, NC					<u>FYTD:</u> \$22,181.00
GONZALEZ, ARACELI	225191	05/26/2015	MV3140416015	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
Remit to: REDLANDS, CA					<u>FYTD:</u> \$115.00
GOZDECKI, DAN	15000	05/18/2015	MAY-2015 YOUTH	INSTRUCTOR SERVICES-KUNG FU CLASS	\$378.00
		05/18/2015	MAY-2015 ADULT	INSTRUCTOR SERVICES-KUNG FU CLASS	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,050.00
GRANDADAS, JASON	224949	05/04/2015	R15-083135	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$20.00
GRAVES & KING, LLP	224905	05/04/2015	1503-0009459-08	LEGAL SERVICES-MV1329 (S. BOE)	\$4,750.73
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$54,268.62
GREER, TERRI	225100	05/18/2015	C12704	REFUND-DISMISSED ADMIN CITATION	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
GUTIERREZ GRADING & DIGGING	225101	05/18/2015	BL#09813-YR2015	REFUND OF OVERPAYMENT FOR BL#09813	\$52.63
Remit to: BLOOMINGTON, CA					<u>FYTD:</u> \$52.63

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GUZMAN, TAMARA	225102	05/18/2015	R15-085360,361	AS REFUND-OVERPMT ON 2 WEB LICENSE RENEW	\$24.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$24.00
HARDESTY, CYNTHIA L	225192	05/26/2015	MVP66961	REFUND-PARKING CITATION OVERPAYMENT	\$58.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$58.00
HARRIS MAINTENANCE CONSULTING	224950	05/04/2015	BL#03000-YR2015	REFUND OF OVERPAYMENT FOR BL#03000	\$77.91
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$77.91
HARRIS, GARETH & GENEVA	225031	05/11/2015	MVU 7009820-07	SOLAR INCENTIVE REBATE	\$12,069.75
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$12,069.75
HARRISON, BRIAN	225193	05/26/2015	MV3140417010	REFUND-PARKING CITATION OVERPAYMENT	\$172.50
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$172.50
HATZL-PATTERSON, NINA MICHELE	225026	05/11/2015	5/17-5/20/15	TRAVEL PER DIEM & MILEAGE-2015 ICSC RECON CONFERENCE	\$519.90
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$697.40
HDL COREN & CONE	225149	05/26/2015	0021469-IN	CONTRACT SVCS PROPERTY TAX MAINT-APR-JUN 2015	\$4,875.00
Remit to: DIAMOND BAR, CA					<u>FYTD:</u> \$24,375.00
HILIGHT ELECTRICAL, INC	224951	05/04/2015	BL#23069-YR2015	REFUND OF OVERPAYMENT FOR BL#23069	\$100.32
Remit to: SAN DIMAS, CA					<u>FYTD:</u> \$100.32
HILLTOP GEOTECHNICAL, INC.	14884	05/04/2015	14912	CONSULTANT - CYCLE 3 & 4	\$2,909.75

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Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$11,990.25
HLP, INC.	15001	05/18/2015	10653	WEB LICENSE MONTHLY SVC FEE	\$33.95
Remit to: LITTLETON, CO					<u>FYTD:</u> \$21,807.90
HONDA YAMAHA OF REDLANDS	15063	05/26/2015	52745	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$393.15
Remit to: REDLANDS, CA					<u>FYTD:</u> \$24,750.38
HORIZON SOLAR POWER, INC.	225194	05/26/2015	B1500044	REFUND-B&S PERMIT FEES (CANCELLED PROJECT)	\$133.76
	225195	05/26/2015	B1500045	REFUND-B&S PERMIT FEES (CANCELLED PROJECT)	\$146.32
Remit to: HEMET, CA					<u>FYTD:</u> \$133.76
HOWE, STACY	225103	05/18/2015	R15-083430	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: MEAD VALLEY, CA					<u>FYTD:</u> \$20.00
HR GREEN CALIFORNIA, INC	224993	05/11/2015	98082	CONSULTANT PLAN CHECK SVCS	\$1,106.25
Remit to: DES MOINES, IA					<u>FYTD:</u> \$6,923.39
HULL AND SON'S ROOFING, INC.	225032	05/11/2015	B1500795	REFUND-BLDG. PERMIT FEES (80%)-CANCELLED PROJ.	\$253.75
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$253.75
HUNSAKER & ASSOCIATES IRVINE, INC	224994	05/11/2015	15030180	CONSULTANT - CACTUS/VETERANS TO HEACOCK	\$13,835.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$62,732.25
ICMA RETIREMENT CORP	14977	05/15/2015	2015-00000428	8030 - DEF COMP 457 - ICMA	\$9,173.84
	15092	05/29/2015	2015-00000449	8030 - DEF COMP 457 - ICMA	\$9,173.84

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Remit to: BALTIMORE, MD					<u>FYTD:</u> \$444,658.66
IL SORRENTO MOBILE PARK	224906	05/04/2015	3/12/15-4/13/15	UUT REFUND FOR 3/12/18-4/13/15	\$65.41
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,001.24
INLAND BUILDING CONSTRUCTION CO., INC.	224995	05/11/2015	23018	DEDICATION PLAQUE	\$1,500.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$3,606.00
INLAND EMPIRE PROPERTY SERVICE, INC	15002	05/18/2015	3230	WEED ABATEMENT SVCS-MARCH FIELD	\$4,065.00
	15064	05/26/2015	3218	WEED ABATEMENT SVCS-APN 487-470-023, 26	\$3,850.00
		05/26/2015	3217	WEED ABATEMENT SVCS-APN 297-140-043, 46	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$73,492.61
INLAND OVERHEAD DOOR COMPANY	224907	05/04/2015	38936	DOOR REPAIRS-PSB EVIDENCE ROOM	\$34.75
	225054	05/18/2015	38976	ROLL UP DOOR PREVENTIVE MAINT-FS#58	\$3,565.50
		05/18/2015	38949	ROLL UP DOOR PREVENTIVE MAINT-FS#65	
		05/18/2015	38943	ROLL UP DOOR PREVENTIVE MAINT-ANNEX 1	
		05/18/2015	38948	ROLL UP DOOR PREVENTIVE MAINT-FS#48	
		05/18/2015	38945	ROLL UP DOOR PREVENTIVE MAINT-PSB	
		05/18/2015	38951	ROLL UP DOOR PREVENTIVE MAINT-FS#99	
		05/18/2015	38950	ROLL UP DOORS & GATES PREVENTIVE MAINT-FS#91	
		05/18/2015	38947	ROLL UP DOOR PREVENTIVE MAINT-FS#6	
		05/18/2015	38942	ROLL UP DOORS PREVENTIVE MAINT-CITY YARD	
05/18/2015	38938	ROLL UP DOOR PREVENTIVE MAINT-FS#91			

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INLAND OVERHEAD DOOR COMPANY	225054	05/18/2015	38946	ROLL UP DOORS & GATES PREVENTIVE MAINT-FS#2	\$3,565.50
Remit to: COLTON, CA					<u>FYTD:</u> \$3,600.25
INSIDE PLANTS, INC.	14885	05/04/2015	55181	INSIDE PLANTS MAINT SERVICE-MAY15	\$327.00
Remit to: CORONA, CA					<u>FYTD:</u> \$3,597.00
INTERNATIONAL BUSINESS MACHINES CORPORATION	224908	05/04/2015	8185059	EMPLOYMENT TESTING SERVICES	\$1,242.00
Remit to: PITTSBURGH, PA					<u>FYTD:</u> \$1,242.00
ISG INFRASYS	225055	05/18/2015	44777	REPAIR SERVICES FOR THERMAL IMAGING CAMERA	\$838.11
Remit to: LAWRENCEVILLE, GA					<u>FYTD:</u> \$838.11
J C CONCRETE, INC	224952	05/04/2015	BL#19038-YR2015	REFUND OF OVERPAYMENT FOR BL#19038	\$50.00
Remit to: FONTANA, CA					<u>FYTD:</u> \$50.00
J F P COMPANY	224953	05/04/2015	BL#27639-YR2015	REFUND OF OVERPAYMENT FOR BL#27639	\$60.54
Remit to: NORCO, CA					<u>FYTD:</u> \$60.54
JACK HENRY & ASSOCIATES	224996	05/11/2015	1948916	PROFIT STARS CHARGES-MAR15	\$391.35
	225150	05/26/2015	1970997	PROFIT STARS CHARGES-APR15	\$344.10
Remit to: MONETT, MO					<u>FYTD:</u> \$4,603.45
JDH CONTRACTING	15065	05/26/2015	051315-01(a)	RELOCATE SHIPPING CONTAINER-COTTONWOOD GOLF CTR	\$2,227.00
		05/26/2015	051315-01	REPLACE ROOF AT FAIRWAY PARK	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$158,464.20

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JENKINS & HOGIN, LLP	224997	05/11/2015	21385	LEGAL SERVICES	\$10,955.00
		05/11/2015	21386	LEGAL SERVICES	
Remit to: MANHATTAN BEACH, CA					<u>FYTD:</u> \$10,955.00
JIMENEZ, CLEMENT	225027	05/11/2015	5/16-5/20/15	TRAVEL PER DIEM-APPA ENGINEERING & OPS. TECHNICAL CONF.	\$274.50
Remit to: HEMET, CA					<u>FYTD:</u> \$274.50
JOE A. GONSALVES & SON	14886	05/04/2015	25214	LOBBYIST SERVICES-MAY15	\$3,000.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$33,135.00
JOHNSON MEZZCAP	15066	05/26/2015	1080	LITE OWL & E SERIES EQUIPMENT LEASE-JUN15	\$2,243.51
Remit to: DALLAS, TX					<u>FYTD:</u> \$6,730.53
JOHNSON, DARIN	225104	05/18/2015	C12049	REFUND-DISMISSED ADMIN CITATION	\$100.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$100.00
JOHNSON, DOUGLAS	225196	05/26/2015	MV2130917017	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
	225197	05/26/2015	MV3130614078	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
	225198	05/26/2015	MV3130628047	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
Remit to: FOUNTAIN VALLEY, CA					<u>FYTD:</u> \$115.00
JOHNSON, TRACY	225151	05/26/2015	MAY-2015	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASS	\$309.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,624.00
JONES, BRENDA	225105	05/18/2015	BL#03549-YR2015	REFUND OF OVERPAYMENT FOR BL#03549	\$127.68
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$127.68

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KELLY, DONNA	225106	05/18/2015	R15-085166	AS REFUND-OVERPMT ON 3 YR LICENSE	\$53.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$53.00
KOA CORPORATION	224999	05/11/2015	JB44046x6	CONSULTANT - RECHE VISTA REALIGNMENT	\$8,879.50
Remit to: MONTEREY PARK, CA					<u>FYTD:</u> \$70,785.18
LEAGUE OF CALIFORNIA CITIES- RIV CNTY DIV 1	224909	05/04/2015	5-11-15 GEN MTG	GENERAL MEETING ATTENDANCE FOR 3 INDIVIDUALS	\$200.00
		05/04/2015	5/11/15 GEN MTG	GENERAL MEETING ATTENDANCE-TWO COUNCIL MEMBERS	
Remit to: MIRA LOMA, CA					<u>FYTD:</u> \$1,171.00
LEE, ALAN HALSEY SR	225199	05/26/2015	MV4140328053	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$115.00
LEE, JERI	14888	05/04/2015	APR-2015	INSTRUCTOR SERVICES-ZUMBA KIDS CLASS	\$168.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$684.00
LEE, MIKE	225028	05/11/2015	5/16-5/20/15	TRAVEL PER DIEM-2015 ICSC RECON CONFERENCE	\$319.50
Remit to: CHINO HILLS, CA					<u>FYTD:</u> \$319.50
LENTON, JOHN	225087	05/18/2015	TRAVEL REIMB.	CAR RENTAL EXPENSE REIMBURSEMENT-CERT. LOGICAL OPER. TRAINING	\$252.92
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$507.92
LEXISNEXIS PRACTICE MGMT.	15067	05/26/2015	1504079003	LEGAL RESEARCH TOOLS-APR15	\$1,180.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$14,160.00
LUEVANOS, GENOVEVA	225107	05/18/2015	1243525	REFUND FOR PICNIC SHELTER RENTAL 28180	\$156.00

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Remit to: MORENO VALLEY, CA					FYTD: \$156.00
LYONS SECURITY SERVICE, INC	14951	05/11/2015	21897	SECURITY GUARD SVCS-CRC-APR15	\$2,773.24
		05/11/2015	21896	SECURITY GUARD SVCS-CRC SPECIAL EVENTS-APR15	
		05/11/2015	21899	SECURITY GUARD SVCS-SENIOR CTR-APR15	
		05/11/2015	21898	SECURITY GUARD SVCS-ELECTRIC UTILITY-APR15	
	15003	05/18/2015	21901	SECURITY GUARD SVCS-LIBRARY-APR15	\$3,933.96
		05/18/2015	21902	SECURITY GUARD SVCS-CITY HALL-APR15	
		05/18/2015	21900	SECURITY GUARD SVCS-TOWNGATE-APR15	
Remit to: ANAHEIM, CA					FYTD: \$57,174.11
MANRIQUE-MIKLUSEK, CLAUDIA	225056	05/18/2015	SPRING 2015	TUITION REIMBURSEMENT	\$275.00
Remit to: YUCAIPA, CA					FYTD: \$275.00
MARCELLA, KRISTINE	224955	05/04/2015	MVU 7013415-02	SOLAR INCENTIVE REBATE	\$9,061.50
Remit to: MORENO VALLEY, CA					FYTD: \$9,061.50
MARCH FRAME SHOP /MARCH AVIATION GALLERY	14952	05/11/2015	13696	ENGRAVING SERVICES FOR OFFICER AWARDS-PD	\$178.20
Remit to: MORENO VALLEY, CA					FYTD: \$1,052.97
MARCH JOINT POWERS AUTHORITY	224910	05/04/2015	0034815	GAS CHARGES-BLDG. 938-FEB15	\$9.48
		05/04/2015	0034811	GAS CHARGES-MFPCC BLDG. 823-FEB15	
Remit to: RIVERSIDE, CA					FYTD: \$156,819.23
MARIPOSA HORTICULTURAL ENTERPRISES, INC.	15068	05/26/2015	68458	LANDSCAPE MAINT.-ANNEX 1-APR15	\$16,778.08

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MARIPOSA HORTICULTURAL ENTERPRISES, INC.	15068	05/26/2015	68445	LANDSCAPE MAINT.-PAN AM SECTION AQUEDUCT-APR15	\$16,778.08
		05/26/2015	68461	LANDSCAPE MAINT.-CITY HALL-APR15	
		05/26/2015	68448	LANDSCAPE MAINT.-SCE & OLD LAKE DRIVE-APR15	
		05/26/2015	68460	LANDSCAPE MAINT.-FIRE STATIONS-APR15	
		05/26/2015	68455	LANDSCAPE MAINT.-PUBLIC SAFETY BLDG.-APR15	
		05/26/2015	68456	LANDSCAPE MAINT.-SENIOR CENTER-APR15	
		05/26/2015	68439	LANDSCAPE MAINT.-TOWNGATE COMM. CTR-APR15	
		05/26/2015	68454	LANDSCAPE MAINT.-LIBRARY-APR15	
		05/26/2015	68459	LANDSCAPE MAINT.-VETERANS MEMORIAL-APR15	
		05/26/2015	68449	LANDSCAPE MAINT.-ANIMAL SHELTER-APR15	
		05/26/2015	68452	LANDSCAPE MAINT.-CRC-APR15	
		05/26/2015	68442	LANDSCAPE MAINT.-DELPHINIUM/PERHAM TO JFK/AQUEDUCT BIKEWAY-APR15	
		05/26/2015	68443	LANDSCAPE MAINT.-VANDENBERG TO FAY/AQUEDUCT BIKEWAY-APR15	
		05/26/2015	68446	LANDSCAPE MAINT.-SOUTH AQUEDUCT A-APR15	
		05/26/2015	68440	LANDSCAPE MAINT.-TOWNGATE AQUEDUCT BIKEWAY-APR15	
		05/26/2015	68450	LANDSCAPE MAINT.-ASES ADMIN BLDG.-APR15	
		05/26/2015	68451	LANDSCAPE MAINT.-CITY YARD-APR15	
		05/26/2015	68447	LANDSCAPE MAINT.-SOUTH AQUEDUCT B-APR15	
		05/26/2015	68441	LANDSCAPE MAINT.-BAY AVE. TO GRAHAM/AQUEDUCT BIKEWAY-APR15	
		05/26/2015	68444	LANDSCAPE MAINT.-NORTH AQUEDUCT-APR15	
		05/26/2015	68457	LANDSCAPE MAINT.-UTILITY FIELD OFFICE-APR15	

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
Remit to: IRWINDALE, CA					<u>FYTD:</u> \$585,790.41
MARTINEZ, CRISTAL	225108	05/18/2015	1243958	REFUND FOR PICNIC SHELTER RENTAL #28421	\$29.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$29.60
MARTINEZ, HILDA	224956	05/04/2015	MVU 7010091-03	SOLAR INCENTIVE REBATE	\$6,210.75
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$6,210.75
MARTINEZ, JOSE	225200	05/26/2015	R15-085349	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$20.00
MC WILL SPORTS SURFACES, INC	224957	05/04/2015	BL#25826-YR2015	REFUND OF OVERPAYMENT FOR BL#25826	\$57.07
Remit to: GARDENA, CA					<u>FYTD:</u> \$57.07
MCCANN, ALLEN OR ADELINE	225201	05/26/2015	MV3130314006	REFUND-PARKING CITATION OVERPAYMENT	\$28.75
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$28.75
MCCARTHY, THOMAS	224958	05/04/2015	R15-081327	AS REFUND-RABIES & SN DEPOSITS	\$95.00
Remit to: POWAY, CA					<u>FYTD:</u> \$95.00
MCHUGH, ORAL	225109	05/18/2015	1242824	REFUND ON DEPOSIT FOR PERMIT NUMBER 27992	\$75.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$75.00
MEEKS, DANIEL	14889	05/04/2015	041615	SPORTS OFFICIATING SERVICES-SOFTBALL	\$105.00
		05/04/2015	041915	SPORTS OFFICIATING SERVICES-SOFTBALL	
	14953	05/11/2015	050315	SPORTS OFFICIATING SERVICES-SOFTBALL	\$168.00
		05/11/2015	042315	SPORTS OFFICIATING SERVICES-SOFTBALL	

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MEEKS, DANIEL	14953	05/11/2015	043015	SPORTS OFFICIATING SERVICES-SOFTBALL	\$168.00
	15069	05/26/2015	050715	SPORTS OFFICIATING SERVICES-SOFTBALL	\$21.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$3,444.00
MEJIA, JESSICA	225110	05/18/2015	1244001	TOWNGATE RENTAL REFUND CREDIT ON ACCOUNT	\$20.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$20.00
MENGISTU, YESHIALEM	14954	05/11/2015	4/6-4/30/15	MILEAGE REIMBURSEMENT	\$217.35
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,395.28
MERCHANTS LANDSCAPE SERVICES INC	15006	05/18/2015	44597	IRRIGATION REPAIRS-SD LMD ZN 03-DEC14	\$4,146.45
		05/18/2015	43835	REPAIR OF 3 1/2" IRRIGATION MAIN LINE-ZONE E-8	
		05/18/2015	44359	COVER MULCH-EXTRA 5 YARDS AT ZONE #4 BY CABALLO RD.	
		05/18/2015	44253	REPLACE 3 TREES DUE TO ACCIDENT ON LASSELLE MEDIAN-NOV'14	
		05/18/2015	44419	IRRIGATION REPAIRS-SD LMD ZN 03-NOV14	
		05/18/2015	44603	COVER MULCH/FERTILIZER FOR PLANTER BEDS-SD LMD ZN 03	
Remit to: MONTEREY PARK, CA					<u>FYTD:</u> \$312,922.55
MEYER, RICHARD	224959	05/04/2015	BL#26045-YR2015	REFUND OF OVERPAYMENT FOR BL#26045	\$74.91
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$74.91
MEYERS, ROBERT	14890	05/04/2015	FEB-2015	INSTRUCTOR SERVICES-PHOTOGRAPHY CLASS	\$63.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$481.00
MIDSTATE AUTOMOTIVE EQUIPMENT COMPANY	225152	05/26/2015	2015125	INSURANCE CERTIFICATE FOR VENDOR TO INSTALL HOISTS-MECHANIC SHOP	\$250.00

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Remit to: CLOVIS, CA					FYTD: \$250.00
MOCKLIN AUDIO VISUAL INC.	14891	05/04/2015	MV-004	CRC PROJECTOR CONTROL UPGRADE	\$1,139.20
Remit to: ORANGE, CA					FYTD: \$7,169.20
MORENO VALLEY CHAMBER OF COMMERCE	225001	05/11/2015	4560	WAKE-UP MEETING ATTENDANCE-2/25/15	\$255.00
		05/11/2015	4593	WAKE-UP MEETING ATTENDANCE-3/25/15	
Remit to: MORENO VALLEY, CA					FYTD: \$12,090.00
MORENO VALLEY CITY EMPLOYEES ASSOC.	14920	05/01/2015	2015-00000412	8710 - MVCEA EMPLOYEE DUES	\$1,230.00
	14979	05/15/2015	2015-00000430	8710 - MVCEA EMPLOYEE DUES	\$1,228.50
	15094	05/29/2015	2015-00000451	8710 - MVCEA EMPLOYEE DUES	\$1,228.50
Remit to: MORENO VALLEY, CA					FYTD: \$30,108.50
MORENO VALLEY HISPANIC CHAMBER OF COMMER	225002	05/11/2015	2/3/15 ADELANTE	ADELANTE MEETING ATTENDANCE	\$180.00
		05/11/2015	3/3/15 ADELANTE	ADELANTE MEETING ATTENDANCE	
		05/11/2015	4/7/15 ADELANTE	ADELANTE MEETING ATTENDANCE	
		05/11/2015	1/6/15 ADELANTE	ADELANTE MEETING ATTENDANCE	
Remit to: MORENO VALLEY, CA					FYTD: \$2,320.00
MORENO VALLEY MANAGEMENT ASSOCIATION	14926	05/05/2015	2015-00000403	8705 - MVMA EMPLOYEE DUES	\$660.00
	15007	05/18/2015	2015-00000419	8705 - MVMA EMPLOYEE DUES	\$670.00
Remit to: MORENO VALLEY, CA					FYTD: \$15,060.00

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MORENO VALLEY UNIFIED SCHOOL DISTRICT	224911	05/04/2015	15005340	DUPLICATE PAYMENT 15005340	\$32.00
	224912	05/04/2015	150834	BUS SERVICE FOR VALLEY KIDS CAMP FIELD TRIP 8/6/14	\$6,860.00
		05/04/2015	150828	BUS SERVICE FOR VALLEY KIDS CAMP FIELD TRIPS 7/9, 7/16 & 7/30/14	
		05/04/2015	150824	BUS SERVICE FOR VALLEY KIDS CAMP FIELD TRIP 7/23/14	
		05/04/2015	150827	BUS SERVICE FOR A CHILD'S PLACE FIELD TRIPS 7/9, 7/23, & 7/30/14	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$12,444.00
MORGAN, RYAN	225088	05/18/2015	5/26-5/29/15	TRAVEL PER DIEM-SO. CA. GANG CONFERENCE	\$177.50
	225177	05/26/2015	6/1-6/5/15	TRAVEL PER DIEM-ICI GANG FOUNDATION SPECIALTY COURSE	\$319.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$497.00
MUNICIPAL HOUSING SOLUTIONS	14955	05/11/2015	MHS-03	CONSULTING SERVICES TO REVIEW AFFORDABLE HOUSING PROGRAMS	\$7,170.00
Remit to: AZUSA, CA					<u>FYTD:</u> \$21,350.00
MUSIC CHANGING LIVES	14892	05/04/2015	APR-2015	INSTRUCTOR SERVICES-DRAWING FOR KIDS	\$42.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$792.00
MUSICSTAR	224913	05/04/2015	APR-2015	INSTRUCTOR SERVICES-GUITAR & PIANO FOR KIDS CLASSES	\$432.00
	225153	05/26/2015	MAY-2015	INSTRUCTOR SERVICES-GUITAR & PIANO FOR KIDS CLASSES	\$513.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$5,854.05
NAMEKATA, DOUGLAS	225154	05/26/2015	MAY-2015	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASS	\$309.60
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,886.20

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NAMEKATA, JAMES	225155	05/26/2015	MAY-2015	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASS	\$309.60
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,611.00
NATIONWIDE RETIREMENT SOLUTIONS CP	14921	05/01/2015	2015-00000413	8210 - 401(A) 3% DM - NATIONWIDE*	\$1,055.35
	14923	05/01/2015	2015-00000415	8020 - DEF COMP PST - NATIONWIDE	\$2,292.74
	14982	05/15/2015	2015-00000433	8020 - DEF COMP PST - NATIONWIDE	\$2,155.82
	15097	05/29/2015	2015-00000454	8020 - DEF COMP PST - NATIONWIDE	\$2,541.84
Remit to: COLUMBUS, OH					<u>FYTD:</u> \$796,888.40
NAVCO NETWORKS & SECURITY	15070	05/26/2015	414903	SERVICE FOR STATION SECURITY DVR SYSTEM PROBLEM	\$630.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$892.50
NEIGHBORHOOD SMOKE	224961	05/04/2015	BL#23064-YR2015	REFUND OF OVERPAYMENT FOR BL#23064	\$67.01
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$67.01
NEW HORIZON MOBILE HOME PARK	15008	05/18/2015	APRIL 2015	UUT REFUND FOR APRIL 2015	\$17.29
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$166.62
NEWSOM, SUSAN	224962	05/04/2015	R15-083155	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: OCEANSIDE, CA					<u>FYTD:</u> \$75.00
NEXLEVEL INFORMATION TECHNOLOGY, INC	225058	05/18/2015	20150431	CONSULTANT SERVICES-DEVELOPMENT SVCS. BUSINESS PROCESSES REVIEW	\$9,375.00
		05/18/2015	20150328	CONSULTANT SERVICES-DEVELOPMENT SVCS. BUSINESS PROCESSES REVIEW	

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Remit to: CARMICHAEL, CA					<u>FYTD:</u> \$49,950.00
NEXTECH SYSTEMS INC.	225059	05/18/2015	NEX15-31	RAPID FLASHING BEACON SYSTEM	\$7,737.80
Remit to: IRVINE, CA					<u>FYTD:</u> \$7,737.80
NEXUS IS, INC.	15009	05/18/2015	JC648036	TRAFFIC SUPPLIES - CACTUS/VETERANS TO HEACOCK	\$19,816.96
		05/18/2015	SVC0076847	ANNUAL MAINTENANCE-PBX TELEPHONE SYSTEM	
Remit to: VALENCIA, CA					<u>FYTD:</u> \$42,309.45
NOBEL SYSTEMS	14893	05/04/2015	13513	GIS STORM DRAIN PROJECT UPDATES	\$12,840.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$16,440.00
NOIMONTREE, KETMANEE	224963	05/04/2015	MVU 7013367-02	SOLAR INCENTIVE REBATE	\$8,307.25
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$8,307.25
OLSON, ALICIA	225111	05/18/2015	R15-082155	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: SAN CLEMENTE, CA					<u>FYTD:</u> \$75.00
ORROCK, POPKA, FORTINO & BRISLIN	14956	05/11/2015	90-040M STMT 17	LEGAL DEFENSE COSTS-WALDEN ENVIRONMENT V. CITY CASE	\$10,808.10
		05/11/2015	90-042M STMT 1	LEGAL DEFENSE COSTS-SPARKS V. CITY CASE	
		05/11/2015	90-041M STMT 14	LEGAL DEFENSE COSTS-M. DAVIS V. CITY CASE	
		05/11/2015	90-037M STMT 24	LEGAL DEFENSE COSTS-O. RODRIGUEZ V. CITY CASE	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$116,519.42
PACIFIC ALARM SERVICE, INC	14894	05/04/2015	R 111628	BURGLAR ALARM SYSTEM RENT/SVC/MONITORING-MVU SUBSTATION-MAY15	\$244.00

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Remit to: BEAUMONT, CA					<u>FYTD:</u> \$2,684.00
PACIFIC ENERGY ADVISORS, INC	14957	05/11/2015	PEA-MVU-04-2015	CONSULTING SERVICES RE: MVU 10-YEAR RESOURCE PLAN	\$860.00
Remit to: EL DORADO HILLS, CA					<u>FYTD:</u> \$44,511.00
PACIFIC SAFETY CENTER	14895	05/04/2015	783	ANNUAL MEMBERSHIP RENEWAL	\$380.00
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$2,075.00
PACIFIC SHORES COMPANY, INC	225112	05/18/2015	BL#05000-YR2015	REFUND OF OVERPAYMENT FOR BL#05000	\$48.50
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$48.50
PACIFIC TELEMAGEMENT SERVICES	15072	05/26/2015	745093a	STATION PAY PHONE SERVICES	\$626.40
		05/26/2015	737014	PAY PHONE SERVICES	
		05/26/2015	737014a	STATION PAY PHONE SERVICES	
		05/26/2015	745093	PAY PHONE SERVICES	
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$3,758.40
PAINTING BY ZEB BODE	15073	05/26/2015	051915	SEAL & PAINT NEW CEILING & WALLS OF RENOVATED RR AT FAIRWAY PARK	\$11,725.00
		05/26/2015	051315	PAINTING OF SPLASH PAD AT CELEBRATION PARK	
		05/26/2015	051115	PAINTING & RELATED WORK FOR 3 AREAS AT FIRE STATION #65	
Remit to: NORCO, CA					<u>FYTD:</u> \$40,667.79
PALAU, SHANNA	225089	05/18/2015	3/10-5/1/15	MILEAGE REIMBURSEMENT	\$122.48
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$122.48

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PARRA, ADAN	225202	05/26/2015	MV1140218016	REFUND-PARKING CITATION OVERPAYMENT	\$57.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$57.50
PARSONS BRINCKERHOFF, INC	14896	05/04/2015	AR 586880	CONSULTANT - PERRIS/IRONWOOD TO MANZANITA	\$23,100.00
	15074	05/26/2015	AR 586075-Rev	CONSULTANT - SUNNYMEAD MDP LINE F & F-7	\$17,378.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$398,013.33
PARTNERS IN DIVERSITY, INC.	14958	05/11/2015	21070	TEMP SERVICES - TRANSPORTATION INFRASTRUCTURE	\$1,974.09
		05/11/2015	21023	TEMP SERVICES - TRANSPORTATION	
		05/11/2015	21109	TEMP SERVICES - TRANSPORTATION INFRASTRUCTURE	
	15075	05/26/2015	21194	TEMP SERVICES - TRANSPORTATION INFRASTRUCTURE	\$695.52
Remit to: MINNEAPOLIS, MN					<u>FYTD:</u> \$22,443.99
PD SOLAR INC.	225033	05/11/2015	PERMIT B1500416	REFUND-80% OF CANC. PERMIT(LESS ISSUANCE FEE)-15479 ALOSTA LN.	\$133.76
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$133.76
PEDLEY SQUARE VETERINARY CLINIC	15076	05/26/2015	APR-2015	VETERINARY SERVICES FOR MV ANIMAL SHELTER	\$7,415.95
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$98,375.39
PEPE'S TOWING	225060	05/18/2015	4001465	TOWING OF BUS FOR MCI DRILL	\$300.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$750.00
PERS LONG TERM CARE PROGRAM	224982	05/05/2015	2015-00000404	4720 - PERS LONG TERM CARE	\$446.65
	225061	05/18/2015	2015-00000420	4720 - PERS LONG TERM CARE	\$446.65

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Remit to: PASADENA, CA					<u>FYTD:</u> \$10,380.77
PERS RETIREMENT	14931	05/08/2015	P150410a	PERS RETIREMENT - CLASSIC FINAL	\$638.27
	14932	05/08/2015	P150410b	PERS RETIERMENT - PEPRA FINAL	\$11,766.30
	14934	05/08/2015	P150424P	PERS RETIREMENT DEPOSIT - PEPRA	\$5,887.11
	14975	05/14/2015	100000014526826	PERS REPLACEMENT BENEFIT CY2015	\$9,167.95
	15035	05/22/2015	P150424b	PERS RETIREMENT - PEPRA FINAL	\$14,042.24
	15037	05/22/2015	P150508P	PERS RETIREMENT DEPOSIT - PEPRA	\$11,807.38
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$5,663,672.05
PETTY CASH - FINANCE	224931	05/04/2015	MARCH 2015	PETTY CASH FUND REPLENISHMENT	\$716.85
	225178	05/26/2015	APRIL 2015	PETTY CASH FUND REPLENISHMENT	\$1,353.84
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$9,108.04
PIONEER CREDIT RECOVERY, INC	224983	05/05/2015	2015-00000405	1015 - GARNISHMENT - CREDITOR %	\$48.59
	225062	05/18/2015	2015-00000421	1015 - GARNISHMENT - CREDITOR %	\$55.28
Remit to: ARCADE, NY					<u>FYTD:</u> \$4,698.54
PIP PRINTING	14897	05/04/2015	55835	PRINTING - CIP 15/16 PROPOSED BUDGET	\$539.55
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,864.86
PROACTIVE ENGINEERING CONSULTANTS, INC.	14898	05/04/2015	2589	CONSULTANT - CYCLE 5 ADA RAMPS	\$6,540.00
Remit to: CORONA, CA					<u>FYTD:</u> \$292,019.00

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PROFESSIONAL COMMUNICATIONS NETWORK PCN	225063	05/18/2015	150500375	LIVE ANSWERING SERVICE FOR TOW PROGRAM	\$520.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$6,658.50
PRUITT, CHERYL	14899	05/04/2015	APR-2015	INSTRUCTOR SERVICES-COMPUTER FOR BEGINNERS CLASS	\$135.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$332.40
PSOMAS	224914	05/04/2015	105751	CONSULTANT - CYCLE 5 ADA ACESS RAMPS	\$545.00
	225003	05/11/2015	106145	CONSULTANT - HEACOCK/SAN MICHELE TO PVSD	\$12,181.00
		05/11/2015	106308	CONSULTANT - CORPORATE YARD FACILITY	
	225156	05/26/2015	106721	CONSULTANT - CORPORATE YARD	\$1,470.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$114,301.60
PW ENHANCEMENT CENTER	14959	05/11/2015	5 - 4/15/15	CDBG REIMBURSEMENT-COMMUNITY EMERGENCY OUTREACH PROGRAM	\$1,765.29
		05/11/2015	4 - 4/13/15	CDBG REIMBURSEMENT-COMMUNITY EMERGENCY OUTREACH PROGRAM	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$15,007.05
QUALITY CODE PUBLISHING, LLC	14900	05/04/2015	2015-142	SUPPLEMENT SERVICE TO THE MV MUNICIPAL CODE	\$1,330.05
Remit to: SEATTLE, WA					<u>FYTD:</u> \$3,378.76
QUISPE, EVA	224964	05/04/2015	MVU 7013413-03	SOLAR INCENTIVE REBATE	\$8,170.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$8,170.00
RAMIREZ, LIONCIO	224965	05/04/2015	BL#22017-YR2015	REFUND OF OVERPAYMENT FOR BL#22017	\$78.47

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Remit to: MORENO VALLEY, CA					FYTD: \$78.47
RAMOS, ROBERTO	15077	05/26/2015	MAY-2015	INSTRUCTOR SERVICES-KINDER KARATE & TAE KWON DO CLASSES	\$702.10
Remit to: MORENO VALLEY, CA					FYTD: \$5,930.80
RAYMOND, CASTRO	225113	05/18/2015	1240697	REFUND DUE TO LACK OF REGISTRATION	\$62.00
Remit to: MORENO VALLEY, CA					FYTD: \$62.00
RBF CONSULTING, INC.	14901	05/04/2015	904929	CONSULTANT - NASON/CACTUS TO FIR	\$1,882.40
	14960	05/11/2015	903862	CONSULTANT - INDIAN STREET/CARDINAL AVE. BRIDGE	\$18,636.20
	15010	05/18/2015	904335	CONSULTANT - ALESSANDRO MEDIAN/INDIAN TO PERRIS	\$4,783.97
Remit to: IRVINE, CA					FYTD: \$186,847.69
REED, SAMUEL	224966	05/04/2015	R15-082731	AS REFUND-RABIES & S/N DEPOSITS	\$95.00
Remit to: RANCHO SANTA MAR, CA					FYTD: \$95.00
REGALADO, BLANCA E	14902	05/04/2015	APR-2015	INSTRUCTOR SERVICES-FOLKLORIC DANCE ADULT & YOUTH CLASSES	\$300.00
Remit to: MORENO VALLEY, CA					FYTD: \$2,970.00
REINERTSON, ADRIA	224932	05/04/2015	3/15-3/20/15	TRAVEL PER DIEM & MILEAGE-CALIF. FIRE PREV. INSTITUTE TRAINING	\$594.15
Remit to: MORENO VALLEY, CA					FYTD: \$594.15
REIS, SEAN	225114	05/18/2015	C12314	REFUND-DISMISSED ADMIN CITATION	\$300.00
Remit to: RANCHO SANTA MAR, CA					FYTD: \$300.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
RENAISSANCE VILLAGE RANCHO BELAGO	224967	05/04/2015	BL#28394-YR2015	REFUND OF OVERPAYMENT FOR BL#28394	\$91.69
Remit to: MORENO VALLEY, CA					FYTD: \$91.69
RENE'S	14903	05/04/2015	5/25/15 EVENT	CATERING FOR MEMORIAL DAY CEREMONY ON 5/25/15	\$496.80
Remit to: MORENO VALLEY, CA					FYTD: \$1,377.40
REPUBLIC MASTER CHEFS TEXTILE RENTAL SERVICE	14904	05/04/2015	11550110	LINENS RENTAL FOR CRC BANQUET ROOM	\$44.23
		05/04/2015	11554797	LINENS RENTAL FOR CRC BANQUET ROOM	
	15011	05/18/2015	11560729	LINENS RENTAL FOR CRC BANQUET ROOM	\$158.51
		05/18/2015	11565353	LINENS RENTAL FOR CRC BANQUET ROOM	
		05/18/2015	S457400	LINENS FOR SPECIAL EVENTS AT CRC	
	15078	05/26/2015	11571194	LINENS RENTAL FOR CRC BANQUET ROOM	\$85.59
		05/26/2015	S459649	LINENS FOR SPECIAL EVENTS AT CRC	
Remit to: LOS ANGELES, CA					FYTD: \$2,390.28
RESCUE ROOTER	224915	05/04/2015	273354	SERVICES - FIRE STATION #48 REMODEL	\$150.00
Remit to: RIVERSIDE, CA					FYTD: \$150.00
REYES, RICHARD	225179	05/26/2015	6/1-6/5/15	TRAVEL PER DIEM-ICI GANG FOUNDATION SPECIALTY COURSE	\$319.50
Remit to: MORENO VALLEY, CA					FYTD: \$523.50
RICK ENGINEERING COMPANY	14961	05/11/2015	42166	CONSULTANT - CYCLE 4 PEDESTRIAN AND BICYCLE	\$280.00
		05/11/2015	42165	CONSULTANT - CYCLE 3 PEDESTRIAN	
	15012	05/18/2015	42163	CONSULTANT - PERRIS WIDENING/IRONWOOD TO MANZANITA	\$2,390.00

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Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$65,805.00
RIGHTWAY SITE SERVICES, INC.	224916	05/04/2015	69090	PORTABLE RESTROOM/SVC-PSB CAR WASH AREA	\$113.90
	225004	05/11/2015	69814	PORTABLE RESTROOM/SVC-COTTONWOOD GOLF COURSE	\$591.70
		05/11/2015	69815	PORTABLE RESTROOMS/SVC-EQUESTRIAN CENTER	
		05/11/2015	69816	PORTABLE RESTROOMS/SVC-MARCH MIDDLE SCHOOL BASEBALL	
	225157	05/26/2015	72714	PORTABLE RESTROOM/SVC-PSB CAR WASH AREA	\$113.90
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$8,837.22
RIPPETOE LAW, P.C.	225005	05/11/2015	120694	LEGAL DEFENSE SERVICES RE: VENVEST BALLARD INC. CASE	\$83.85
Remit to: IRVINE, CA					<u>FYTD:</u> \$5,157.05
RISING STARS BUSINESS ACADEMY	14962	05/11/2015	2	CDBG REIMBURSEMENT-RSBA VOCATIONAL TRAINING PROGRAM	\$2,489.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$6,283.00
RIV CO FLOOD CONTROL & WATER CONSERVATION	225006	05/11/2015	4-0-00783	REIMB INV, PAVING WEST END MORENO MDP LINE LL	\$12,000.00
		05/11/2015	RCFC FEE-050615	ENCROACHMENT PERMIT FEES - INDIAN/CARDINAL BRIDGE	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$82,818.04
RIVERS, NAOMI	225115	05/18/2015	C11019	REFUND-DISMISSED ADMIN CITATION	\$100.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$100.00
RIVERSIDE CONSTRUCTION COMPANY, INC	15079	05/26/2015	150301	CONSTRUCTION - SR-60 NASON OC	\$16,625.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$880,102.28

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RIVERSIDE COUNTY DEPARTMENT OF HEALTH	225007	05/11/2015	IN0225458	HEALTH PERMIT-CELEBRATION PARK SNACK BAR	\$353.00
	225158	05/26/2015	HS0000004570	RABIES TESTING @ PUBLIC HEALTH LAB	\$150.00
		05/26/2015	HS0000004654	RABIES TESTING @ PUBLIC HEALTH LAB	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,589.00
RIVERSIDE COUNTY ECONOMIC DEV'T. AGENCY	225064	05/18/2015	2015-104	ICSC RECON 2015-TEAM RIVERSIDE COUNTY PARTNERSHIP	\$1,600.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,100.00
RIVERSIDE COUNTY INFORMATION TECHNOLOGY (RCIT)	224917	05/04/2015	9990170000-1503	VPN CONNECTION FOR CODE ENFORCEMENT STAFF-MAR15	\$51.20
		05/04/2015	9990170000-1407	VPN CONNECTION FOR CODE ENFORCEMENT STAFF-JUL14	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,025.08
RIVERSIDE COUNTY SHERIFF CIVIL DIVISION-WEST	224984	05/05/2015	2015-00000406	1015 - GARNISHMENT - CREDITOR %	\$250.00
	225065	05/18/2015	2015-00000422	1015 - GARNISHMENT - CREDITOR %	\$250.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$7,100.93
RIVERSIDE TRANSIT AGENCY	225159	05/26/2015	65580	TNOW LOGO CONTEST SPONSORSHIP	\$500.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$500.00
RIZO, DOMINIQUE	224968	05/04/2015	MVU 7010625-04	SOLAR INCENTIVE REBATE	\$8,443.75
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$8,443.75
RODRIGUEZ, CERA	224969	05/04/2015	1235159	REFUND RENTAL DEPOSIT CONTRACT #26732	\$300.00

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Remit to: MORENO VALLEY, CA					FYTD: \$300.00
ROMAN , FRANCISCO	225203	05/26/2015	MV3131113010	REFUND-PARKING CITATION OVERPAYMENT	\$115.00
Remit to: MORENO VALLEY, CA					FYTD: \$115.00
ROMAN, FRANCISCO	225204	05/26/2015	MV2131211020	REFUND-PARKING CITATION OVERPAYMENT	\$97.00
Remit to: MORENO VALLEY, CA					FYTD: \$97.00
ROSENOW SPEVACEK GROUP (RSG, INC.)	225008	05/11/2015	I000220	CONSULTANT SERVICES-HABITAT ELIGIBILITY REVIEW	\$912.50
Remit to: SANTA ANA, CA					FYTD: \$4,412.50
RUIZ, FRANCISCO	225116	05/18/2015	C10627	REFUND-ADMIN CITATION OVERPAYMENT	\$400.00
Remit to: BANNING, CA					FYTD: \$400.00
SAATMAN, ROBIN	225117	05/18/2015	R15-083492	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: KENESAW, NE					FYTD: \$75.00
SAFEWAY BUILDING SYSTEMS, INC	225034	05/11/2015	BL#27653-YR2015	REFUND OF OVERPAYMENT FOR BL#27653	\$55.61
Remit to: COLTON, CA					FYTD: \$55.61
SAFEWAY SIGN CO.	14906	05/04/2015	1513	TRAFFIC SIGNS, POSTS, HARDWARE	\$7,714.49
		05/04/2015	1442	TRAFFIC SIGNS, POSTS, HARDWARE	
		05/04/2015	1435	TRAFFIC SIGNS, POSTS, HARDWARE	
		05/04/2015	1512	TRAFFIC SIGNS, POSTS, HARDWARE	
	15080	05/26/2015	1748	TRAFFIC SIGNS, POSTS, HARDWARE	\$19,823.34

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SAFEWAY SIGN CO.	15080	05/26/2015	1750	TRAFFIC SIGNS, POSTS, HARDWARE	\$19,823.34
		05/26/2015	1749	TRAFFIC SIGNS, POSTS, HARDWARE	
		05/26/2015	1338	TRAFFIC SIGNS, POSTS, HARDWARE	
Remit to: ADELANTO, CA					FYTD: \$67,904.57
SALAZAR, SANDRA	225205	05/26/2015	1245093 1245094	REFUND DUE TO LACK OF REGISTRATION	\$72.00
Remit to: MORENO VALLEY, CA					FYTD: \$72.00
SALEM, MAHMOUD	224970	05/04/2015	MVU 7007000-03	SOLAR INCENTIVE REBATE	\$9,922.50
Remit to: MORENO VALLEY, CA					FYTD: \$9,922.50
SANCHEZ, ALFONSO M	225206	05/26/2015	MV2150218007	REFUND-PARKING CITATION OVERPAYMENT	\$35.00
Remit to: MORENO VALLEY, CA					FYTD: \$35.00
SCHIEFELBEIN, LORI C.	225066	05/18/2015	APR 2015	CONSULTANT SERVICES-ROTATIONAL TOW PROGRAM	\$660.00
Remit to: BULLHEAD CITY, AZ					FYTD: \$9,886.25
SCMAF - INLAND VALLEY	225067	05/18/2015	2015-8	2015 SCMAF INLAND VALLEYS YOUTH BASKETBALL TOURNAMENT	\$525.00
Remit to: ONTARIO, CA					FYTD: \$573.00
SCOTT FAZEKAS & ASSOCIATES, INC	225009	05/11/2015	18075	PLAN CHECK SERVICES FOR BLDG. & SAFETY DEPT.-FEB 2015	\$3,461.65
Remit to: IRVINE, CA					FYTD: \$43,836.94
SCREEN VISION	225010	05/11/2015	LOC_000053782	SCREEN ADVERTISING AT LOCAL THEATERS	\$2,376.00
		05/11/2015	LOC_000057169	SCREEN ADVERTISING AT LOCAL THEATERS	

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Remit to: NEW YORK, NY					FYTD: \$3,456.00
SECURITY LOCK & KEY	14963	05/11/2015	26872	LOCK REPAIRS & DUPLICATE KEYS FOR SKATE PARK	\$533.28
		05/11/2015	26871	DUPLICATE KEYS FOR LAELLE SPORTS PARK	
		05/11/2015	27036	KEY EXTRACTION-BETHUNE PARK	
		05/11/2015	27027	LOCK REPAIRS & PARTS FOR TOWNGATE PARK MEN'S RR	
	15013	05/18/2015	27002	LOCK REPAIR & PARTS-CITY HALL MEDIA OFFICE DOOR	\$196.02
	15081	05/26/2015	27121	RE-KEYING OF INTERIOR & EXTERIOR LOCKS AT COTTONWOOD GOLF CTR.	\$1,712.37
Remit to: YUCAIPA, CA					FYTD: \$8,184.81
SHERIDAN , JESSICA	224971	05/04/2015	R15-083151	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: TWENTYNINE PALMS, CA					FYTD: \$75.00
SHUBIN, KATHLEEN	15014	05/18/2015	2	PREPARATION OF 4/14/15 CITY COUNCIL MEETING MINUTES	\$207.60
		05/18/2015	1	TRAINING FOR ACCELA	
	15082	05/26/2015	3	PREPARATION OF 4/28/15 CITY COUNCIL MEETING MINUTES	\$281.25
Remit to: TEMECULA, CA					FYTD: \$488.85
SIGNS BY TOMORROW	225011	05/11/2015	15423	PUBLIC HEARING SIGN UPDATE & SITE POSTING SERVICES	\$435.72
		05/11/2015	15427	PUBLIC HEARING SIGN & SITE POSTING SERVICES	
Remit to: MURRIETA, CA					FYTD: \$2,921.68
SINGER & COFFIN, APC	15015	05/18/2015	4428	LEGAL SERVICES - SR-60 MORENO BEACH	\$776.00
Remit to: IRVINE, CA					FYTD: \$107,199.41

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SKY PUBLISHING	15016	05/18/2015	15_2_023	FULL PAGE MAGAZINE AD-HOUSEHOLD HAZARDOUS WASTE EVENT	\$1,500.00
	15083	05/26/2015	15_2_024	1/2 PAGE MAGAZINE AD-FREE MULCH GIVEAWAY EVENT	\$850.00
Remit to: MORENO VALLEY, CA					FYTD: \$49,398.00
SKY TRAILS MOBILE VILLAGE	15017	05/18/2015	APRIL 2015	UUT REFUND FOR APRIL 2015	\$32.41
Remit to: LOS ANGELES, CA					FYTD: \$415.95
SLOVER, JASON	225090	05/18/2015	5/30-5/31/15	TRAVEL PER DIEM-MADD STATEWIDE AWARDS	\$45.75
Remit to: MORENO VALLEY, CA					FYTD: \$45.75
SOCO GROUP, INC	14907	05/04/2015	0157106-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	\$16,321.91
		05/04/2015	0154596-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/04/2015	0152056-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
	15084	05/26/2015	0161586-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	\$19,798.60
		05/26/2015	0164139-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/26/2015	0163968-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/26/2015	0158982-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
Remit to: PERRIS, CA					FYTD: \$286,409.48
SOLAR SERVICE CENTER, INC.	225118	05/18/2015	PERMIT B1500809	REFUND-80% OF CANC. PERMIT(LESS ISSUANCE FEE)-24808 HIGHWOOD ST.	\$146.32
	225119	05/18/2015	PERMIT B1401973	REFUND-80% OF CANC. PERMIT(LESS ISSUANCE FEE)-16225 NIPPET LN.	\$146.32
	225120	05/18/2015	PERMIT B1401971	REFUND-80% OF CANC. PERMIT(LESS ISSUANCE FEE)-16225 NIPPET LN.	\$133.76
Remit to: PERRIS, CA					FYTD: \$146.32

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SOLARCITY CORPORATION	225207	05/26/2015	FP15-0458	REFUND-FIRE INSPECTION FEES OVERCHARGED IN ERROR	\$402.00
Remit to: SAN MATEO, CA					<u>FYTD:</u> \$402.00
SOSA, HUGO	14908	05/04/2015	APR-2015	INSTRUCTOR SERVICES-TRADITIONAL KARATEDO CLASS	\$330.00
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$4,440.00
SOUTH COAST AIR QUALITY MGMT DISTRICT	225068	05/18/2015	2821292	AQMD "HOT SPOTS" PROGRAM FEE-ANIMAL SHELTER (7/2014-6/2015)	\$120.84
Remit to: DIAMOND BAR, CA					<u>FYTD:</u> \$5,486.32
SOUTHERN CALIFORNIA EDISON 1	224918	05/04/2015	APR-15 5/4/15	ELECTRICITY	\$2,364.71
	225012	05/11/2015	721-3449 APR-15	IFA CHARGES-SUBSTATION	\$23,055.50
		05/11/2015	APR-15 5/11/15	ELECTRICITY	
	225161	05/26/2015	7500536193	RELIABILITY SERVICE-DLAP_SCE_SEES_HV	\$2,513.19
Remit to: ROSEMEAD, CA					<u>FYTD:</u> \$2,898,076.41
SOUTHERN CALIFORNIA GAS CO.	225070	05/18/2015	APR-2015	GAS CHARGES	\$4,296.72
Remit to: MONTEREY PARK, CA					<u>FYTD:</u> \$62,136.74
SOUTHWEST HEALTHCARE SYSTEM	225162	05/26/2015	MV001	STANDARD REPORTING SART EXAM	\$900.00
Remit to: WILDOMAR, CA					<u>FYTD:</u> \$900.00
SPARKLETTS	14964	05/11/2015	7387294 030715	BOTTLED WATER/SVC.-COTTONWOOD GOLF COURSE STAFF	\$14.50
		05/11/2015	7387294 040715	BOTTLED WATER/SVC.-COTTONWOOD GOLF COURSE STAFF	
		05/11/2015	10050036 040215	BOTTLED WATER/SVC.-EOC/ERF	
	15018	05/18/2015	7364596 050215	BOTTLED WATER/SVC.-CREEKSIDE ELEMENTARY "A CHILD'S PLACE"	\$257.18

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SPARKLETTS	15018	05/18/2015	7363683 050215	BOTTLED WATER/SVC.-ARMADA ELEMENTARY "A CHILD'S PLACE"	\$257.18
		05/18/2015	8742831 031315	BOTTLED WATER/SVC.-EMP. RESOURCE CENTER	
		05/18/2015	7364551 042315	BOTTLED WATER/SVC.-SUNNYMEAD ELEMENTARY "A CHILD'S PLACE"	
Remit to: DALLAS, TX					FYTD: \$1,701.00
SPRINT	14965	05/11/2015	417544340-101	CELLULAR PHONE SERVICE FOR PD GTF	\$437.68
		05/11/2015	634235346-056	CELLULAR PHONE SERVICE FOR PD SET	
	225071	05/18/2015	LCI-232281	CELLULAR TECH EXTRACTION & LOCATOR SVCS FOR PD SET	\$30.00
Remit to: CAROL STREAM, IL					FYTD: \$5,090.82
STANDARD INSURANCE CO	224933	05/04/2015	150501	SUPPLEMENTAL INSURANCE	\$1,382.77
Remit to: PORTLAND, OR					FYTD: \$297,302.39
STANLEY CONVERGENT SECURITY SOLUTIONS, INC	15019	05/18/2015	12303805	SECURITY SYSTEM MONITORING-RED MAPLE "A CHILD'S PLACE" FACILITY	\$354.00
		05/26/2015	12305088	SECURITY SYSTEM MONITORING-SUNNYMEAD & BETHUNE PARKS SNACK BARS	\$2,139.35
		05/26/2015	12308547	SECURITY SYSTEM MONITORING-MORRISON PARK SNACK BAR	
		05/26/2015	12300845	ALARM SYSTEM MONITORING SERVICES-EOC/MAY15	
		05/26/2015	12321152	ALARM SYSTEM MONITORING SERVICES-COTTONWOOD GOLF PRO SHOP	
		05/26/2015	12325172	ALARM SYSTEM MONITORING SERVICES-ANNEX 1 FIRE ALARM	
		05/26/2015	12314724	SECURITY SYSTEM MONITORING-LASSELLE SPORTS PARK	
		05/26/2015	12327364	ALARM SYSTEM MONITORING SERVICES-CITY HALL	
		05/26/2015	12326246	ALARM SYSTEM MONITORING SERVICES-FIRE ST. #99/MAY15	
		05/26/2015	12322212	ALARM SYSTEM MONITORING SERVICES-LIBRARY	

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Remit to: PALATINE, IL					<u>FYTD:</u> \$31,998.20
STATE BOARD OF EQUALIZATION 1	15090	05/22/2015	043015	SALES & USE TAX REPORT FOR 4/1-4/30/15	\$1,703.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$26,496.00
STATE CONTROLLER'S OFFICE	224920	05/04/2015	44607	ANNUAL STREET REPORT FY 2013/14	\$2,125.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$4,625.00
STATE DISBURSEMENT UNIT	14922	05/01/2015	2015-00000414	1005 - GARNISHMENT - CHILD SUPPORT*	\$2,494.19
	14981	05/15/2015	2015-00000432	1005 - GARNISHMENT - CHILD SUPPORT*	\$2,547.39
	15096	05/29/2015	2015-00000453	1005 - GARNISHMENT - CHILD SUPPORT*	\$2,573.98
Remit to: WEST SACRAMENTO, CA					<u>FYTD:</u> \$55,503.63
STATE OF CALIFORNIA	224972	05/04/2015	ACCT 7008831-17	MORENO VALLEY UTILITY REFUND-ANGELA E. VORISE-15770 LASSELLE, #G	\$302.09
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$302.09
STATE OF CALIFORNIA DEPT. OF JUSTICE	224921	05/04/2015	094597	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-MAR15	\$770.00
		05/04/2015	094650	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-DEC14/JAN15 REBILLS	
	225013	05/11/2015	085539 (HR)	FINGERPRINTING SERVICES-HR/EMPLOYMENT/VOLUNTEERS RELATED	\$704.00
		05/11/2015	085539 (BL)	FINGERPRINTING SERVICES-BUSINESS LIC. RELATED	
	225014	05/11/2015	090882 (HR)	FINGERPRINTING SERVICES-HR/EMPLOYMENT/VOLUNTEERS RELATED	\$798.00
		05/11/2015	090882 (OEM)	FINGERPRINTING SERVICES-ERF VOLUNTEERS RELATED	

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
STATE OF CALIFORNIA DEPT. OF JUSTICE	225014	05/11/2015	090882 (BL)	FINGERPRINTING SERVICES-BUSINESS LIC. RELATED	\$798.00
	225163	05/26/2015	100063	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-FEB15 REBILL	\$700.00
		05/26/2015	100019	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD-APR15	
Remit to: SACRAMENTO, CA					FYTD: \$43,259.00
STENO SOLUTIONS TRANSCRIPTION SVCS., IN	14966	05/11/2015	42835	TRANSCRIPTION SERVICES FOR PD-APR 2015	\$1,732.00
Remit to: CORONA, CA					FYTD: \$29,574.72
STILES ANIMAL REMOVAL, INC.	225164	05/26/2015	104561	LARGE ANIMAL CARCASS REMOVAL SERVICES	\$300.00
Remit to: GUAСТИ, CA					FYTD: \$1,200.00
STRADLING, YOCCA, CARLSON & RAUTH	14910	05/04/2015	295271-0000	LEGAL SERVICES-SUCCESSOR AGENCY	\$9,721.20
		05/04/2015	295793-0000	LEGAL SERVICES-SUCCESSOR AGENCY	
		05/04/2015	295784-0032	LEGAL SERVICES-SUCCESSOR AGENCY	
	14967	05/11/2015	296649-0032	LEGAL SERVICES RE: NSP AGREEMENTS	\$2,407.00
Remit to: NEWPORT BEACH, CA					FYTD: \$54,797.43
SUNNYMEAD ACE HARDWARE	225015	05/11/2015	61001	MISC SUPPLIES FOR FIRE STATION #2	\$60.94
		05/11/2015	61101	MISC SUPPLIES FOR FIRE STATION #48	
		05/11/2015	61013	MISC. SUPPLIES FOR PD	
Remit to: MORENO VALLEY, CA					FYTD: \$2,725.82
SUNNYMEAD ANIMAL HOSPITAL	225016	05/11/2015	278514	VETERINARY SERVICE FOR PATROL K-9 IVAN	\$22.40
Remit to: MORENO VALLEY, CA					FYTD: \$359.00

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SYSTEMS SOURCE, INC.	225165	05/26/2015	194016	CITY HALL 1ST FLOOR TRANSACTION COUNTER SURFACE & BRACKETS	\$316.23
Remit to: IRVINE, CA					<u>FYTD:</u> \$316.23
TENASKA ENERGY, INC	15086	05/26/2015	1342-APR-15-01	RESOURCE ADEQUACY-MV UTILITY	\$22,780.00
Remit to: OMAHA, NE					<u>FYTD:</u> \$163,910.00
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	15020	05/18/2015	2015-00000423	4511 - FSA - MED CARE REIMB 2015*	\$4,293.25
Remit to: TEMECULA, CA					<u>FYTD:</u> \$239,714.41
THE DUMBELL MAN FITNESS EQUIPMENT	225072	05/18/2015	30522	MAINT. & REPAIRS FOR TREADMILL MACHINES-PSB	\$312.50
		05/18/2015	30145	MAINT. & REPAIRS FOR TREADMILL MACHINES-PSB	
Remit to: TORRANCE, CA					<u>FYTD:</u> \$312.50
THE RAIDER IMAGE, LLC	224973	05/04/2015	BL#16774-YR2015	REFUND OF OVERPAYMENT FOR BL#16774	\$81.29
Remit to: ALAMEDA, CA					<u>FYTD:</u> \$81.29
THE SAUCE CREATIVE SERVICES	225166	05/26/2015	1666	MOVAL SIGHTS & SOUNDS OF LIBERTY WINDOW CLINGS	\$197.00
Remit to: MONROVIA, CA					<u>FYTD:</u> \$591.00
THE UPS STORE #670	224974	05/04/2015	BL#04153-YR2015	REFUND OF OVERPAYMENT FOR BL#04153	\$57.67
Remit to: CATHEDRAL CITY, CA					<u>FYTD:</u> \$57.67
THERMAL COMBUSTION INNOVATORS	224922	05/04/2015	141095	BIOHAZARDOUS MEDICAL WASTE PICKUP FROM ANIMAL SHELTER-APR15	\$233.07
		05/04/2015	138271	BIOHAZARDOUS MEDICAL WASTE PICKUP FROM ANIMAL SHELTER-FEB15	

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THERMAL COMBUSTION INNOVATORS	224922	05/04/2015	139808	BIOHAZARDOUS MEDICAL WASTE PICKUP FROM ANIMAL SHELTER-MAR15	\$233.07
Remit to: COLTON, CA					FYTD: \$830.93
THERMAL-COOL INC.	225073	05/18/2015	w/o 6914	REPLACE DUCT SENSOR & INTEGRATE WITH BACNET-PSB	\$778.00
Remit to: RIVERSIDE, CA					FYTD: \$21,619.60
THOMPSON COBURN LLP	14968	05/11/2015	3098908	LEGAL SERVICES FOR MVU RE: RELIABILITY STANDARD COMPLIANCE-MAR15	\$71.46
Remit to: WASHINGTON, DC					FYTD: \$4,399.33
THOMPSON, MIRANDA	225121	05/18/2015	1243162	REFUND DUE TO INSTRUCTOR CONFLICT	\$27.00
Remit to: MORENO VALLEY, CA					FYTD: \$27.00
TIME WARNER CABLE	225074	05/18/2015	031518001 5/1/15	CABLE TV SERVICE FOR COTTONWOOD GOLF CENTER	\$63.76
Remit to: PITTSBURGH, PA					FYTD: \$7,658.64
TRANSOFT SOLUTIONS, INC.	225075	05/18/2015	119030	AUTOTURN SL MAP RENEWAL	\$1,463.00
Remit to: RICHMOND, BC					FYTD: \$1,463.00
TREMCO INCORPORATED	224923	05/04/2015	93331272	ROOFING TILE REPAIR AT SENIOR CENTER	\$9,500.00
	225167	05/26/2015	93346352	ROOF TRACE TEST-PUBLIC SAFETY BLDG.	\$410.00
Remit to: CLEVELAND, OH					FYTD: \$31,271.00
TRICHE, TARA	15022	05/18/2015	MAY-2015	INSTRUCTOR SERVICES-DANCE CLASSES	\$2,433.00
Remit to: MORENO VALLEY, CA					FYTD: \$23,565.15
TRUGREEN LANDCARE	15023	05/18/2015	7921238	IRRIGATION REPAIRS-SD LMD ZN 04-MAR 2015	\$5,729.88

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TRUGREEN LANDCARE	15023	05/18/2015	7921236	IRRIGATION REPAIRS-SD LMD ZN 08-MAR 2015	\$5,729.88
		05/18/2015	7934743	IRRIGATION REPAIRS-SD LMD ZN 01A-APR 2015	
		05/18/2015	7934745	IRRIGATION REPAIRS-SD LMD ZN 04-APR 2015	
		05/18/2015	7934742	IRRIGATION REPAIRS-ZONE M-APR 2015	
	15088	05/26/2015	7926170	LANDSCAPE MOWING-ZONE A PARKS-APR15	\$11,854.53
		05/26/2015	7926172	LANDSCAPE MOWING-CFD #1-APR15	
Remit to: RIVERSIDE, CA					FYTD: \$440,669.23
TUFFSTUFF FITNESS EQUIPMENT, INC	225017	05/11/2015	226699	HEX DUMBBELLS (BACKORDER) FOR FIRE STATION #2	\$233.28
Remit to: CHINO, CA					FYTD: \$10,297.47
TURF STAR, INC.	225168	05/26/2015	6890976-00	COTTONWOOD GOLF COURSE EQUIPMENT PARTS	\$545.83
		05/26/2015	2286732-00	COTTONWOOD GOLF COURSE EQUIPMENT REPAIR PARTS/LABOR	
Remit to: SAN FRANCISCO, CA					FYTD: \$5,040.95
TURNER, MICHAEL	225122	05/18/2015	R15-085072	AS REFUND-TRAP DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					FYTD: \$50.00
TW TELECOM HOLDINGS, INC	14911	05/04/2015	06958873	TELECOM SVCS.-LOCAL/LONG DISTANCE CALLS	\$3,938.87
		05/04/2015	06958873a	INTERNET & DATA SERVICES	
Remit to: DENVER, CO					FYTD: \$38,589.84
TWINING LABORATORIES OF SO. CALIFORNIA	225076	05/18/2015	56731	CONSULTANT - HEACOCK/SAN MICHELE TO PVSD	\$3,895.00
	225169	05/26/2015	56724	CONSULTANT - PERRIS WIDENING/IRONWOOD TO MANZANITA	\$9,245.50

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Remit to: LONG BEACH, CA					<u>FYTD:</u> \$70,251.50
TYLER-MURDOCK, IDA	225208	05/26/2015	R15-085870	AS REFUND-OVERPMT ON LICENSE RENEWAL	\$23.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$23.00
U.S. POSTAL SERVICE	225126	05/20/2015	PERMIT NO. 656	POSTAGE DEPOSIT TO PERMIT#656	\$1,553.46
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$37,223.40
ULTRASERV AUTOMATED SERVICES, LLC	225170	05/26/2015	3590:022470	COFFEE SVC SUPPLIES-CITY HALL/BREAKROOM LOCATION	\$609.28
		05/26/2015	3590:022596	COFFEE SVC SUPPLIES-ANNEX 1	
		05/26/2015	3590:022472	COFFEE SVC SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		05/26/2015	3590:022084	COFFEE SVC SUPPLIES-ANNEX 1	
		05/26/2015	3590:022082	COFFEE SVC SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		05/26/2015	3590:021882	COFFEE SVC SUPPLIES-CITY YARD	
Remit to: COSTA MESA, CA					<u>FYTD:</u> \$15,344.24
UNDERGROUND SERVICE ALERT	14913	05/04/2015	320150451 (d)	DIGALERT TICKETS SUBSCRIPTION SERVICE	\$102.75
Remit to: CORONA, CA					<u>FYTD:</u> \$3,804.00
UNITED POWER GENERATION, INC.	224924	05/04/2015	3977	GENERATOR REPAIR AT FIRE STATION #2	\$291.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$497.00
UNITED ROTARY BRUSH CORP	14914	05/04/2015	284241	ELGIN MAIN BROOM KIT	\$1,308.64
Remit to: KANSAS CITY, MO					<u>FYTD:</u> \$37,529.18

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UNITED SITE SERVICES OF CA, INC.	15024	05/18/2015	114-2871851	FENCE RENTAL AT ANIMAL SHELTER	\$106.65
	15025	05/18/2015	114-2818063	SERVICES - FIRE STATION #48	\$2,328.56
		05/18/2015	114-2851975	SERVICES - FIRE STATION #48	
Remit to: EL MONTE, CA					FYTD: \$11,855.29
UNITED STATES TREASURY - 4	224985	05/05/2015	2015-00000407	1001 - GARNISHMENT - IRS TAX LEVY	\$325.02
	225077	05/18/2015	2015-00000424	1001 - GARNISHMENT - IRS TAX LEVY	\$238.93
Remit to: FRESNO, CA					FYTD: \$4,929.42
UNITED STATES VETERANS INITIATIVE	225078	05/18/2015	1 - 3/3/15	CDBG REIMBURSEMENT-MEALS FOR HEROES PROGRAM	\$7,967.97
Remit to: RIVERSIDE, CA					FYTD: \$14,029.97
UNITED WAY OF INLAND VALLEYS	14928	05/05/2015	2015-00000408	8720 - UNITED WAY	\$22.50
	15026	05/18/2015	2015-00000425	8720 - UNITED WAY	\$22.50
Remit to: RIVERSIDE, CA					FYTD: \$6,508.00
USA MOBILITY/ARCH WIRELESS	14915	05/04/2015	Y6218870D	PAGER SERVICE	\$4.69
	15027	05/18/2015	Y6218870E	PAGER SERVICE	\$4.69
Remit to: SPRINGFIELD, VA					FYTD: \$68.54
VACATE TERMITES & PEST ELIMINATION COMPANY	15028	05/18/2015	57396	RODENT CONTROL-AQUEDUCT	\$180.00
		05/18/2015	56578	RODENT CONTROL-ELECTRIC UTILITY SUBSTATION	
		05/18/2015	56941	RODENT CONTROL-AQUEDUCT	
		05/18/2015	56943	RODENT CONTROL-ELECTRIC UTILITY SUBSTATION	
	15089	05/26/2015	56944	PEST CONTROL SERVICE-ANIMAL SHELTER	\$1,260.00

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VACATE TERMITE & PEST ELIMINATION COMPANY	15089	05/26/2015	56539	PEST CONTROL SERVICE-FIRE ST. #99	\$1,260.00
		05/26/2015	56540	PEST CONTROL SERVICE-FIRE ST. #65	
		05/26/2015	56546	PEST CONTROL SERVICE-FIRE ST. #2	
		05/26/2015	56545	PEST CONTROL SERVICE-SENIOR CENTER	
		05/26/2015	56728	PEST CONTROL SERVICE-FIRE ST. #58	
		05/26/2015	56541	PEST CONTROL SERVICE-FIRE ST. #48	
		05/26/2015	56542	PEST CONTROL SERVICE-UTILITY FIELD OFFICE	
		05/26/2015	56935	PEST CONTROL SERVICE-CITY HALL	
		05/26/2015	56936	PEST CONTROL SERVICE-CONFERENCE & REC. CTR.	
		05/26/2015	56544	PEST CONTROL SERVICE-LIBRARY	
		05/26/2015	56947	PEST CONTROL SERVICE-TRANSP. TRAILER	
		05/26/2015	56939	PEST CONTROL SERVICE-GOLF COURSE PRO SHOP	
		05/26/2015	56945	PEST CONTROL SERVICE-MARCH FIELD ASES BLDG.	
		05/26/2015	56940	PEST CONTROL SERVICE-EOC	
		05/26/2015	56946	PEST CONTROL SERVICE-MARCH FIELD PARK COMM. CTR.	
		05/26/2015	56942	PEST CONTROL SERVICE-ANNEX 1	
		05/26/2015	56937	PEST CONTROL SERVICE-CITY YARD	
		05/26/2015	56543	PEST CONTROL SERVICE-FIRE ST. #6	
		05/26/2015	56938	PEST CONTROL SERVICE-PUBLIC SAFETY BLDG.	
		05/26/2015	56538	PEST CONTROL SERVICE-TOWNGATE COMM. CTR.	
		05/26/2015	56547	PEST CONTROL SERVICE-FIRE ST. #91	

Remit to: MORENO VALLEY, CA

FYTD: \$16,175.00

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VAL VERDE UNIFIED SCHOOL DISTRICT	225018	05/11/2015	12269	TEAM APPAREL FOR YOUTH SPORTS PROGRAM	\$3,553.50
	225079	05/18/2015	12384	TEAM APPAREL FOR YOUTH SPORTS PROGRAM	\$86.25
Remit to: PERRIS, CA					<u>FYTD:</u> \$14,576.25
VALLEY CITIES GONZALES FENCE CO	14969	05/11/2015	4013	GATE REPAIRS FOR PARKS DEPT.	\$1,500.00
	15029	05/18/2015	4527	FENCE REPAIR AT SUNNYMEAD PARK	\$625.00
Remit to: NORCO, CA					<u>FYTD:</u> \$134,228.63
VEHICLE REGISTRATION COLLECTIONS	224986	05/05/2015	2015-00000409	1015 - GARNISHMENT - CREDITOR %*	\$186.27
	225080	05/18/2015	2015-00000426	1015 - GARNISHMENT - CREDITOR %*	\$116.49
Remit to: RANCHO CORDOVA, CA					<u>FYTD:</u> \$1,445.47
VERA, JOSUE	225124	05/18/2015	C12339	REFUND-DISMISSED ADMIN CITATION	\$100.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$100.00
VERENGO, INC	225209	05/26/2015	PERMIT B1403226	REFUND-80% (LESS ISSUANCE FEE)-CANC. PROJECT-10253 FERNLEAF DR.	\$133.76
Remit to: TORRANCE, CA					<u>FYTD:</u> \$133.76
VERIZON	224925	05/04/2015	EQN6913105-15087	BACKBONE COMMUNICATION CHARGES	\$1,176.97
		05/04/2015	EQN6913105-15059	BACKBONE COMMUNICATION CHARGES	
	225171	05/26/2015	EQN6913105-15118	BACKBONE COMMUNICATION CHARGES	\$593.74
Remit to: TRENTON, NJ					<u>FYTD:</u> \$6,440.85
VERIZON CALIFORNIA	224926	05/04/2015	951 UH2-7052-MAR	PHONE CHARGES - ERC	\$1,281.82

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VERIZON CALIFORNIA	224926	05/04/2015	951 UH2-7052-APR	PHONE CHARGES - ERC	\$1,281.82
	225019	05/11/2015	1258220327APR-15	FIOS SERVICES FOR FIRE STATION 99	\$117.94
	225020	05/11/2015	877 811-8700/'15	ANNUAL PHONE DIRECTORY LISTING	\$58.69
	225172	05/26/2015	951 UH2-7052-MAY	PHONE CHARGES - ERC	\$646.37
Remit to: DALLAS, TX					<u>FYTD:</u> \$8,399.10
VERIZON WIRELESS	224927	05/04/2015	9743796556	CELLULAR SERVICE FOR PD TRAFFIC TICKET WRITERS	\$162.45
	225173	05/26/2015	9745481887	CELLULAR SERVICE FOR PD TRAFFIC TICKET WRITERS	\$162.45
Remit to: DALLAS, TX					<u>FYTD:</u> \$1,928.70
VICTOR ELECTRIC INC	224975	05/04/2015	BL#07005-YR2015	REFUND OF OVERPAYMENT FOR BL#07005	\$60.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$60.00
VICTOR MEDICAL CO	225081	05/18/2015	3672851	ANIMAL MEDICAL SUPPLIES/VACCINES	\$1,687.53
Remit to: LAKE FOREST, CA					<u>FYTD:</u> \$26,205.30
VISION SERVICE PLAN	14916	05/04/2015	150501	EMPLOYEE VISION INSURANCE	\$3,941.19
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$43,949.80
VISTA PAINT CORPORATION	15030	05/18/2015	2015-064072-00	PAINT FOR CITY PARKS	\$188.40
Remit to: FULLERTON, CA					<u>FYTD:</u> \$5,774.50
VOYAGER FLEET SYSTEM, INC.	14970	05/11/2015	869336602517	FUEL CARD PURCHASES	\$1,319.65
	15031	05/18/2015	869211615517	CNG FUEL PURCHASES	\$2,308.12
Remit to: HOUSTON, TX					<u>FYTD:</u> \$30,841.84
VULCAN MATERIALS CO, INC.	14917	05/04/2015	70732419	ASPHALTIC MATERIALS	\$4,592.72

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VULCAN MATERIALS CO, INC.	14917	05/04/2015	70729079	ASHPALTIC - ORDER 6530	\$4,592.72
		05/04/2015	70732420	ASPHALTIC MATERIALS	
		05/04/2015	70729080	ASPHALTIC MATERIALS - ORDER 6530	
		05/04/2015	70726047	ASPHALTIC MATERIALS - ORDER 6530	
		05/04/2015	70723794	ASPHALTIC MATERIALS - ORDER 6530	
		05/04/2015	70720699	ASPHALTIC MATERIALS - ORDER 6530	
		05/04/2015	70723793	ASPHALTIC MATERIALS - ORDER 6530	
		05/04/2015	70734824	ASPHALTIC MATERIALS	
		05/04/2015	70716061	ASPHALTIC MATERIALS - ORDER 6530	
		05/04/2015	70716060	ASHPALTIC MATERIALS - ORDER 6530	
05/04/2015	70718312	ASPHALTIC MATERIALS - ORDER 6530			
Remit to: LOS ANGELES, CA					FYTD: \$33,044.58
WALLACE CONCRETE, INC	224976	05/04/2015	BL#24257-YR2015	REFUND OF OVERPAYMENT FOR BL#24257	\$83.39
Remit to: YUCAIPA, CA					FYTD: \$83.39
WATER SPECIALIST CONSULTANTS	225091	05/18/2015	REGISTR.-6/16/15	REGIST. FEES-D. RISTOW/T. GARCIA FOR RECYC. WATER SUPV. TRAINING	\$90.00
Remit to: LA MESA, CA					FYTD: \$225.00
WEBFORTIS, LLC	225082	05/18/2015	195	MICROSOFT DYNAMICS CRM SUPPORT SERVICES-FEB15	\$2,370.00
		05/18/2015	222	CRM CODE & SYSTEM UPGRADE SERVICES-V2011 TO V2013	
Remit to: WALNUT CREEK, CA					FYTD: \$40,073.75
WELLS FARGO CORPORATE TRUST	225021	05/11/2015	1180736	ANNUAL TRUSTEE FEE-2007 TAX LRB	\$2,000.00
	225174	05/26/2015	1190489	ANNUAL TRUSTEE FEE-CFD#5 STONERIDGE TAX BONDS	\$2,000.00

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Remit to: MINNEAPOLIS, MN					FYTD: \$8,253,273.22
WEST COAST FIRE & INTEGRATION, INC	224977	05/04/2015	BL#27542-YR2015	REFUND OF OVERPAYMENT FOR BL#27542	\$104.73
Remit to: COSTA MESA, CA					FYTD: \$104.73
WEST COAST SIDING & TRIM	225035	05/11/2015	PERMIT B1500834	REFUND-80% OF CANC. PERMIT(LESS ISSUANCE FEE)-13408 TRIPLE CROWN	\$294.84
Remit to: CORONA, CA					FYTD: \$294.84
WEST, LINDA	225210	05/26/2015	R15-082478	AS REFUND-S/N DEPOSITS ON 2 DOGS	\$150.00
Remit to: MORENO VALLEY, CA					FYTD: \$150.00
WESTERN MUNICIPAL WATER DISTRICT	225175	05/26/2015	23821-018257/AP5	WATER CHARGES-MFPCC LANDSCAPE	\$2,053.52
		05/26/2015	24753-018620/AP5	WATER CHARGES-MARB BALLFIELDS	
		05/26/2015	23866-018292/AP5	WATER CHARGES-SKATE PARK	
		05/26/2015	23821-018258/AP5	WATER CHARGES-MFPCC BLDG. 938	
Remit to: ARTESIA, CA					FYTD: \$32,984.08
WESTERN NATIONAL PROPERTY	225036	05/11/2015	00053948	REQUESTING REFUND DUE TO ERROR ON BILLING	\$100.00
Remit to: IRVINE, CA					FYTD: \$100.00
WESTERN NATIONAL PROPERTY MANAGEMENT	225211	05/26/2015	00044915	REFUNDING DUE TO INCORRECT BILLING	\$153.76
Remit to: IRVINE, CA					FYTD: \$153.76
WHITTEMORE, ETHAN	225125	05/18/2015	R15-082490	AS REFUND-RABIES & S/N DEPOSITS	\$95.00

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015

CHECKS UNDER \$25,000

Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
Remit to: RIVERSIDE, CA					FYTD: \$95.00
WILLDAN ENGINEERING	14971	05/11/2015	002-15336	PLAN CHECK & INSPECTION SVCS FOR BLDG. & SAFETY DEPT.	\$5,617.50
Remit to: ANAHEIM, CA					FYTD: \$259,640.43
WILLDAN FINANCIAL SERVICES	15033	05/18/2015	010-27309	ANNUAL BOND DISCLOSURE & REPORTING SERVICES	\$1,000.00
Remit to: TEMECULA, CA					FYTD: \$42,000.00
WILLHITE, JOHN	224978	05/04/2015	1237785	COTTONWOOD RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
WILLIS, ROBERT H	224928	05/04/2015	041615	SPORTS OFFICIATING SERVICES-SOFTBALL	\$168.00
		05/04/2015	041915	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/04/2015	042615	SPORTS OFFICIATING SERVICES-SOFTBALL	
	225022	05/11/2015	042315	SPORTS OFFICIATING SERVICES-SOFTBALL	\$168.00
		05/11/2015	050315	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/11/2015	043015	SPORTS OFFICIATING SERVICES-SOFTBALL	
	225083	05/18/2015	050715	SPORTS OFFICIATING SERVICES-SOFTBALL	\$63.00
Remit to: PERRIS, CA					FYTD: \$3,444.00
WOLTERBEEK, HANS	225212	05/26/2015	R15-085297	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MORENO VALLEY, CA					FYTD: \$75.00
XEROX CAPITAL SERVICES, LLC	224929	05/04/2015	078950032	COPIER LEASE/BILLABLE PRINTS FOR GRAPHICS DEPT-MAR 2015	\$854.23
		05/04/2015	078950033	COPIER LEASE FOR GRAPHICS DEPT.	
	225084	05/18/2015	079406075	COPIER LEASE FOR PARKS DEPT-APR 2015	\$1,646.75

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



City of Moreno Valley
Payment Register
For Period 5/1/2015 through 5/31/2015

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
XEROX CAPITAL SERVICES, LLC	225084	05/18/2015	079406074	COPIER LEASE/BILLABLE PRINTS FOR PARKS DEPT-APR 2015	\$1,646.75
Remit to: PASADENA, CA					<u>FYTD:</u> \$34,645.91
XPRESSION	224979	05/04/2015	BL#27118-YR2015	REFUND OF OVERPAYMENT FOR BL#27118	\$87.63
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$87.63
TOTAL CHECKS UNDER \$25,000					\$1,157,535.70
GRAND TOTAL					\$13,323,497.63

Attachment: May 2015 Payment Register (1546 : PAYMENT REGISTER - MAY 2015)



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 14, 2015

TITLE: GRANT OF UTILITY EASEMENT TO SOUTHERN CALIFORNIA EDISON COMPANY FOR POWER LINE RELOCATION AND MAINTENANCE ASSOCIATED WITH THE RECHE VISTA DRIVE REALIGNMENT PROJECT NO. 801 0009 70 77

RECOMMENDED ACTION

Recommendations:

1. Grant a utility easement to Southern California Edison Company (SCE) for power line relocation and maintenance associated with the Reche Vista Drive Realignment project.
2. Authorize the Public Works Director/City Engineer to execute the Grant of Easement for SCE once it has been finalized, subject to the review and approval of the City Attorney.

SUMMARY

This report recommends that the Council grant a utility easement to SCE and authorize the Public Works Director/City Engineer to execute the Grant of Easement for SCE for power line relocation and maintenance purposes associated with the Reche Vista Drive Realignment project. This project requires SCE to relocate approximately 650 feet of its existing underground conduit to avoid conflicts with the proposed improvements prior to start of the construction. There is no fiscal impact associated with the recommended action items on the approved budget for the project.

DISCUSSION

On June 9, 2015, the City Council awarded a contract to Vance Corporation to construct the Reche Vista Drive Realignment project from Heacock Street to North City Limits.

This project will replace the existing 2400-foot segment of Reche Vista Drive from the intersection of Perris Boulevard and Heacock Street to Northern City Limits (Country Road) with a new roadway alignment. The existing segment of Reche Vista Drive does not meet the current standards for shoulders and horizontal/vertical profile, has extensive vehicle queuing and high collision rate, and has been a challenge for road maintenance. The project includes needed improvements that would enhance traffic flow on Reche Vista Drive and safety for commuters, as well as enhancing accessibility for the residents and for roadway maintenance.

As part of the construction of this project, SCE is required to relocate approximately 650 feet of its existing underground conduit to avoid conflicts with the proposed improvements. SCE currently has a 4-foot wide easement within City owned property (Assessor's Parcel Number 471-290-017) for its existing underground conduit. SCE is going to replace this conduit with an overhead line with power poles. This new overhead line requires a 21-foot wide easement to provide SCE with adequate space for the installation and future maintenance of the facility. SCE is required to relocate its facility prior to the start of the construction of the Reche Vista Drive Realignment project, which is tentatively scheduled for late July 2015.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will provide for the timely relocation of SCE's facilities required for the construction of much needed improvements for Reche Vista Drive to enhance safety and traffic flow for commuters using this road and for meeting expenditure deadline for TRIP funding.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will delay the relocation of SCE's facilities required for the construction of much needed improvements for Reche Vista Drive Realignment that would enhance safety and traffic flow for commuters using this road and will prevent the project from meeting expenditure deadline for TRIP funding.*

FISCAL IMPACT

There is no fiscal impact associated with the recommended action items.

NOTIFICATION

In accordance with City procedures, a notice was published in January 2009 in the Press Enterprise describing the Project and advising the public of the preparation of a Mitigated Negative Declaration (MND); notice of time and place where the environmental documents could be inspected; and notice that the City Council would consider approval of a Mitigated Negative Declaration (MND) for the Project (or appropriate modifications or alternatives to the Project) at the February 24, 2009

meeting. This notice advised that comments could be submitted to the City prior to or at this meeting. No comments were received prior to or at this Council meeting.

The City’s design team also met with some of the adjacent property owners to address their access and driveway issues and they had very positive feedback about the project’s design features.

City staff also met with the City’s Fire and Police Department personnel to explain the merits of the project and it was very well received due to the safety and mobility enhancements.

In late November 2014, invitations were sent out to all residents and businesses within one-mile radius of the project for four (4) Public Information/Community Outreach Meetings held on December 2014, January 2015, and February 2015. Invitation flyers were also published on local newspapers and posted on City website and other media.

All utilities, adjacent property owners, business owners, law enforcement, fire department, and other emergency services responders in the area will be notified in a timely manner prior to the start of construction work. Changeable message signs to notify commuters will be strategically placed to provide adequate advanced notice.

PREPARATION OF STAFF REPORT

Prepared By:
Quang Nguyen
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

- 1. Location and Aerial View Maps
- 2. SCE Easement Exhibit

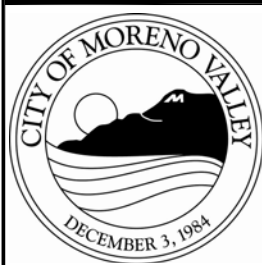
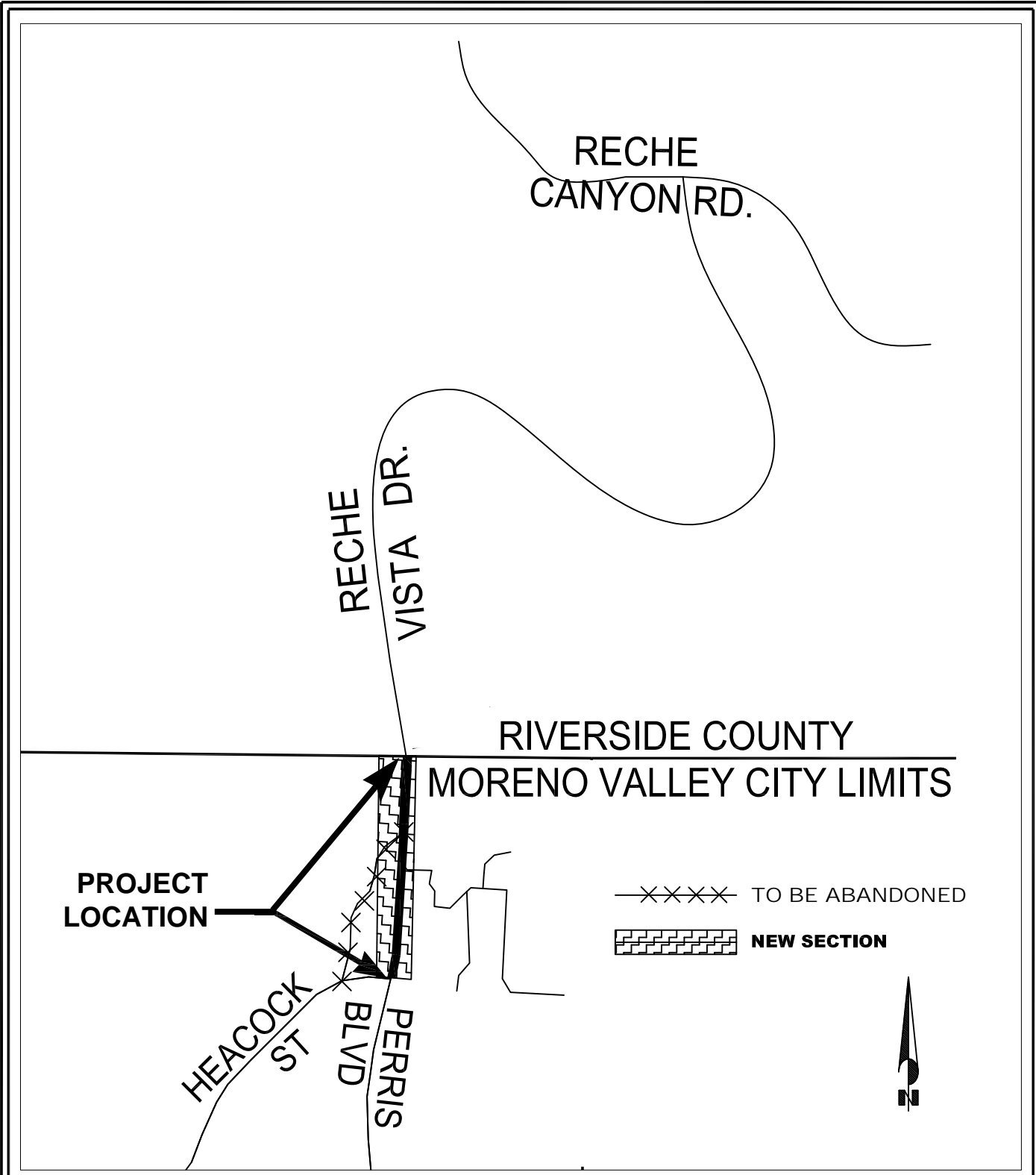
APPROVALS

Budget Officer Approval	<u> ✓ Approved </u>	6/24/15 5:01 PM
City Attorney Approval	<u> ✓ Approved </u>	7/07/15 3:29 PM

City Manager Approval

✓ Approved

7/08/15 3:19 PM



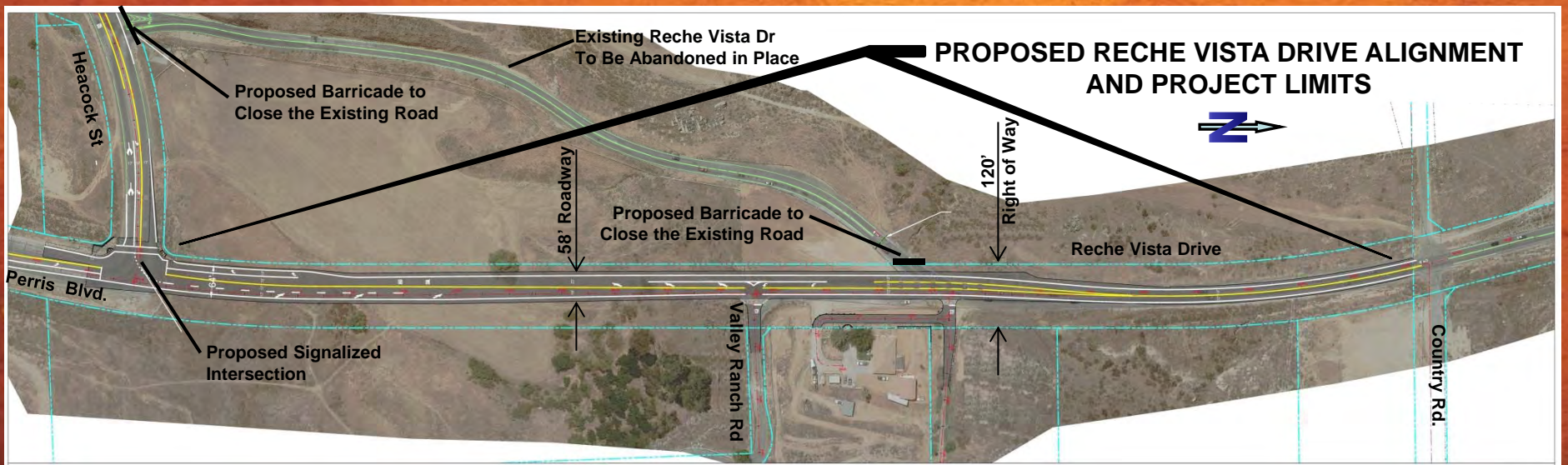
LOCATION MAP

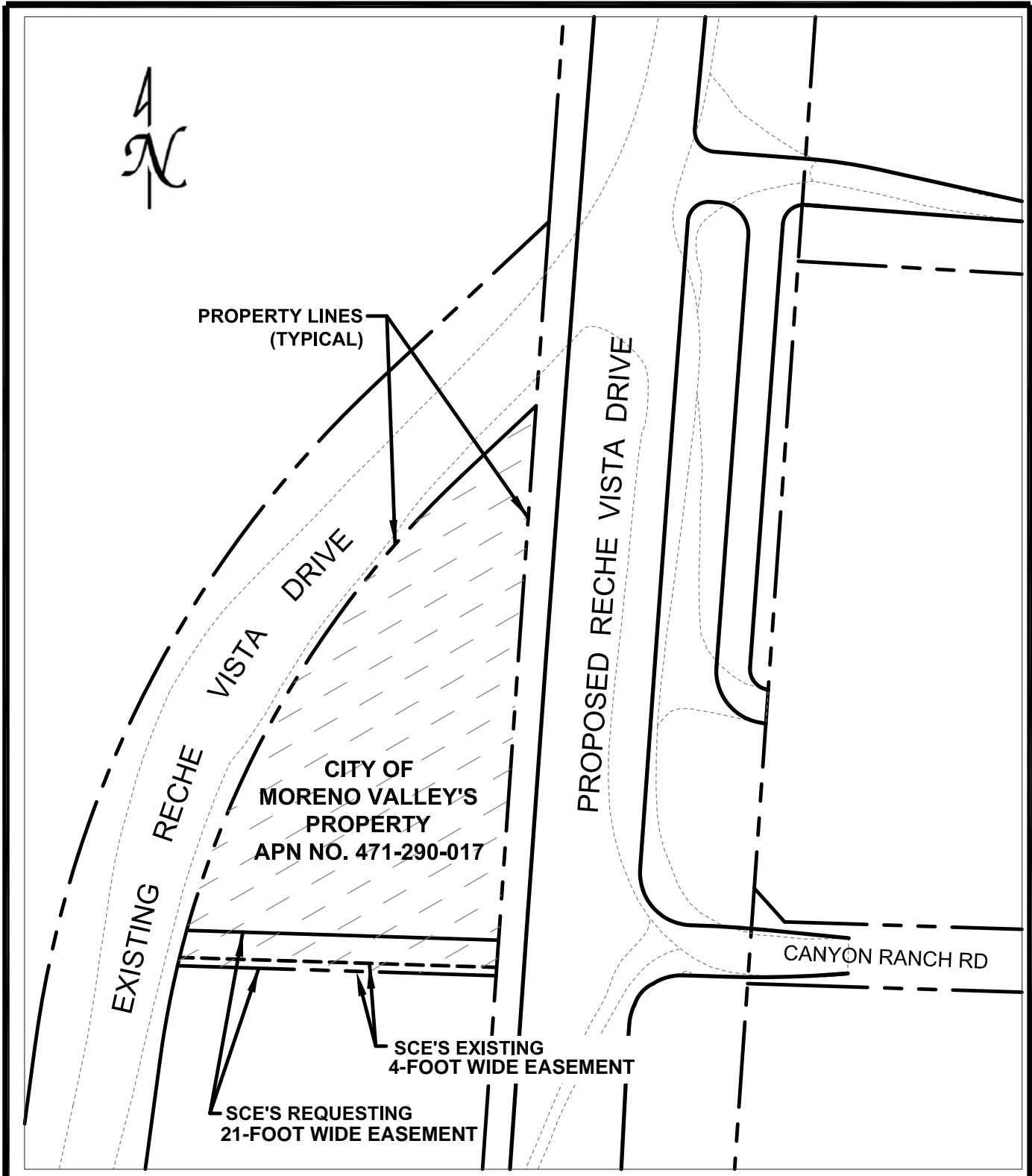
Public Works Department Capital Projects Division	RECHE VISTA DRIVE REALIGNMENT
Scale: None	(PERRIS BLVD./HEACOCK ST. TO THE NORTH CITY LIMITS)
	PROJECT NUMBER 801 0009 70 77

Attachment: Location and Aerial View Maps (1545 : Grant of Utility Easement to Southern California Edison Company for Power Line



Reche Vista Drive Realignment Aerial View





SCE EASEMENT EXHIBIT

Public Works Department
Capital Projects Division

RECHE VISTA DRIVE
REALIGNMENT

NOT TO SCALE

PROJECT NO. 801 0009

Attachment: SCE Easement Exhibit [Revision 1] (1545 : Grant of Utility Easement to Southern California Edison Company for Power Line



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 14, 2015

TITLE: PROJECT PA96-0017 (TRACTS 27251 AND 27251-1) – SINGLE FAMILY RESIDENTIAL – ACCEPT SUBSTITUTION AGREEMENT AND REINSTATE THE LETTERS OF CREDIT FOR THE PUBLIC IMPROVEMENTS LOCATED ON THE EAST SIDE OF MORRISON STREET BETWEEN FIR AVENUE AND EUCALYPTUS AVENUE. DEVELOPER – RSI MORENO VALLEY, LLC - 620 NEWPORT CENTER DR. 12TH FLOOR, NEWPORT, CA 92660

RECOMMENDED ACTION

Recommendations:

1. Accept the substitution of Agreement for Public Improvements and reinstate the letters of credit for project PA96-0017 (Tracts 27251 and 27251-1).
2. Authorize the Mayor to execute the agreement in the form hereto.
3. Direct the City Clerk to forward the signed agreement to the County Recorder's Office for recordation.
4. Authorize the Public Works Director/City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

SUMMARY

This report recommends approval of the agreement for public improvements and letters of credit between the City of Moreno Valley and RSI Moreno Valley, LLC to construct

the required public improvements within Tracts 27251 and 27251-1. The project is funded by RSI Moreno Valley, LLC.

DISCUSSION

On May 3, 1996, the Community and Economic Development Department of the City of Moreno Valley conditionally approved Tentative Tract Map 27251. The tentative map was a proposal to subdivide 71.34 acres into 154 residential lots to be constructed in two phases.

The agreements for public improvements for both Tracts 27251 and 27251-1 have expired. RSI Moreno Valley, LLC has submitted substitute Agreements for Public Improvements and a validity statement for the Letters of Credit that are on file with the City Clerk for Council Approval. The terms and conditions of the agreement have not changed for Tracts 27251 and 27251-1. The developer has agreed to perform and complete all of the required street improvements within twenty-four (24) months of the date the agreement is executed. The street improvements for both tracts include asphalt pavement, curb, gutter, sidewalk, driveway approaches, streetlights, landscaping, storm drain, sewer, and water.

Staff is requesting that the City Engineer be authorized to execute any future amendments to the agreements, subject to City Attorney approval, if the required street improvements are not completed within said timeframe.

FISCAL IMPACT

No fiscal impact is anticipated.

CITY COUNCIL GOALS

PUBLIC FACILITIES AND CAPITAL PROJECTS:

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

NOTIFICATION

Publication of agenda.

Prepared By:
Hoang Nguyen
Associate Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Mark W. Sambito, P.E.

Engineering Division Manager

CITY COUNCIL GOALS

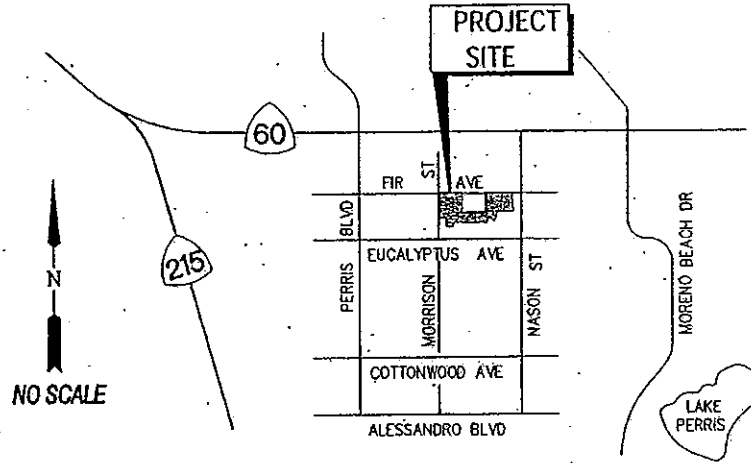
Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

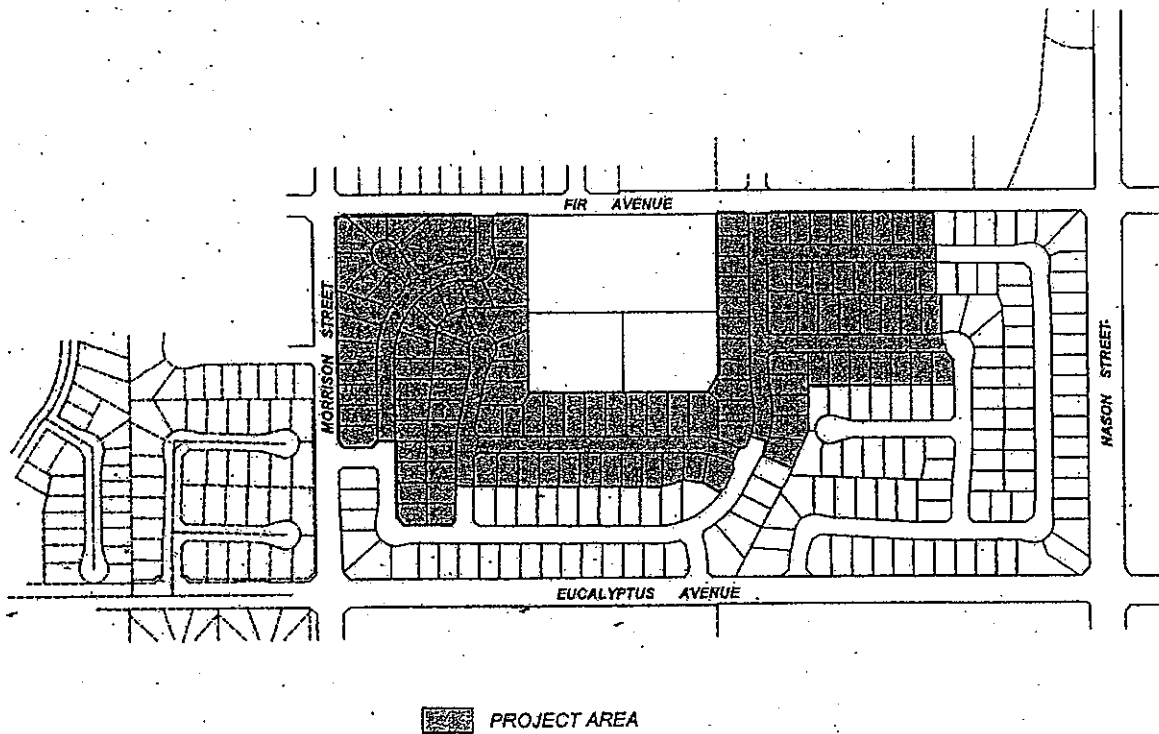
- 1. Vicinity Map
- 2. PA96-0017 (TR 27251) Public Improvement Agree
- 3. PA96-0017 (TR 27251-1) Public Improvement Agree
- 4. PA96-0017 LOC Validity Statement

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	6/24/15 1:48 PM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 3:05 PM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:19 PM

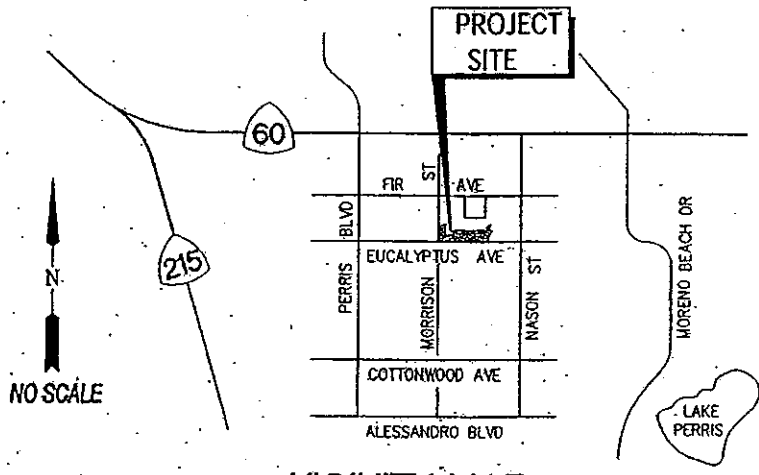


VICINITY MAP

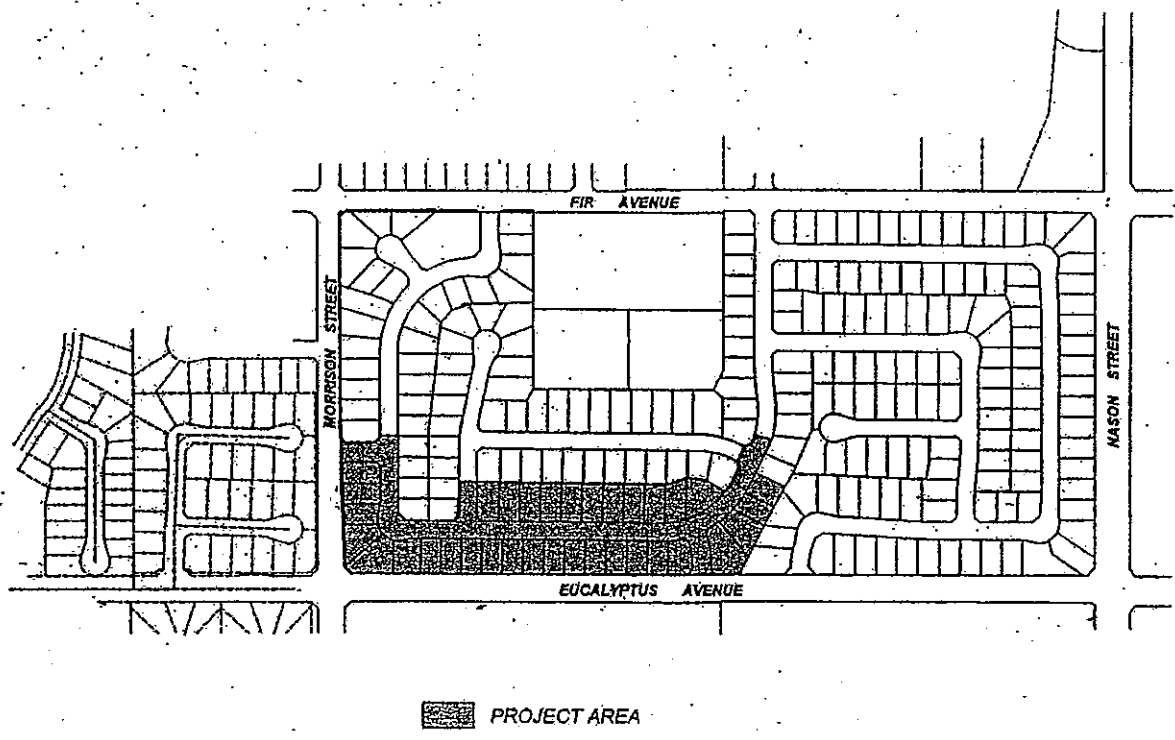


CITY OF MORENO VALLEY
PUBLIC WORKS - LAND DEVELOPMENT

TRACT 27251
VICINITY MAP



VICINITY MAP



CITY OF MORENO VALLEY
PUBLIC WORKS - LAND DEVELOPMENT

TRACT 27251-1
VICINITY MAP

Attachment: Vicinity Map (1542 : PROJECT PA96-0017 (Tracts 27251 and 27251-1) ? SINGLE FAMILY RESIDENTIAL - APPROVE SUBSTITUTE

**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA96-0017 (TRACT MAP 27251)**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and RSI Moreno Valley, LLC, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA96-0017 (Tract Map 27251) agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum of TWO MILLION SIX HUNDRED SEVENTY-THREE THOUSAND FIVE HUNDRED THIRTY-ONE AND NO/100 Dollars (***\$2,673,531.00***). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of ONE MILLION THREE HUNDRED THIRTY-SIX THOUSAND SEVEN HUNDRED SIXTY-SIX AND NO/100 Dollars (***\$1,336,766.00***). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Upon entering the warranty period, the City shall retain ten percent of the original faithful performance security. Developer shall provide ten percent of the original Estimate of Cost, labeled Exhibit B attached hereto, for warranty purposes in the sum of SIX HUNDRED FOUR THOUSAND FOUR HUNDRED AND NO/100 Dollars (***\$604,400.00***). Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at any time during the term of this agreement, subject to approval of the City Engineer and City Attorney.

SECOND: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or

**AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251)
PUBLIC IMPROVEMENTS**

Page 2 of 5

bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at any time during the term of this agreement, subject to approval by the City Engineer and City Attorney.

THIRD: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

FOURTH: To the furthest extent allowed by law, including California Civil Code Section 2782, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees and agents from any and all claims, losses, liabilities, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including, but not limited to personal injury, death at any time and/or property damage) incurred by City or any other Person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the performance of this Agreement, including but not limited to the alleged acts or omissions of any contractor, subcontractor, employee or agent acting on behalf of Developer or the design of any improvements to be constructed pursuant to this Agreement or the use of any patent or patented article in the performance of this Agreement.

Developer's obligations to indemnify and hold City harmless shall apply in all instances except those claims caused by the active negligence, sole negligence, or willful misconduct of City or any of its officers, officials, employees or agents. Developer's obligations to defend the City and provide a legal defense (including the retention of attorneys acceptable to City and all legal costs and expenses) shall apply in all instances, except those claims arising out of the sole negligence or the willful misconduct of City or any of its officers, officials, employees or agents.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees and agents in accordance with the terms of the preceding paragraphs.

Developer's obligations under his section shall survive the completion of any work to be performed by Developer, the City's inspection and/or acceptance of any work performed by Developer, as well as the termination or expiration of this Agreement.

Developer's provision of insurance, as required below, does not terminate, alter, limit or satisfy Developer's defense and indemnity obligations provided for herein.

FIFTH: Throughout the life of the Agreement, Developer shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company (ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as authorized by the City Manager or his/her designee. The following policies of insurance are required:

(i) COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00

**AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251)
PUBLIC IMPROVEMENTS**

Page 3 of 5

01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage. Commercial Automobile Liability coverage is required if automobiles are to be operated on city-owned property or within City right-of-way.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

Developer shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Developer shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire before the completion of the work, Developer shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and endorsed to name the City and its officers, officials, employees and agents as additional insured. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. Developer shall furnish City with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the start of work. NOTE: A Certificate of Insurance is not acceptable. The Certificate of Insurance must be accompanied by the additional insured and primary insurance endorsements.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees and agents in accordance with the terms of the Agreement. Any contractor or subcontractor performing work on behalf of Developer shall likewise be required to name City its officers, officials, employees and agents as additional insured as required herein. Developer shall obtain certificates and endorsements from such contractors or subcontractors before the commencement of any work.

At any time during the Agreement, upon request of City, Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy.

If at any time Developer fails to maintain the required insurance in full force and effect, all work permitted thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure by Developer to provide or maintain the required insurance shall be considered a material breach of the Agreement.

**AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251)
PUBLIC IMPROVEMENTS**

Page 4 of 5

The fact that insurance is obtained by Developer shall not be deemed to release or diminish its liability, including but not limited to, liability under the indemnity provisions on this Agreement. Developer's duty to defend and indemnify City shall apply to all claims and liabilities, regardless of whether any insurance policies are applicable. The policy limits stated herein do not act as a limitation upon the amount of indemnification required to be provided by Developer.

SIXTH The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

SEVENTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

EIGHTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

NINTH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time **may** be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

TWELFTH: In the event legal action is required to enforce the terms of the Agreement, the prevailing party shall be entitled to recover attorney's fees and costs, including expert fees.

AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251)
PUBLIC IMPROVEMENTS

THIRTEENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

City:
City Engineer
P.O. Box 88005
14177 Frederick
Moreno Valley, CA 92552-0805

Developer:
RSI Moreno Valley, LLC
620 Newport Center Drive
12th Floor
Newport Beach, CA 92660

IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: _____

RSI Moreno Valley, LLC:
Developer

By: [Signature]
Signature
SPENCER PINKER
Print/Type Name
AUTHORIZED AGENT
Title

By: [Signature]
Signature
JERRY LEE
Print/Type Name
TREASURER & ASST SECRETARY
Title

ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY

See Attached Acknowledgment
CITY OF MORENO VALLEY

By: _____
City Clerk

By: _____
Mayor

(SEAL)

APPROVED AS TO FORM:
CITY ATTORNEY

Date: 6-8-19
By: [Signature]
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY
ORIGINAL - CITY CLERK; PINK - DEVELOPER; GREEN - SURETY; BLUE - PROJECT FILE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189



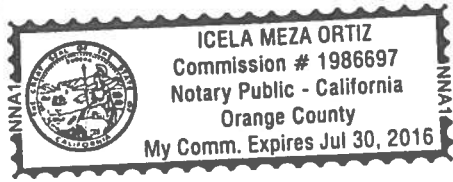
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On May 20 2015 before me, Icela Meza Ortiz, Notary public
Date Here Insert Name and Title of the Officer
personally appeared Spencer Rinker and Jerry Liu
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Document Date:
Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer Is Representing:

PA96-0017 (Tract 27251) - Faithful Performance Partial Reduction Breakdown

A.C. - Local Streets (1"cap)	\$71,488
A.B. Class II - Shawnee & Vineland	\$101,881
A.C. Street 2	\$100,028
Slurry Seal	\$16,075
Curb and Gutter - 6"	\$51,040
Sidewalk	\$194,040
Driveway Approach - 6"	\$170,240
Wheelchair Ramp	\$7,200
Barricade	\$12,000
Monuments	\$22,000
Landscaping - Parkways	\$357,120
Street Lights	\$72,000
Traffic Striping	\$15,000
Street Name Sign	\$4,000
Stop Sign	\$1,200
Signs and Posts	\$1,200
Street Sweeping Signs	\$4,000
Erosion Control	\$23,000
Walls - Masonry: 6' Max., Lot "I" (D-Basin)	\$79,600
Landscaping, Lot "I" (D-Basin)	\$236,160
36" Reinforced Concrete Pipe	\$19,950
Manhole No. 4	\$8,000
Catch Basin (7')	\$5,500
EMWD (Water & Sewer System Estimate)	\$47,600
Sub-total	\$1,620,322
Hard Cost Contingency (20%)	\$324,064
Soft Cost Contingency (45%)	\$729,145
Total	\$2,673,531
*Original bond amount	\$6,044,000

Notes:

There will be requirements that must be met prior to the bond reduction at 100% completion. They include: submitting EMWD clearance, submitting RCFC clearance, additional payment of the Bond Reduction Fee, submittal of center line street ties, submittal of letter from engineer/surveyor stating they have been paid for their services associated with the center line street ties, payment of any outstanding fees, etc.

The streets associated with the project are not accepted into the City's street maintained system and therefore the maintenance of the streets will remain the responsibility of the developer until such time as the City recognizes the streets are complete per City standard and accepted into the City's street maintained system via City Council approval.

Mark W. Sambito 9/25/10
 Mark W. Sambito, P.E. Date

Land Development - Engineering Division Manager

Ben Gil 9/1/10
 Developer Date

ENGINEER'S ESTIMATE

DATE: 02/25/08
 PREPARED BY: Mark Westover

PROJECT: TM 27251

OFFSITE PAVEMENT SECTIONS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - Non DIF Non TUMF				
A.B. Class II - Street 1	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 1	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 2	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 2	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 3	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 3	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 4	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 4	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
Street Work - DIF				
Roadway Excavation		3740 C.Y.	20.00	74,800
A.B. Class II - Street 1	0.5	Thickness (ft.)		
	183071	S.F.	5911 Ton	325,123
A.C. - Street 1	0.3	Thickness (ft.)		
	183071	S.F.	3547 Ton	319,211
			0 C.Y.	20.00
A.B. Class II - Street 2	0.5	Thickness (ft.)		
	38871	S.F.	1409 Ton	77,499
A.C. - Street 2	0.35	Thickness (ft.)		
	38871	S.F.	986 Ton	88,772
			0 C.Y.	20.00
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	55.00
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	90.00
	0		0 C.Y.	20.00
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	55.00
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	90.00
	0		0 C.Y.	20.00
Street Work - TUMF				
A.B. Class II - Street 1	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 1	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 2	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 2	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 3	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 3	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 4	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 4	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
			90.00	0
			SUBTOTAL:	885,405

ENGINEER'S ESTIMATE

PROJECT: TM 27251

DATE: 02/28/08
 PREPARED BY: Mark Westover

OFFSITE STREET WORK

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Offsite Street Work				
Pavement				
Grind & Pave 0.15'	0	S.F.	3.25	0
A.C. Cap	977	Ton	90.00	87,930
A.C. Overlay	0	Ton	90.00	0
Slurry Seal (Based on \$150/Ton Type II)	22438	S.Y.	2.25	50,486
Sawcut	24887	L.F.	1.50	37,331
Utility Trench	10180	L.F.	17.00	173,060
Trench Repaving	0	S.F.	12.00	0
Redwood Header	0	L.F.	6.00	0
A.C. Berm - 6"	1463	L.F.	10.00	14,630
A.C. Berm - 8"	0	L.F.	15.00	0
Adjust M.H. to Grade	0	EA.	800.00	0
Adjust Water Valve to Grade	0	EA.	400.00	0
Remove & Dispose Existing Pavement & Base	0	SF	3.00	0
Remove Existing Curb & Gutter	0	L.F.	12.00	0
Concrete				
P.C.C. Paving - 6"	0	S.F.	14.00	0
P.C.C. Paving - 8"	0	S.F.	16.00	0
Curb and Gutter - 6"	10180	L.F.	22.00	223,960
Curb and Gutter - 8"	0	L.F.	25.00	0
Curb and Gutter - 8" (DIF Street Name)	0	L.F.	25.00	0
Curb and Gutter - 8" (TUMF Street Name)	0	L.F.	25.00	0
Curb Only - 6"	0	L.F.	18.00	0
Curb Only - 8"	0	L.F.	20.00	0
Curb Only - 8" (DIF Street Name)	0	L.F.	20.00	0
Curb Only - 8" (TUMF Street Name)	0	L.F.	20.00	0
Cross Gutter and Spandrel	3353	S.F.	15.00	50,295
Sidewalk	0	S.F.	7.00	0
Sidewalk (DIF Street Name)	44880	S.F.	7.00	314,160
Sidewalk (TUMF Street Name)	0	S.F.	7.00	0
Driveway Approach - 6"	19200	S.F.	14.00	268,800
Driveway Approach - 8"	0	S.F.	16.00	0
Wheelchair Ramp	12	EA.	1,200.00	14,400
Alley Approach - 8"	0	S.F.	16.00	0
1/2 Alley Apron	0	S.F.	16.00	0
Barricade	80	L.F.	100.00	8,000
Other				
Undergrounding of Utilities	0	L.F.	184.00	0
Relocate Power Poles	0	EA.	30,000.00	0
Relocate Power Poles (DIF Street Name)	0	EA.	30,000.00	0
Cluster Mail Boxes	7	EA.	4,500.00	31,500
Bus Bay	0	EA.	20,000.00	0
Monuments	65	EA.	100.00	6,500
			SUBTOTAL:	1,281,051

PROJECT: TM 27251 ENGINEER'S ESTIMATE DATE: 02/28/08
 PREPARED BY: Mark Westover
 OFFSITE STREET WORK (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Special Districts				
Landscaping - Medians	0	S.F.	6.00	0
Landscaping - Parkways	0	S.F.	6.00	0
Street Lights (9500 lumen)	27	EA.	4,000.00	108,000
Street Lights (22000 lumen)	0	EA.	5,000.00	0
SPECIAL DISTRICTS SUBTOTAL:				108,000.00
Moreno Valley Utilities				
Electrical Utility Infrastructure	1	L.S.	424,924.00	424,924
Electrical Utility Line Extension	1	L.F.	135.00	135
Electrical Reimbursement	1	L.S.	(19,000.00)	(19,000)
MVU SUBTOTAL:				406,059
Water Quality Basin				
Landscaping	59520	S.F.	6.00	357,120.00
Filtration Devices	0	EA.		0
Access Ramp PCC	0	S.F.	0	0
Low-Flow Pipe System	0	L.F.	0	0
Headwalls	0	EA.	0	0
Outlets	0	EA.	0	0
Risers	0	EA.	0	0
Forebay PCC	0	S.F.	0	0
Toe of slope protection PCC	0	S.F.	20.00	0.00
WQB SUBTOTAL:				357,120.00
Transportation Engineering				
Traffic Signal New (Interconnect, Controller, Software, Initial Coordination)	0	EA.	272,000.00	0
Traffic Signal Modification	0	L.S.	50	0
Traffic Signal Interconnect (Existing Signals Only)	0	L.F.	30.00	0
Traffic Striping/raised pavement markers	1	L.S.	-	17,971
Traffic Striping (DIF Street Name)	0	L.S.	-	0
Street Name Sign	8	EA.	500.00	4,000
Stop Sign	7	EA.	200.00	1,400
Signs and Posts	42	EA.	200.00	8,400
Signs and Posts (DIF Street Name)	0	EA.	200.00	0
Street Sweeping Sign	0	EA.	200.00	0
Warning Markers - Type L, Type N	35	EA.	100.00	3,500
Traffic Control	0	L.S.	-	0
Traffic Control (DIF Street Name)	0	L.S.	-	0
Street Light PB-Adjust to Grade	0	EA.	800.00	0
TRANSPORTATION SUBTOTAL:				35,271
Miscellaneous				
Erosion Control	33	AC	10,000.00	330,000
Walls - Masonry: 6' Maximum	3750	L.F.	100.00	375,000
Walls - Retaining: 6' Maximum	330	L.F.	150.00	49,500
Relocate Trees	0	EA.	2,500.00	0
MISCELLANEOUS SUBTOTAL:				754,500

PROJECT: TM 27251

ENGINEER'S ESTIMATE

DATE: 02/28/08
 PREPARED BY: Mark Westover

OFFSITE STORM DRAIN SYSTEM

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipe				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	0	L.F.	160.00	0
24" Reinforced Concrete Pipe (DIF Street Name)	1797	L.F.	160.00	287,520
30" Reinforced Concrete Pipe	0	L.F.	180.00	0
36" Reinforced Concrete Pipe	0	L.F.	190.00	0
42" Reinforced Concrete Pipe	0	L.F.	210.00	0
48" Reinforced Concrete Pipe	0	L.F.	250.00	0
54" Reinforced Concrete Pipe	0	L.F.	300.00	0
60" Reinforced Concrete Pipe	0	L.F.	350.00	0
12" HDPE	0	L.F.	45.00	0
18" HDPE	0	L.F.	50.00	0
24" HDPE	0	L.F.	55.00	0
30" HDPE	0	L.F.	60.00	0
36" HDPE	0	L.F.	70.00	0
42" HDPE	0	L.F.	80.00	0
48" HDPE	0	L.F.	90.00	0
54" HDPE	0	L.F.	125.00	0
60" HDPE	0	L.F.	140.00	0
4" PVC SCH. 40	0	L.F.	25.00	0
4" PVC SCH. 80	0	L.F.	30.00	0
6" PVC SCH. 40	0	L.F.	30.00	0
6" PVC SCH. 80	0	L.F.	35.00	0
8" PVC SCH. 40	0	L.F.	40.00	0
8" PVC SCH. 80	0	L.F.	48.00	0
Reinforced Concrete Structure	0	C.Y.	500.00	0
	0		---	0
Manholes				
Manhole No. 1	6	EA.	5000.00	30,000
Manhole No. 2	0	EA.	5500.00	0
Manhole No. 3	0	EA.	6500.00	0
Manhole No. 4	0	EA.	7000.00	0
	0		---	0
Catch Basins				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	0	EA.	5500.00	0
Catch Basin (14')	3	EA.	8000.00	24,000
Catch Basin (21')	0	EA.	12500.00	0
Local Depressions	0	EA.	535.00	0
Catch Basin (3.5') (DIF Street Name)	0	EA.	3100.00	0
Catch Basin (7') (DIF Street Name)	0	EA.	5500.00	0
Catch Basin (14') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (21') (DIF Street Name)	0	EA.	12500.00	0
Local Depressions (DIF Street Name)	0	E.A.	535.00	0
24" X 24" Grate basin	0	EA.	2500.00	0
18" X 18" Grate Basin	0	EA.	2100.00	0
6" Wide Strip Basin	0	EA.	3000.00	0
Removal/Relocation- Catch Basin	0	EA.	5000.00	0
Grated Catch Basin	0	EA.	6000.00	0
Headwall	0	EA.	5500.00	0

ENGINEER'S ESTIMATE

PROJECT: TM 27251

DATE: 02/28/08

PREPARED BY: Mark Westover

OFFSITE STORM DRAIN SYSTEM (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Structures				
Transition Structure	0	EA.	5500.00	0
Junction Structure	0	EA.	6000.00	0
Type IX Inlet Structure	0	EA.	2500.00	0
Inlet Structure (drop)	0	EA.	5000.00	5,000
Outlet Structure	0	EA.	8000.00	0
Concrete Collar (to 48")	0	EA.	3000.00	0
Headwall	0	EA.	5500.00	0
Drains				
Terrace Drain	0	S.F.	10.00	0
Down Drain	0	S.F.	10.00	0
Parkway Drain	0	EA.	3500.00	0
Under Sidewalk	0	EA.	600.00	0
Curb Outlet	0	EA.	250.00	0
"V" Gutter	0	S.F.	10.00	0
Miscellaneous				
Rip Rap	0	TON	60.00	0
Concrete Pipe Slope Anchor	0	EA.	2500.00	0
				0
SUBTOTAL:				346,520

PROJECT: TM 27251

ENGINEER'S ESTIMATE

DATE: 02/28/08
PREPARED BY: Mark Westover

OFFSITE WATER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Water System				
4" PVC C-900	0		30.00	0
6" PVC C-900	0		40.00	0
8" PVC C-900	4611		50.00	230,550
10" PVC C-900	0		55.00	0
12" PVC C-900	0		60.00	0
16" PVC C-900	0		90.00	0
18" PVC C-900	992		135.00	133,920
20" PVC C-900	0		180.00	0
	0	L.F.		0
Valves - Water System				
4" Gate Valve	0	EA.	600.00	0
6" Gate Valve	0	EA.	800.00	0
8" Gate Valve	0	EA.	1,000.00	0
10" Gate Valve	0	EA.	1,200.00	0
12" Gate Valve	0	EA.	2,000.00	0
16" Gate Valve	0	EA.	5,000.00	0
4" Butterfly Valve	0	EA.	330.00	0
6" Butterfly Valve	0	EA.	520.00	0
8" Butterfly Valve	8	EA.	800.00	6,400
10" Butterfly Valve	0	EA.	1,000.00	0
12" Butterfly Valve	0	EA.	1,800.00	0
16" Butterfly Valve	0	EA.	2,700.00	0
18" Butterfly Valve	0	EA.	2,800.00	0
20" Butterfly Valve	0	EA.	4,200.00	0
24" Butterfly Valve	0	EA.	5,200.00	0
1" Air Vac Release	7	EA.	2,000.00	14,000
2" Air Vac Release	0	EA.	3,000.00	0
4" Blow Off	0	EA.	2,000.00	0
6" Blow Off	0	EA.	2,500.00	0
	0		---	0
Fire Hydrants - Water System				
6" Standard Fire Hydrants	0	EA.	2,800.00	0
6" Super Fire Hydrants	16	EA.	3,000.00	48,000
	0		---	0
Services Connections				
1" Service	120	EA.	500.00	60,000
1 1/2" Service	0	EA.	1,100.00	0
2" Service	0	EA.	1,600.00	0
	0		---	0
Fittings - Water System				
Misc. Fittings 4"	0		120.00	0
Misc. Fittings 6"	0		160.00	0
Misc. Fittings 8"	26		200.00	5,200
Misc. Fittings 10"	0		240.00	0
Misc. Fittings 12"	0		750.00	0
Misc. Fittings 18"	2		750.00	1,500
Water Meters - Water System				
5/8" Meter	0		200.00	0
1" Meter	0		270.00	0
1 1/2" Meter	0		360.00	0
2" Meter	0		455.00	0
	0		---	0
Hot Tap Connections - Water System				
8" Hot Tap	1	EA.	2,800.00	2,800
Water Service	0	EA.	330.00	0
	0		---	0
Miscellaneous - Water System				
Thrust Block	0	CY	150.00	0
Jack & Bore	0	L.F.	300.00	0
Joint at Existing 8"	0	EA.	650.00	0
	0		---	0
			SUBTOTAL:	502,370

PROJECT: TM 27251

ENGINEER'S ESTIMATE

DATE: 02/28/08
 PREPARED BY: Mark Westover

OFFSITE SEWER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Sewer System				
4" V.C. Pipe	3350	L.F.	20.00	67,200
6" V.C. Pipe	0	L.F.	25.00	0
8" V.C. Pipe	478	L.F.	30.00	126,540
10" V.C. Pipe	0	L.F.	40.00	0
12" V.C. Pipe	0	L.F.	50.00	0
15" V.C. Pipe	0	L.F.	75.00	0
18" V.C. Pipe	0	L.F.	90.00	0
21" V.C. Pipe	0	L.F.	105.00	0
24" V.C. Pipe	0	L.F.	120.00	0
27" V.C. Pipe	0	L.F.	135.00	0
30" V.C. Pipe	0	L.F.	150.00	0
33" V.C. Pipe	0	L.F.	165.00	0
36" V.C. Pipe	0	L.F.	185.00	0
4" SDR - 35	0	L.F.	13.00	0
6" SDR - 35	0	L.F.	19.00	0
8" SDR - 35	0	L.F.	25.00	0
10" SDR - 35	0	L.F.	30.00	0
12" SDR - 35	0	L.F.	50.00	0
15" SDR - 35	0	L.F.	60.00	0
Concrete Encasement	0	L.F.	20.00	0
	0		—	0
Cleans Outs - Sewer System				
Clean-outs	115	EA.	700.00	81,200
Clean Out Lateral	0	EA.	120.00	0
	0		—	0
Manholes - Sewer System				
Standard Manhole 48"	21	EA.	3,000.00	63,000
Standard Manhole 48" Extra Depth	0	EA.	3,500.00	0
Standard Manhole 60"	0	EA.	4,500.00	0
Shallow Manhole	0	EA.	3,000.00	0
Adjust Manhole to Grade	0	EA.	300.00	0
Tie Into Existing Manhole	0	EA.	1,500.00	0
Rechannel Existing Manhole	0	EA.	1,500.00	0
Join Existing 8" Pipe	2	EA.	600.00	1,200
Join Existing 12" Pipe	0	EA.	800.00	0
	0		—	0
Miscellaneous - Sewer System				
Wyes	16	EA.	90.00	10,440
TV Sewer	0	L.F.	1.00	0
Trench Paving	0	S.F.	5.00	0
Backwater Valves	35	EA.	300.00	10,500
Meter 5/8" W/O Service	1	EA.	200.00	200
			SUBTOTAL:	360,280

A.11.b

Packet Pg. 194

Attachment: PA96-0017 (TR 27251) Public Improvement Agree (1542 : PROJECT PA96-0017 (Tracts 27251

EXHIBIT "B"
ENGINEER'S ESTIMATE

Sheet 8 of 8

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT DIVISION
BOND COMPUTATION SHEET

PROJECT: TM 27251

DATE: 02/28/08
PREPARED BY: Mark WestoverIMPROVEMENT TYPE:

PAVEMENT SECTION WORK	:	\$885,405
CONCRETE & OTHER STREET WORK	:	\$1,281,051
SPECIAL DISTRICTS	:	\$108,000
MORENO VALLEY UTILITIES	:	\$406,059
WATER QUALITY BASIN	:	\$357,120
TRANSPORTATION ENGINEERING	:	\$35,271
STORM DRAIN SYSTEM	:	\$346,520
WATER SYSTEM	:	\$502,370
SEWER SYSTEM	:	\$360,280
MISCELLANEOUS	:	\$754,500
TOTAL COST (VALUE) OF IMPROVEMENTS:		\$5,036,576
+20% CONTINGENCY:		\$1,007,315
<u>GRAND TOTAL:</u>		\$6,043,891

BOND AMOUNT:

\$6,044,000

**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA96-0017 (TRACT MAP 27251-1)**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and RSI Moreno Valley, LLC, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA96-0017 (Tract Map 27251-1) agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum ONE MILLION FIFTY-EIGHT THOUSAND NINE HUNDRED TWENTY-TWO AND NO/100 Dollars (*****\$1,058,922.00*****). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of FIVE HUNDRED TWENTY-NINE THOUSAND FOUR HUNDRED SIXTY ONE AND NO/100 Dollars (*****\$529,461.00*****). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Upon entering the warranty period, the City shall retain ten percent of the original faithful performance security. Developer shall provide ten percent of the original Estimate of Cost, labeled Exhibit B attached hereto, for warranty purposes in the sum of FIVE HUNDRED SIXTY-EIGHT THOUSAND NINE HUNDRED AND NO/100 Dollars (*****\$568,900.00*****). Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at any time during the term of this agreement, subject to approval of the City Engineer and City Attorney.

SECOND: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is

**AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251-1)
PUBLIC IMPROVEMENTS**

necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at any time during the term of this agreement, subject to approval by the City Engineer and City Attorney.

THIRD: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

FOURTH: To the furthest extent allowed by law, including California Civil Code Section 2782, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees and agents from any and all claims, losses, liabilities, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including, but not limited to personal injury, death at any time and/or property damage) incurred by City or any other Person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the performance of this Agreement, including but not limited to the alleged acts or omissions of any contractor, subcontractor, employee or agent acting on behalf of Developer or the design of any improvements to be constructed pursuant to this Agreement or the use of any patent or patented article in the performance of this Agreement.

Developer's obligations to indemnify and hold City harmless shall apply in all instances except those claims caused by the active negligence, sole negligence, or willful misconduct of City or any of its officers, officials, employees or agents. Developer's obligations to defend the City and provide a legal defense (including the retention of attorneys acceptable to City and all legal costs and expenses) shall apply in all instances, except those claims arising out of the sole negligence or the willful misconduct of City or any of its officers, officials, employees or agents.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees and agents in accordance with the terms of the preceding paragraphs.

Developer's obligations under his section shall survive the completion of any work to be performed by Developer, the City's inspection and/or acceptance of any work performed by Developer, as well as the termination or expiration of this Agreement.

Developer's provision of insurance, as required below, does not terminate, alter, limit or satisfy Developer's defense and indemnity obligations provided for herein.

FIFTH: Throughout the life of the Agreement, Developer shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company (ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as authorized by the City Manager or his/her designee. The following policies of insurance are required:

(i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products

**AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251-1)
PUBLIC IMPROVEMENTS**

and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

(ii) COMMERCIAL AUTOMOBILE LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage. Commercial Automobile Liability coverage is required if automobiles are to be operated on city-owned property or within City right-of-way.

(iii) WORKERS' COMPENSATION insurance as required under the California Labor Code.

Developer shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Developer shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire before the completion of the work, Developer shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and endorsed to name the City and its officers, officials, employees and agents as additional insured. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. Developer shall furnish City with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the start of work. NOTE: A Certificate of Insurance is not acceptable. The Certificate of Insurance must be accompanied by the additional insured and primary insurance endorsements.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees and agents in accordance with the terms of the Agreement. Any contractor or subcontractor performing work on behalf of Developer shall likewise be required to name City its officers, officials, employees and agents as additional insured as required herein. Developer shall obtain certificates and endorsements from such contractors or subcontractors before the commencement of any work.

At any time during the Agreement, upon request of City, Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy.

If at any time Developer fails to maintain the required insurance in full force and effect, all work permitted thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure by Developer to provide or maintain the required insurance shall be considered a material breach of the Agreement.

The fact that insurance is obtained by Developer shall not be deemed to release or diminish its liability, including but not limited to, liability under the indemnity provisions on this Agreement. Developer's duty to

**AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251-1)
PUBLIC IMPROVEMENTS**

Page 4 of 5

defend and indemnify City shall apply to all claims and liabilities, regardless of whether any insurance policies are applicable. The policy limits stated herein do not act as a limitation upon the amount of indemnification required to be provided by Developer.

SIXTH The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

SEVENTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

EIGHTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

NINTH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time **may** be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

TWELFTH: In the event legal action is required to enforce the terms of the Agreement, the prevailing party shall be entitled to recover attorney's fees and costs, including expert fees.

THIRTEENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

AGREEMENT FOR PROJECT NO. PA96-0017 (TRACT MAP 27251-1)
PUBLIC IMPROVEMENTS

City:
City Engineer
P.O. Box 88005
14177 Frederick
Moreno Valley, CA 92552-0805

Developer:
RSI Moreno Valley, LLC
620 Newport Center Drive
12th Floor
Newport Beach, CA 92660

IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: _____

RSI Moreno Valley, LLC:
Developer

By: _____
Signature
Spencer Rinker
Print/Type Name
Authorized Agent
Title

By: _____
Signature
Jerry Liu
Print/Type Name
Treasurer & Asst. Secretary
Title

ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY

See Attached Acknowledgment
CITY OF MORENO VALLEY

By: _____
City Clerk

By: _____
Mayor

(SEAL)

APPROVED AS TO FORM:
CITY ATTORNEY

Date: _____

By: _____
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY
ORIGINAL - CITY CLERK; PINK - DEVELOPER, GREEN - SURETY, BLUE - PROJECT FILE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

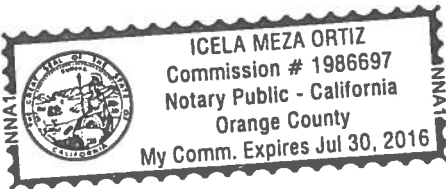
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On May 20 2015 before me, Icela Meza Ortiz, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Spencer Rinker, Jerry Liu
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature Icela Meza Ortiz
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Document Date:
Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:
Corporate Officer - Title(s):
Partner - Limited General
Individual Attorney in Fact
Trustee Guardian or Conservator
Other:
Signer Is Representing:

Signer's Name:
Corporate Officer - Title(s):
Partner - Limited General
Individual Attorney in Fact
Trustee Guardian or Conservator
Other:
Signer Is Representing:

EXHIBIT "A"

A.11.c

Packet Pg. 201


PA96-0017 (Tract 27251-1) - Faithful Performance Partial Reduction Breakdown

A.C. - Local Streets (1"cap)	\$35,284
A.B. Class II - Swallow	\$12,959
A.C. Swallow	\$14,844
A.B. Class II - Shawnee	\$33,296
A.C. Shawnee	\$32,690
Slurry Seal	\$22,088
Sidewalk	\$45,360
Driveway Approach - 6"	\$47,040
Wheelchair Ramp	\$4,800
Barricade	\$6,000
Monuments	\$12,400
Landscaping - Parkways	\$298,560
Street Lights	\$20,000
36" Reinforced Concrete Pipe	\$19,950
Manhole No. 4	\$8,000
Catch Basin (7')	\$5,500
EMWD (Water & Sewer System Estimate)	\$23,000
Sub-total	\$641,771
Hard Cost Contingency (20%)	\$128,354
Soft Cost Contingency (45%)	\$288,797
Total	\$1,058,922
*Original bond amount	\$5,689,000

Notes:

There will be requirements that must be met prior to the bond reduction at 100% completion. They include: submitting EMWD clearance, additional payment of the Partial Bond Reduction Fee, submittal of center line street ties, submittal of letter from engineer/surveyor stating they have been paid for their services associated with the center line street ties, payment of any outstanding fees, etc.

The streets associated with the project are not accepted into the City's street maintained system and therefore the maintenance of the streets will remain the responsibility of the developer until such time as the City recognizes the streets are complete per City standard and accepted into the City's street maintained system via City Council approval.

 8/25/10
 Mark W. Sambito, P.E. Date

Land Development - Engineering Division Manager

 9/1/10
 Developer Date

ENGINEER'S ESTIMATE

DATE: 02/25/08
 PREPARED BY: Mark Westover

PROJECT: TM 27251-1

OFFSITE PAVEMENT SECTIONS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - Non DIF Non TUMF				
A.B. Class II - Street 1	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 1	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 2	0	Thickness (ft.)	55.00	0
	0	S.F.	90.00	0
A.C. - Street 2	0	Thickness (ft.)	20.00	0
	0	S.F.	90.00	0
A.B. Class II - Street 3	0	Thickness (ft.)	20.00	0
	0	S.F.	55.00	0
A.C. - Street 3	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 4	0	Thickness (ft.)	55.00	0
	0	S.F.	90.00	0
A.C. - Street 4	0	Thickness (ft.)	20.00	0
	0	S.F.	90.00	0
Street Work - DIF				
Roadway Excavation		2000 C.Y.	20.00	40,000
A.B. Class II - Street 1	0.45	Thickness (ft.)		
	29397	S.F.	55.00	52,749
A.C. - Street 1	0.75	Thickness (ft.)		
	29397	S.F.	1598 Ton	143,862
A.B. Class II - Street 2	1	Thickness (ft.)	0 C.Y.	0
	133700	S.F.	9693 Ton	533,129
A.C. - Street 2	0.05	Thickness (ft.)		
	133700	S.F.	485 Ton	43,620
A.B. Class II - Street 3	0.5	Thickness (ft.)	0 C.Y.	0
	7614	S.F.	276 Ton	15,180
A.C. - Street 3	0.35	Thickness (ft.)		
	7614	S.F.	193 Ton	17,388
A.B. Class II - Street 4	0.5	Thickness (ft.)	0 C.Y.	0
	76407	S.F.	2770 Ton	152,336
A.C. - Street 4	0.3	Thickness (ft.)		
	76407	S.F.	1662 Ton	149,567
Street Work - TUMF				
A.B. Class II - Street 1	0	Thickness (ft.)	0 C.Y.	0
	0	S.F.	55.00	0
A.C. - Street 1	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 2	0	Thickness (ft.)	0 C.Y.	0
	0	S.F.	55.00	0
A.C. - Street 2	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 3	0	Thickness (ft.)	0 C.Y.	0
	0	S.F.	55.00	0
A.C. - Street 3	0	Thickness (ft.)	90.00	0
	0	S.F.	20.00	0
A.B. Class II - Street 4	0	Thickness (ft.)	0 C.Y.	0
	0	S.F.	55.00	0
A.C. - Street 4	0	Thickness (ft.)	90.00	0
	0	S.F.	90.00	0
			SUBTOTAL:	1,147,831

EXHIBIT B
ENGINEER'S ESTIMATE

Sheet 2 of 8

A.11.C

Packet Pg. 203

PROJECT: TM 27251-1

DATE: 02/25/08
PREPARED BY: Mark Westover

OFFSITE STREET WORK

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Offsite Street Work				
Pavement				
Grind & Pave 0.15'	0	S.F.	3.25	0
A.C. Cap	0	Ton	90.00	0
A.C. Overlay	0	Ton	90.00	0
Slurry Seal (Based on \$150/Ton Type II)	27458	S.Y.	2.25	61,781
Sawcut	3877	L.F.	1.50	5,816
Utility Trench	2016	L.F.	17.00	34,272
Trench Repaving	0	S.F.	12.00	0
Redwood Header	0	L.F.	6.00	0
A.C. Berm - 6"	0	L.F.	10.00	0
A.C. Berm - 8"	0	L.F.	15.00	0
Adjust M.H. to Grade	10	EA.	800.00	8,000
Adjust Water Valve to Grade	10	EA.	400.00	4,000
Remove & Dispose Existing Pavement & Base		SF	3.00	0
Remove Existing Curb & Gutter	0	L.F.	12.00	0
Remove AC Paving	61355	S.F.	1.00	61,355
Concrete				
P.C.C. Paving - 6"	0	S.F.	14.00	0
P.C.C. Paving - 8"	0	S.F.	16.00	0
Curb and Gutter - 6"	4032	L.F.	22.00	88,704
Curb and Gutter - 8"	3498	L.F.	25.00	87,450
Curb and Gutter - 8" (DIF Street Name)	0	L.F.	25.00	0
Curb and Gutter - 8" (TUMF Street Name)	0	L.F.	25.00	0
Curb Only - 6"	0	L.F.	18.00	0
Curb Only - 8"	0	L.F.	20.00	0
Curb Only - 8" (DIF Street Name)	0	L.F.	20.00	0
Curb Only - 8" (TUMF Street Name)	0	L.F.	20.00	0
Cross Gutter and Spandrel	7409	S.F.	15.00	111,135
Sidewalk	38421	S.F.	7.00	268,947
Sidewalk (DIF Street Name)	0	S.F.	7.00	0
Sidewalk (TUMF Street Name)	0	S.F.	7.00	0
Driveway Approach - 6"	5440	S.F.	14.00	76,160
Driveway Approach - 8"	0	S.F.	16.00	0
Wheelchair Ramp	18	EA.	1,200.00	21,600
Alley Approach - 8"	0	S.F.	16.00	0
Conc. Ramp Paving	900	S.F.	10.00	9,000
1/2 Alley Apron	0	S.F.	16.00	0
Barricade	0	L.F.	100.00	0
Remove Conc. Ditch	1162	L.F.	10.00	11,620
Other				
Undergrounding of Utilities	0	L.F.	184.00	0
Relocate Power Poles	0	EA.	30,000.00	0
Relocate Power Poles (DIF Street Name)	0	EA.	30,000.00	0
Cluster Mail Boxes	0	EA.	4,500.00	0
Bus Bay	3	EA.	20,000.00	60,000
Monuments	124	EA.	100.00	12,400
			SUBTOTAL:	922,239

EXHIBIT B
ENGINEER'S ESTIMATE

Sheet 3 of 6

PROJECT: TM 27251-1

DATE: 02/25/08

PREPARED BY: Mark Wesotver

OFFSITE STREET WORK (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Special Districts				
Landscaping - Medians	0	S.F.	6.00	0
Landscaping - Parkways	0	S.F.	6.00	0
Street Lights (9500 lumen)	16	EA.	4,000.00	64,000
Street Lights (22000 lumen)	13	EA.	5,000.00	65,000
SPECIAL DISTRICTS SUBTOTAL:				129,000.00
Moreno Valley Utilities				
Electrical Utility Infrastructure	0	L.S.	0.00	0
Electrical Utility Line Extension	1	L.F.	135.00	135
MVU SUBTOTAL:				135
Water Quality Basin				
Landscaping	77850	S.F.	6.00	467,100.00
Filtration Devices	0	EA.	0	0
Access Ramp PCC	0	S.F.	0	0
Low-Flow Pipe System	0	L.F.	0	0
Headwalls	0	EA.	0	0
Outlets	0	EA.	0	0
Risers	0	EA.	0	0
Forebay PCC	0	S.F.	0	0
Toe of slope protection PCC	0	S.F.	20.00	0.00
WQB SUBTOTAL:				467,100.00
Transportation Engineering				
Traffic Signal New (Interconnect, Controller, Software, Initial Coordination)	0	EA.	272,000.00	0
Traffic Signal Modification	0	L.S.	50	0
Traffic Signal Interconnect (Existing Signals Only)	2484	L.F.	30.00	74,520
Traffic Striping/raised pavement markers	1	L.S.	75000	75,000
Traffic Striping (DIF Street Name)	0	L.S.	-	0
Street Name Sign	6	EA.	500.00	3,000
Stop Sign	6	EA.	200.00	1,200
Signs and Posts	0	EA.	200.00	0
Signs and Posts (DIF Street Name)	0	EA.	200.00	0
Street Sweeping Sign	7	EA.	200.00	1,400
Warning Markers - Type L, Type N	0	EA.	100.00	0
Traffic Control	0	L.S.	-	0
Traffic Control (DIF Street Name)	0	L.S.	-	0
Street Light PB-Adjust to Grade	0	EA.	800.00	0
Guard Rail	128		50.00	6,400
TRANSPORTATION SUBTOTAL:				161,520
Miscellaneous				
Erosion Control	11	AC	10,000.00	110,000
Walls - Masonry: 6' Maximum	2595	L.F.	100.00	259,500
Walls - Retaining: 6' Maximum	0	L.F.	150.00	0
Relocate Trees	0	EA.	2,500.00	0
MISCELLANEOUS SUBTOTAL:				369,500

PROJECT: TM 27251-1

ENGINEER'S ESTIMATE

DATE: 02/25/08
 PREPARED BY: Mark Wesotver

OFFSITE STORM DRAIN SYSTEM

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipe				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	0	L.F.	160.00	0
24" Reinforced Concrete Pipe (DIF Street Name)	2343	L.F.	160.00	374,880
30" Reinforced Concrete Pipe	238	L.F.	180.00	42,840
36" Reinforced Concrete Pipe	468	L.F.	190.00	88,920
42" Reinforced Concrete Pipe	624	L.F.	210.00	131,040
48" Reinforced Concrete Pipe	79	L.F.	250.00	19,750
54" Reinforced Concrete Pipe	275	L.F.	300.00	82,500
60" Reinforced Concrete Pipe	290	L.F.	350.00	101,500
66" Reinforced Concrete Pipe	591	L.F.	375.00	221,625
12" HDPE	0	L.F.	45.00	0
18" HDPE	0	L.F.	50.00	0
24" HDPE	0	L.F.	55.00	0
30" HDPE	0	L.F.	60.00	0
36" HDPE	0	L.F.	70.00	0
42" HDPE	0	L.F.	80.00	0
48" HDPE	0	L.F.	90.00	0
54" HDPE	0	L.F.	125.00	0
60" HDPE	0	L.F.	140.00	0
4" PVC SCH. 40	0	L.F.	25.00	0
4" PVC SCH. 80	0	L.F.	30.00	0
6" PVC SCH. 40	0	L.F.	30.00	0
6" PVC SCH. 80	0	L.F.	35.00	0
8" PVC SCH. 40	0	L.F.	40.00	0
8" PVC SCH. 80	0	L.F.	48.00	0
Reinforced Concrete Structure	0	C.Y.	500.00	0
	0		---	0
Manholes				
Manhole No. 1	8	EA.	5000.00	40,000
Manhole No. 2	6	EA.	5500.00	33,000
Manhole No. 3	0	EA.	6500.00	0
Manhole No. 4	3	EA.	7000.00	21,000
	0		---	0
Catch Basins				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	0	EA.	5500.00	0
Catch Basin (14')	10	EA.	8000.00	80,000
Catch Basin (21')	0	EA.	12500.00	0
Local Depressions	0	EA.	535.00	0
Catch Basin (3.5') (DIF Street Name)	0	EA.	3100.00	0
Catch Basin (7') (DIF Street Name)	0	EA.	5500.00	0
Catch Basin (14') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (21') (DIF Street Name)	0	EA.	12500.00	0
Local Depressions (DIF Street Name)	0	E.A.	535.00	0
24" X 24" Grate basin	0	EA.	2500.00	0
18" X 18" Grate Basin	0	EA.	2100.00	0
6" Wide Strip Basin	0	EA.	3000.00	0
Removal/Relocation- Catch Basin	1	EA.	5000.00	5,000
Grated Catch Basin	0	EA.	6000.00	0
Headwall	0	EA.	5500.00	0

ENGINEER'S ESTIMATE

PROJECT: TM 27251-1

DATE: 02/25/08

PREPARED BY: Mark Wesotver

OFFSITE STORM DRAIN SYSTEM (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Structures				
Transition Structure	1	EA.	5500.00	5,500
Junction Structure	4	EA.	6000.00	24,000
Type IX Inlet Structure	0	EA.	2500.00	0
Inlet Structure (drop)	3	EA.	5000.00	15,000
Outlet Structure	0	EA.	8000.00	0
Concrete Collar (to 48")	2	EA.	3000.00	6,000
Headwall	1	EA.	5500.00	5,500
Drains				
Terrace Drain	0	S.F.	10.00	0
Down Drain	0	S.F.	10.00	0
Parkway Drain	0	EA.	3500.00	0
Under Sidewalk	0	EA.	600.00	0
Curb Outlet	0	EA.	250.00	0
"V" Gutter	0	S.F.	10.00	0
	0		---	0
Miscellaneous				
Rip Rap	0	TON	60.00	0
Concrete Pipe Slope Anchor	0	EA.	2500.00	0
	0		---	0
SUBTOTAL:				1,298,055

EXHIBIT B
ENGINEER'S ESTIMATE

Sheet 6 of 8

PROJECT: TM 27251-1

DATE: 02/25/08

PREPARED BY: Mark Wesotver

OFFSITE WATER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Water System				
4" PVC C-900	0		30.00	0
6" PVC C-900	2423		40.00	96,920
8" PVC C-900	0		50.00	0
10" PVC C-900	0		55.00	0
12" PVC C-900	0		60.00	0
16" PVC C-900	0		90.00	0
18" PVC C-900	0		135.00	0
20" PVC C-900	0		180.00	0
	0	L.F.	---	0
Valves - Water System				
4" Gate Valve	0	EA.	600.00	0
6" Gate Valve	0	EA.	800.00	0
8" Gate Valve	0	EA.	1,000.00	0
10" Gate Valve	0	EA.	1,200.00	0
12" Gate Valve	0	EA.	2,000.00	0
16" Gate Valve	0	EA.	5,000.00	0
4" Butterfly Valve	0	EA.	330.00	0
6" Butterfly Valve	0	EA.	520.00	0
8" Butterfly Valve	0	EA.	800.00	0
10" Butterfly Valve	0	EA.	1,000.00	0
12" Butterfly Valve	0	EA.	1,800.00	0
16" Butterfly Valve	0	EA.	2,700.00	0
18" Butterfly Valve	0	EA.	2,800.00	0
20" Butterfly Valve	0	EA.	4,200.00	0
24" Butterfly Valve	0	EA.	5,200.00	0
1" Air Vac Release	2	EA.	2,000.00	4,000
2" Air Vac Release	0	EA.	3,000.00	0
4" Blow Off	0	EA.	2,000.00	0
6" Blow Off	4	EA.	2,500.00	10,000
	0		---	0
Fire Hydrants - Water System				
6" Standard Fire Hydrants	7	EA.	2,800.00	19,600
6" Super Fire Hydrants	0	EA.	3,000.00	0
	0		---	0
Services Connections				
1" Service	0	EA.	500.00	0
1 1/2" Service	0	EA.	1,100.00	0
2" Service	1	EA.	1,600.00	1,600
	0		---	0
Fittings - Water System				
Misc. Fittings 4"	0		120.00	0
Misc. Fittings 6"	0		160.00	0
Misc. Fittings 8"	8		200.00	1,600
Misc. Fittings 10"	0		240.00	0
Misc. Fittings 12"	0		750.00	0
	0		---	0
Water Meters - Water System				
5/8" Meter	0		200.00	0
5/8" Meter w/o Services	34	E.A.	200.00	6,800
1" Meter	0		270.00	0
1" Meter w/o Services	8	E.A.	270.00	2,160
1 1/2" Meter	0		360.00	0
2" Meter	0		455.00	0
	0		---	0
Hot Tap Connections - Water System				
8" Hot Tap	1	EA.	2,800.00	2,800
Water Service	0	EA.	330.00	0
	0		---	0
Miscellaneous - Water System				
Thrust Block	0	CY	150.00	0
Jack & Bore	0	L.F.	300.00	0
Joint at Existing 8"	0	EA.	650.00	0
	0		---	0
			SUBTOTAL:	145,480

EXHIBIT "B"
ENGINEER'S ESTIMATE

Sheet 8 of 8

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT DIVISION
BOND COMPUTATION SHEET

PROJECT: TM 27251-1

DATE: 02/25/08
PREPARED BY: Mark Wesotver**IMPROVEMENT TYPE:**

PAVEMENT SECTION WORK	:	\$1,147,831
CONCRETE & OTHER STREET WORK	:	\$922,239
SPECIAL DISTRICTS	:	\$129,000
MORENO VALLEY UTILITIES	:	\$135
WATER QUALITY BASIN	:	\$467,100
TRANSPORTATION ENGINEERING	:	\$161,520
STORM DRAIN SYSTEM	:	\$1,298,055
WATER SYSTEM	:	\$145,480
SEWER SYSTEM	:	\$99,874
MISCELLANEOUS	:	\$369,500
TOTAL COST (VALUE) OF IMPROVEMENTS:		\$4,740,734
+20% CONTINGENCY:		\$948,147
<u>GRAND TOTAL:</u>		\$5,688,881

BOND AMOUNT:

\$5,689,000



May 20, 2015

City of Moreno Valley
14177 Frederic Street
P.O. Box 88005
Moreno Valley, CA 92552-0805

Attention: City Engineer

RSI Moreno Valley LLC has issued the standby letters of credit listed below to the City of Moreno Valley. These standby letters of credit are currently valid.

LOC #	Exp. Date	Beneficiary	Outstand Amt.
3114262	8/31/15	City of Moreno Valley	\$1,336,766.00
3114259	8/31/15	City of Moreno Valley	\$2,673,531.00
3114260	8/31/15	City of Moreno Valley	\$1,058,922.00
3114261	8/31/15	City of Moreno Valley	\$ 529,461.00

Sincerely,

Jerry Liu
Treasurer and Assistant Secretary

Bank of America, N.A. confirmation:

Signature

Michael Grizzanti
Name

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
ALFONSO MALAVE JR, NOTARY PUBLIC
MOOSIC BORO, LACKAWANNA COUNTY
MY COMMISSION EXPIRES SEPT. 04, 2016



ASSISTANT SECRETARY'S CERTIFICATE
OF
BANK OF AMERICA, NATIONAL ASSOCIATION

The undersigned, Allison L. Gilliam, an Assistant Secretary of Bank of America, National Association (the "Association"), a national banking association organized and existing under the laws of the United States of America and having its principal place of business in the City of Charlotte, County of Mecklenburg, State of North Carolina, does hereby certify that:

1. The following person has been duly elected or appointed to the office in the Association as indicated below; and that such person holds such office at this time.)

Name

Title

Michael A. Grizzanti

Vice President

2. The following is a true and complete copy of an excerpt from the Bylaws of said Association, and the same is in full force and effect as of the date hereof.

Section 5.2. Execution of Instruments. All indentures, mortgages, deeds, conveyances, contracts, notes, loan documents, letters of credit, master agreements, swap agreements, guarantees, discharges, releases, satisfactions, settlements, affidavits, bonds, undertakings, powers of attorney, and other instruments or contracts may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of the Association by the Chairman of the Board, the Chief Executive Officer, the President, any Vice Chairman of the Board, any Division President, any Managing Director, any Director (as described in Section 4.7 of these Bylaws), any Principal, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Officer, or any individual who is listed on the Association's personnel records in a position equal to any of the aforementioned officer positions, or such other officers, employees or agents as the Board of Directors, the Chief Executive Officer or any officer reporting directly to the Chief Executive Officer may direct in a written delegation kept in the minute book of the Association. The provisions of this Section 5.2 are supplementary to any other provision of these Bylaws and shall not be construed to authorize execution of instruments otherwise dictated by law.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 6th day of March, 2014.

(SEAL)



Allison L. Gilliam
Assistant Secretary



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 14, 2015

TITLE: PA05-0034 (PM 33361) – APPROVE FINAL MAP AND ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS. DEVELOPER – INLAND LAND GROUP, LLC

RECOMMENDED ACTION

Recommendations:

1. Approve Final Map for PA05-0034 (PM 33361), authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.
2. Accept the Agreement and Security for Public Improvements for Inland Land Group, LLC.
3. Authorize the Mayor to execute the Agreement.
4. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
5. Authorize the City Engineer to execute any future time extension amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

SUMMARY

This report recommends approval of the agreement by the City of Moreno Valley and Inland Land Group, LLC, to construct the required public improvements that are located on the northwest corner of Oliver Street and Iris Avenue. The project is funded by Inland Land Group, LLC.

DISCUSSION

On November 9, 2006, the Planning Commission of the City of Moreno Valley approved Tentative Parcel Map No. 33361 (PA05-0034). The developer proposes to subdivide 18.67-net acres of Assessor's Parcel Number 486-310-022 into five parcels (two parcels in the Neighborhood Commercial zone and three parcels in the Office zone). This project is located at the northwest corner of Oliver Street and Iris Avenue.

There is no development associated with this project. Inland Land Group, LLC, is only subdividing an existing parcel into five (5) parcels and installing the required street improvements along the frontage of the parcels on Oliver Street.

Inland Land Group, LLC, the developer of this project, has completed an Agreement for Public Improvements. The developer agrees to perform and complete all of the required public improvements within twenty-four (24) months of the date the agreement is executed. The public improvements include, but are not limited to: asphalt, base, curb, gutter, sidewalk, driveway approaches, street lights, striping, signage, and traffic signal modifications. The City Engineer may execute any future amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

Parcel Map number 33361 is in substantial conformance with the approved tentative map. The developer has requested that the map be approved for recordation. The Conditions of Approval for this project require that the developer provide surety for the required improvements. Public improvements are to be constructed along the west side of Oliver Street, north of Iris Avenue.

Accompanying the agreement is a Faithful Performance Letter of Credit in the amount of \$379,000 and a Material and Labor bond in the amount of \$189,500 issued by Preferred Bank.

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Vicente Girón
Associate Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:

Henry Ngo, P.E.
Interim Engineering Division Manager

CITY COUNCIL GOALS

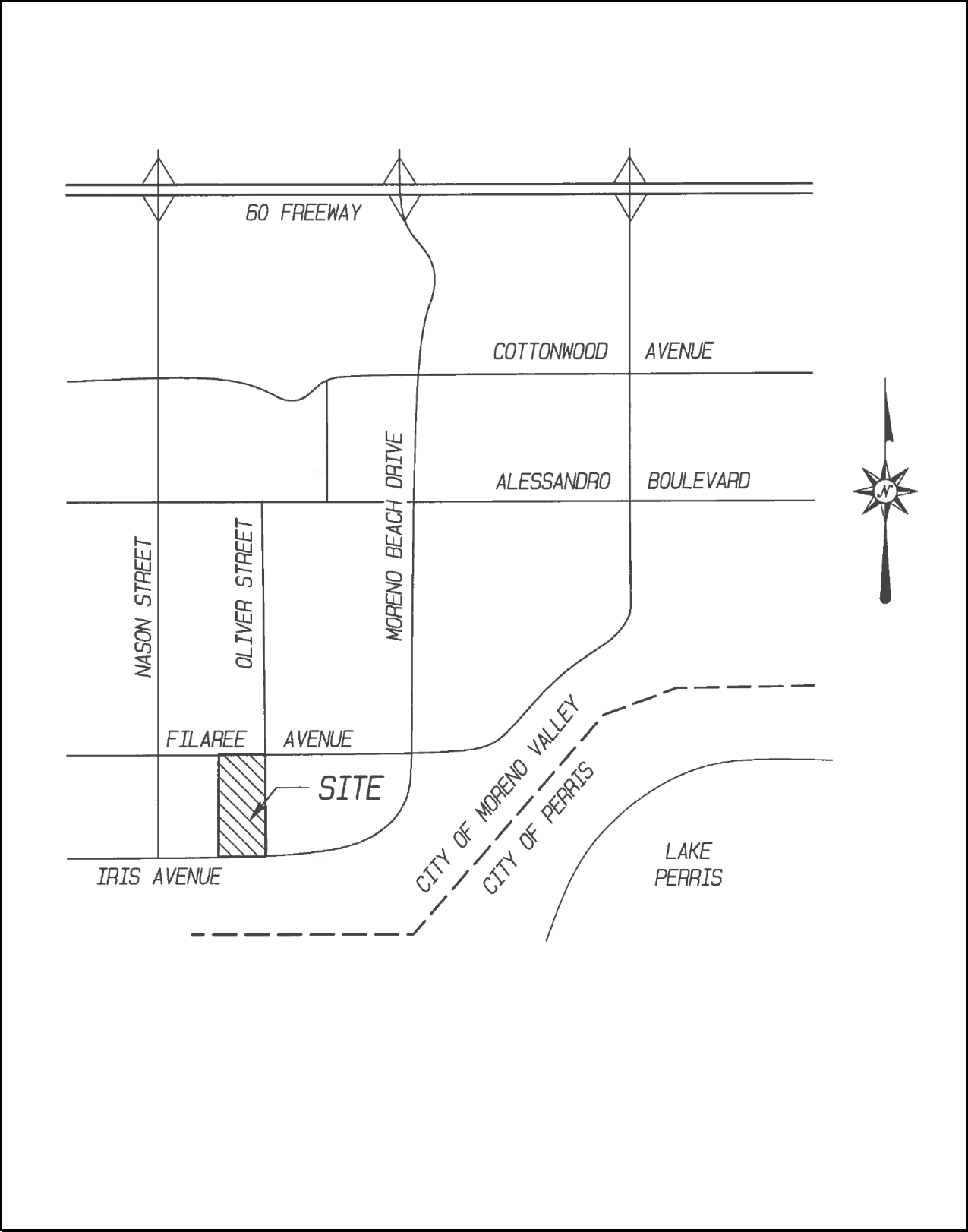
Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

1. Vicinity Map - PA05-0034
2. PA05-0034 (PM 33361) - Agreement
3. PA05-0034 (PM 33361) - Ltr of Credit - Faithful Perf
4. PA05-0034 (PM 33361)- Ltr of Credit - Material & Labor

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 11:17 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 11:52 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:15 PM



CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

PA05-0034 (PM 33361)

**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA05-0034 (PM 33361)**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and Inland Land Group, LLC, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA05-0034 (PM 33361) agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum of THREE HUNDRED SEVENTY NINE THOUSAND AND NO/100 Dollars (***\$379,000.00***). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of ONE HUNDRED EIGHTY NINE THOUSAND FIVE HUNDRED AND NO/100 Dollars (***\$189,500.00***). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Upon entering the warranty period, the City shall retain ten percent of the original faithful performance security. Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at any time during the term of this agreement, subject to approval of the City Engineer and City Attorney.

SECOND: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is

**AGREEMENT FOR PROJECT NO. PA05-0034 (PM 33361)
PUBLIC IMPROVEMENTS**

necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at any time during the term of this agreement, subject to approval by the City Engineer and City Attorney.

THIRD: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

FOURTH: To the furthest extent allowed by law, including California Civil Code Section 2782, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees and agents from any and all claims, losses, liabilities, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including, but not limited to personal injury, death at any time and/or property damage) incurred by City or any other Person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the performance of this Agreement, including but not limited to the alleged acts or omissions of any contractor, subcontractor, employee or agent acting on behalf of Developer or the design of any improvements to be constructed pursuant to this Agreement or the use of any patent or patented article in the performance of this Agreement.

Developer's obligations to indemnify and hold City harmless shall apply in all instances except those claims caused by the active negligence, sole negligence, or willful misconduct of City or any of its officers, officials, employees or agents. Developer's obligations to defend the City and provide a legal defense (including the retention of attorneys acceptable to City and all legal costs and expenses) shall apply in all instances, except those claims arising out of the sole negligence or the willful misconduct of City or any of its officers, officials, employees or agents.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees and agents in accordance with the terms of the preceding paragraphs.

Developer's obligations under his section shall survive the completion of any work to be performed by Developer, the City's inspection and/or acceptance of any work performed by Developer, as well as the termination or expiration of this Agreement.

Developer's provision of insurance, as required below, does not terminate, alter, limit or satisfy Developer's defense and indemnity obligations provided for herein.

FIFTH: Throughout the life of the Agreement, Developer shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company (ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as authorized by the City Manager or his/her designee. The following policies of insurance are required:

(i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with

**AGREEMENT FOR PROJECT NO. PA05-0034 (PM 33361)
PUBLIC IMPROVEMENTS**

coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

(ii) **COMMERCIAL AUTOMOBILE LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage. Commercial Automobile Liability coverage is required if automobiles are to be operated on city-owned property or within City right-of-way.

(iii) **WORKERS' COMPENSATION** insurance as required under the California Labor Code.

Developer shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Developer shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire before the completion of the work, Developer shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and endorsed to name the City and its officers, officials, employees and agents as additional insured's. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. Developer shall furnish City with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the start of work. NOTE: A Certificate of Insurance is not acceptable. The Certificate of Insurance must be accompanied by the additional insured and primary insurance endorsements.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees and agents in accordance with the terms of the Agreement. Any contractor or subcontractor performing work on behalf of Developer shall likewise be required to name City its officers, officials, employees and agents as additional insured's as required herein. Developer shall obtain certificates and endorsements from such contractors or subcontractors before the commencement of any work.

At any time during the Agreement, upon request of City, Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy.

If at any time Developer fails to maintain the required insurance in full force and effect, all work permitted thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure by Developer to provide or maintain the required insurance shall be considered a material breach of the Agreement.

The fact that insurance is obtained by Developer shall not be deemed to release or diminish its liability,

**AGREEMENT FOR PROJECT NO. PA05-0034 (PM 33361)
PUBLIC IMPROVEMENTS**

including but not limited to, liability under the indemnity provisions on this Agreement. Developer's duty to defend and indemnify City shall apply to all claims and liabilities, regardless of whether any insurance policies are applicable. The policy limits stated herein do not act as a limitation upon the amount of indemnification required to be provided by Developer.

SIXTH The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

SEVENTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

EIGHTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

NINTH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time **may** be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

TWELFTH: In the event legal action is required to enforce the terms of the Agreement, the prevailing party shall be entitled to recover attorney's fees and costs, including expert fees.

THIRTEENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall

AGREEMENT FOR PROJECT NO. PA05-0034 (PM 33361)
PUBLIC IMPROVEMENTS

be served on the other party by mail, postage prepaid, at the following addresses:

City:
City Engineer
P.O. Box 88005
14177 Frederick
Moreno Valley, CA 92552-0805


Developer:
Inland Land Group, LLC
9670 Research
Irvine, CA 92618


IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: _____

SEE ATTACHED
ACKNOWLEDGMENT

Inland Land Group, LLC: SEE ATTACHED
Developer ACKNOWLEDGMENT

By: 
Signature
KHOSROW OMIDVAR
Print/Type Name
MANAGING PARTNER
Title

By: 
Signature
SHAIRA OMIDVAR
Print/Type Name
PARTNER
Title

ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY

CITY OF MORENO VALLEY

By: _____
City Clerk

By: _____
Mayor

(SEAL)

APPROVED AS TO FORM:
CITY ATTORNEY

Date: _____

By: _____
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY ORIGINAL - CITY CLERK; PINK - DEVELOPER; GREEN - SURETY; BLUE - PROJECT FILE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California)

County of ORANGE)

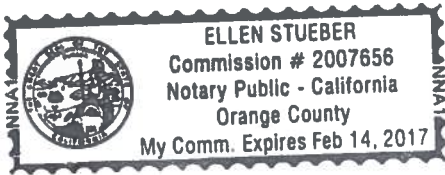
On 4/29/15 before me, Ellen Stueber Notary public, Here Insert Name and Title of the Officer

personally appeared KHOSROW OMIDVAR AND SHALA OMIDVAR Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Signature [Handwritten Signature] Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Agreement for public improvements Document Date: 4/29/15 Number of Pages: 13 Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: KHOSROW OMIDVAR
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[X] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer Is Representing: self

Signer's Name: SHALA OMIDVAR
[] Corporate Officer - Title(s):
[] Partner - [] Limited [] General
[X] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator
[] Other:
Signer Is Representing: self

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 1 of 8

AK 4/2/15

PROJECT: PA05-0034

DATE: 03/18/15
PREPARED BY: Albert A WEBB Associates

PUBLIC PAVEMENT SECTIONS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - Non DIF Non TUMF				
Roadway Excavation		780 C.Y.	29.00	22,620
A.B. Class II - <i>Oliver St</i>	0.75	Thickness (ft.)		
	27900	S.F.	1517 Ton	33.00
A.C. - Street 1	0.48	Thickness (ft.)		
	27900	S.F.	930 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	74,400
A.B. Class II - Street 2	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 2	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 3	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 4	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Street Work - DIF				
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 1	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 2	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 3	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 4	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Street Work - TUMF				
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 1	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 2	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 3	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		0
	0	S.F.	0 Ton	33.00
A.C. - Street 4	0	Thickness (ft.)		0
	0	S.F.	0 Ton	80.00
			SUBTOTAL:	147,081

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 2 of 8

DATE: 03/18/15

PROJECT: PA05-0034

PREPARED BY: Albert A WEBB Associates

PUBLIC STREET WORK

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Offsite Street Work				
Pavement				
Grind & Pave 0.15'	0	S.F.	3.25	0
A.C. Cap/Overlay	0	Ton	80.00	0
Slurry Seal (Based on \$150/Ton Type II)	0	S.Y.	2.25	0
Paving Fabric	0	S.Y.	1.20	0
Sawcut	1530	L.F.	3.00	4,590
Utility Trench	0	L.F.	17.00	0
Trench Repaving	0	S.F.	12.00	0
Redwood Header	0	L.F.	6.00	0
A.C. Berm - 6"	0	L.F.	10.00	0
A.C. Berm - 8"	0	L.F.	15.00	0
Adjust M.H. to Grade	0	EA.	800.00	0
Adjust Water Valve to Grade	7	EA.	400.00	2,800
Remove & Dispose Existing Pavement & Base	2490	SF	3.00	7,470
Remove Existing Curb & Gutter	0	L.F.	12.00	0
Concrete				
P.C.C. Paving - 6"	0	S.F.	6.50	0
P.C.C. Paving - 8"	0	S.F.	10.50	0
Curb and Gutter - 6"	0	L.F.	25.00	0
Curb and Gutter - 8"	1215	L.F.	30.00	36,450
Curb and Gutter - 8" (DIF Street Name)	0	L.F.	30.00	0
Curb and Gutter - 8" (TUMF Street Name)	0	L.F.	30.00	0
Curb Only - 6"	0	L.F.	20.00	0
Curb Only - 8"	0	L.F.	25.00	0
Curb Only - 8" (DIF Street Name)	0	L.F.	25.00	0
Curb Only - 8" (TUMF Street Name)	0	L.F.	25.00	0
A.C. Curb 6"	0	L.F.	12.00	0
A.C. Curb 8"	0	L.F.	15.00	0
Cross Gutter and Spandrel	0	S.F.	10.25	0
Sidewalk	7850	S.F.	4.25	32,513
Sidewalk (DIF Street Name)	0	S.F.	7.00	0
Sidewalk (TUMF Street Name)	0	S.F.	7.00	0
Median Stamped Concrete	0	S.F.	14.00	0
Driveway Approach - 6"	0	S.F.	6.50	0
Driveway Approach - 8"	1300	S.F.	10.50	13,650
Wheelchair Ramp	0	EA.	2,600.00	0
Alley Approach - 8"	0	S.F.	10.25	0
1/2 Alley Apron	0	S.F.	10.25	0
Barricade	0	L.F.	100.00	0
Bus Bay	0	EA.	15,000.00	0
Miscellaneous				
Relocate Power Poles	0	EA.	30,000.00	0
Relocate Power Poles (DIF Street Name)	0	EA.	30,000.00	0
Erosion Control	0	AC	5,000.00	0
Walls - Masonry: 6' Maximum	0	L.F.	100.00	0
Walls - Retaining: 6' Maximum	0	L.F.	150.00	0
Reinforced P.C.C. Retaining Walls	0	C.Y.	780.00	0
				0
			SUBTOTAL	97,473
Traffic Improvements (Plan Checked by Trans. Eng. Staff/Inspected by LDD Staff)				
Traffic Striping/raised pavement markers	1	L.S.	-	3,500
Traffic Striping (DIF Street -Perris Blvd)	0	L.S.	-	0
Street Name Sign	0	EA.	500.00	0
Stop Sign	0	EA.	200.00	0
Signs and Posts	5	EA.	200.00	1,000
Signs and Posts (DIF Street -Perris Blvd)	0	EA.	200.00	0
Street Sweeping Sign	0	EA.	200.00	0
Warning Markers - Type L, Type N	0	EA.	100.00	0
Traffic Control	1	L.S.	10,000.00	10,000
Traffic Control (DIF Street Name)	0	L.S.	10,000.00	0
Traffic Signal PB-Adjust to Grade	0	EA.	800.00	0
Metal Guard Rail	60	L.F.	90.00	5,400
			SUBTOTAL:	19,900
Bondable Street Work Only (Not Plan Checked but Inspected)				
Undergrounding of Utilities	0	L.F.	203.00	0
Cluster Mail Boxes	0	EA.	4,500.00	0
Relocate Mailbox	0	EA.	350.00	0
Relocate Cluster Mailbox	0	EA.	1,200.00	0
Monuments	20	EA.	300.00	6,000
Relocate Trees	0	EA.	2,500.00	0
			SUBTOTAL:	6,000

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 3 of 8

1/14/15

PROJECT: PA05-0034

DATE: 03/18/15
PREPARED BY: Albert A WEBB Associates

PUBLIC STREET WORK (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Special Districts				
Landscaping - Medians	0	S.F.	6.00	0
Landscaping - Parkways	0	S.F.	6.00	0
100W HPSV or Equivalent (9,500 Lumens)	0	EA	5,000.00	0
200W HPSV or Equivalent (22,000 Lumens)	6	EA	6,000.00	36,000
250W HPSV or Equivalent	0	EA	6,000.00	0
100W LED or Equivalent	0	EA	5,000.00	0
145W LED or Equivalent	0	EA	5,000.00	0
SPECIAL DISTRICTS SUBTOTAL:				36,000
Moreno Valley Utilities				
Electrical Utility Infrastructure	0	L.S.	50.00	0
Adjust Electric Utility to Grade	4	EA	800.00	3,200
MVU SUBTOTAL:				3,200
Water Quality Basin				
Landscaping	0	S.F.	6.00	0
Filtration Devices	0	EA	0.00	0
Access Ramp PCC	0	S.F.	0.00	0
Low-Flow Pipe System	0	L.F.	0.00	0
Headwalls	0	EA	0.00	0
Outlets	0	EA	0.00	0
Risers	0	EA	0.00	0
Forebay PCC	0	S.F.	0.00	0
Toe of slope protection PCC	0	S.F.	20.00	0
WQB SUBTOTAL:				0
Transportation Engineering (Plan Checked and Inspected by Transp. Eng. Staff)				
Traffic Signal New (Interconnect, Controller, Software, Initial Coordinati	0	EA	272,000.00	0
Traffic Signal Modification	1	L.S.	5,000.00	5,000
Traffic Signal Interconnect (Existing Signals Only)	0	L.F.	30.00	0
TRANSPORTATION SUBTOTAL:				5,000

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 4 of 8

MA 4/21

PROJECT: PA05-0034

DATE: 03/18/15
PREPARED BY: Albert A WEBB Associates

PUBLIC STORM DRAIN SYSTEM

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipe				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	0	L.F.	160.00	0
24" Reinforced Concrete Pipe (DIF Street Name)	0	L.F.	160.00	0
30" Reinforced Concrete Pipe	0	L.F.	180.00	0
36" Reinforced Concrete Pipe	0	L.F.	190.00	0
39" Reinforced Concrete Pipe	0	L.F.	200.00	0
42" Reinforced Concrete Pipe	0	L.F.	210.00	0
48" Reinforced Concrete Pipe	0	L.F.	250.00	0
54" Reinforced Concrete Pipe	0	L.F.	300.00	0
60" Reinforced Concrete Pipe	0	L.F.	350.00	0
66" Reinforced Concrete Pipe	0	L.F.	375.00	0
72" Reinforced Concrete Pipe	0	L.F.	414.00	0
78" Reinforced Concrete Pipe	0	L.F.	459.00	0
84" Reinforced Concrete Pipe	0	L.F.	505.00	0
90" Reinforced Concrete Pipe	0	L.F.	557.00	0
96" Reinforced Concrete Pipe	0	L.F.	613.00	0
102" Reinforced Concrete Pipe	0	L.F.	671.00	0
108" Reinforced Concrete Pipe	0	L.F.	724.00	0
114" Reinforced Concrete Pipe	0	L.F.	785.00	0
12" HDPE	0	L.F.	45.00	0
18" HDPE	0	L.F.	50.00	0
24" HDPE	0	L.F.	55.00	0
30" HDPE	0	L.F.	60.00	0
36" HDPE	0	L.F.	70.00	0
42" HDPE	0	L.F.	80.00	0
48" HDPE	0	L.F.	90.00	0
54" HDPE	0	L.F.	125.00	0
60" HDPE	0	L.F.	140.00	0
4" PVC SCH. 40	0	L.F.	25.00	0
4" PVC SCH. 80	0	L.F.	30.00	0
6" PVC SCH. 40	0	L.F.	30.00	0
6" PVC SCH. 80	0	L.F.	35.00	0
8" PVC SCH. 40	0	L.F.	40.00	0
8" PVC SCH. 80	0	L.F.	48.00	0
Reinforced Concrete Structure	0	C.Y.	500.00	0
8' X 10' Reinforced Concrete Box	0	C.Y.	1200.00	0
8' X 12' Reinforced Concrete Box	0	C.Y.	1400.00	0
2 - 72" Reinforced Concrete Pipe	0	L.F.	840.00	0
3 - 4' X 2' Reinforced Concrete Pipe	0	L.F.	461.00	0
	0		0.00	0
Manholes				
Manhole No. 1	0	EA.	5000.00	0
Manhole No. 2	0	EA.	7200.00	0
Manhole No. 3	0	EA.	8500.00	0
Manhole No. 4	0	EA.	10000.00	0
	0		0.00	0
Catch Basins				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	0	EA.	5500.00	0
Catch Basin (10')	0	EA.	6000.00	0
Catch Basin (14')	0	EA.	8000.00	0
Catch Basin (21')	0	EA.	12500.00	0
Local Depressions	0	EA.	535.00	0
Catch Basin (3.5') (DIF Street Name)	0	EA.	3100.00	0
Catch Basin (7') (DIF Street Name)	0	EA.	5500.00	0
Catch Basin (10') DIF Street Name)	0	EA.	6000.00	0
Catch Basin (14') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (21') (DIF Street Name)	0	EA.	12500.00	0
Local Depressions (DIF Street Name)	0	EA.	535.00	0
24" X 24" Grate basin	0	EA.	2500.00	0
18" X 18" Grate Basin	0	EA.	2100.00	0
6" Wide Strip Basin	0	EA.	3000.00	0
Removal/Relocation- Catch Basin	0	EA.	5000.00	0
Grated Catch Basin	0	EA.	6000.00	0
Headwall	0	EA.	5500.00	0

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 5 of 8

M 4/2/15

PROJECT: PA05-0034

DATE: 03/18/15
PREPARED BY: Albert A WEBB Associates

PUBLIC STORM DRAIN SYSTEM (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Structures				
Transition Structure	0	EA.	5500.00	0
Junction Structure	0	EA.	6500.00	0
Type IX Inlet Structure	0	EA.	2500.00	0
Inlet Structure (drop)	0	EA.	4000.00	0
Outlet Structure	0	EA.	8000.00	0
Concrete Collar (to 48")	0	EA.	3000.00	0
Headwall	0	EA.	5500.00	0
Concrete Collar (Grater than 48")	0	EA.	5000.00	0
Modified Junction Structure	0	EA.	15000.00	0
End Cap	0	EA.	1000.00	0
Drains				
Terrace Drain	0	S.F.	10.00	0
Down Drain	0	S.F.	10.00	0
Parkway Drain	0	EA.	3500.00	0
Under Sidewalk	1	EA.	600.00	600
Curb Outlet	0	EA.	250.00	0
"V" Gutter	0	S.F.	10.00	0
	0		0.00	0
Miscellaneous				
Rip Rap	0	TON	60.00	0
Concrete Pipe Slope Anchor	0	EA.	2500.00	0
Manhole Shaft	0		6000.00	0
Access Opening	0		15000	0
SUBTOTAL:				600

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 6 of 8

AKH/12/15

PROJECT: PA05-0034

DATE: 03/18/16
PREPARED BY: Albert A WEBB Associates

PUBLIC WATER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Water System				
4" PVC C-900	0	L.F.	25.00	0
6" PVC C-900	0	L.F.	30.00	0
8" PVC C-900	0	L.F.	35.00	0
10" PVC C-900	0	L.F.	40.00	0
12" PVC C-900	0	L.F.	60.00	0
16" PVC C-900	0	L.F.	90.00	0
18" PVC C-900	0	L.F.	135.00	0
20" PVC C-900	0	L.F.	180.00	0
	0	L.F.	0.00	0
Valves - Water System				
4" Gate Valve	0	EA.	715.00	0
6" Gate Valve	0	EA.	830.00	0
8" Gate Valve	0	EA.	1,340.00	0
10" Gate Valve	0	EA.	1,500.00	0
12" Gate Valve	0	EA.	2,300.00	0
16" Gate Valve	0	EA.	6,270.00	0
18" Gate Valve	0	EA.	14,300.00	0
4" Butterfly Valve	0	EA.	330.00	0
6" Butterfly Valve	0	EA.	520.00	0
8" Butterfly Valve	0	EA.	990.00	0
10" Butterfly Valve	0	EA.	1,200.00	0
12" Butterfly Valve	0	EA.	1,800.00	0
16" Butterfly Valve	0	EA.	2,700.00	0
18" Butterfly Valve	0	EA.	2,800.00	0
20" Butterfly Valve	0	EA.	4,200.00	0
24" Butterfly Valve	0	EA.	5,200.00	0
1" Air Vac Release	0	EA.	2,400.00	0
2" Air Vac Release	0	EA.	4,000.00	0
2" Backflow Preventor, Pad & Cover	0	EA.	4,300.00	0
4" Blow Off	0	EA.	3,500.00	0
6" Blow Off	0	EA.	4,000.00	0
	0		0.00	0
Fire Hydrants - Water System				
6" Standard Fire Hydrants	0	EA.	4,000.00	0
6" Super Fire Hydrants	0	EA.	4,500.00	0
	0		0.00	0
Services Connections				
1" Service	0	EA.	800.00	0
1" Service w/ 5/8" Service	0	EA.	2,000.00	0
1 1/2" Service	0	EA.	1,100.00	0
2" Service	0	EA.	1,600.00	0
	0		0.00	0
Fittings - Water System				
Misc. Fittings 4"	0		120.00	0
Misc. Fittings 6"	0		160.00	0
Misc. Fittings 8"	0		200.00	0
Misc. Fittings 10"	0		240.00	0
Misc. Fittings 12"	0		750.00	0
	0		0.00	0
Water Meters - Water System				
5/8" Meter	0		230.00	0
1" Meter	0		320.00	0
1 1/2" Meter	0		420.00	0
2" Meter	0		525.00	0
	0		0.00	0
Hot Tap Connections - Water System				
6" Hot Tap	0	EA.	1,750.00	0
8" Hot Tap	0	EA.	2,200.00	0
12" Hot Tap	0	EA.	3,150.00	0
Hot Tap Service Clamp	0	EA.	1,000.00	0
Water Service	0	EA.	330.00	0
	0		0.00	0
Miscellaneous - Water System				
Thrust Block	0	CY	150.00	0
Jack & Bore	0	L.F.	300.00	0
Joint at Existing 8"	0	EA.	650.00	0
Adjust Water Meter Box to Grade	0	EA.	235.00	0
	0		0.00	0
SUBTOTAL:				0

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 8 of 8

MR 4/2/15

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT DIVISION
BOND COMPUTATION SHEET

PROJECT PA05-0034

DATE: 03/18/18
PREPARED BY: Albert A WEBB Associates

IMPROVEMENT TYPE:

PAVEMENT SECTION WORK	\$147,081
OFFSITE STREET WORK	\$97,473
SPECIAL DISTRICTS	\$36,000
MORENO VALLEY UTILITIES	\$3,200
WATER QUALITY BASIN	50
TRANSPORTATION ENGINEERING	\$5,000
STORM DRAIN SYSTEM	\$600
WATER SYSTEM	50
SEWER SYSTEM	50
TRAFFIC IMPROVEMENTS	\$19,900
MONUMENTS/OTHER	\$6,000
TOTAL COST (VALUE) OF IMPROVEMENTS	\$318,254
+20% CONTINGENCY	\$63,051
GRAND TOTAL:	\$378,304

FAITHFUL PERFORMANCE SECURITY AMOUNT: \$378,000

LABOR & MATERIAL SECURITY AMOUNT: \$188,500

*The cost for securing payment of Labor and Materials is fifty (50) percent of the total cost estimate of the improvements.





IRREVOCABLE LETTER OF CREDIT
AS FAITHFUL PERFORMANCE BOND

Irrevocable Letter of Credit No. STB15/00453 Project No. PA05-0034 (PM 33361)

Date: April 27, 2015 Public R/W
Improvements US\$379,000.00

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA. 92552-0805

Re: Irrevocable Letter of Credit Delivered as Improvement Security Pursuant to California Government code Sections 66499 et seq. and Regulations of the City of Moreno Valley

Gentlemen:

Preferred Bank, a financial institution subject to regulation by the State of California and the United States Government, establishes and delivers to the City of Moreno Valley ("City") this Irrevocable Letter of Credit ("Letter of Credit") in your favor for the account of Inland Land Group, LLC located at 9670 Research Dr., Irvine, CA. 92618 ("Account Party") up to an aggregate sum of US\$379,000.00 (U.S. Dollars Three hundred seventy nine thousand and 00/100 only), as "Improvement Security" as required by Government Code Section 66499 et seq. and Regulations of the City of Moreno Valley, for Project No. PA05-0034 (PM 333661).

All or any portion of the funds available pursuant to this Letter of Credit will be paid upon the written demand of the City. The written demand need not present documentation of any type as a condition of payment, including proof of loss, but will be available by your draft at sight drawn on us and accompanied by your signed certification stating either that:

1. Inland Land Group, LLC has not complied with the performance requirements as set forth in the agreements entered into with the City of Moreno Valley, and, as a result the amount of \$[fill in amount] is now payable to the City of Moreno Valley;

To be continued on page 2



Our ref. STB15/00453
Project No. PA05-0034-(PM 33361)

OR

2. Inland Land Group, LLC has not maintained the offsite improvements as set forth in the agreements entered into with the City of Moreno Valley for the one year guarantee and warranty period and, as a result the amount of \$[fill in amount, provided, however, that the maximum amount which may be drawn under this subparagraph 2, shall be limited to 10% of the Letter of Credit] is now payable to the City of Moreno Valley.

This Letter of Credit expires at the institution's counter on April 26, 2016; however, it is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment of successive one year periods from the present and all future expiration dates thereof unless 60 days prior to any such date that institution shall notify the City in writing that the institution elects not to consider this Letter of Credit renewed for any such additional period. In the event of such notice, and in the event that the City does not notify the institution within 30 days of the date of the notice that it does not desire to receive the aggregate amount of the Letter of Credit, the institution shall forthwith send the aggregate amount of the Letter of Credit to the City by cashier's check.

The notice and the cashier's check shall be given via certified mail, return receipt requested, to the City Council, City of Moreno Valley 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552-0805, with copies to the City Engineer and the City Attorney.

When the work covered by the agreements between the Account Party and the City is completed to the satisfaction of the City, the City Engineer of the City of will accept the work and thereupon the amount of the obligation of this Letter of Credit will be reduced by 90% with the remaining 10% to be available to be drawn under this Letter of Credit for the one year guarantee period and warranty period provided for in the agreements between the Account Party and the City. As a part of the obligations of Account Party to the City, the Account Party is obligated to reimburse the City for costs and reasonable expenses and fees, including reasonable attorney's fees incurred by City in successfully enforcing the Account Party's obligations to it, all to be taxed as costs and included in any judgment rendered. These amounts may be part of a draw under this Letter of Credit.

This Letter of Credit is Irrevocable.

To be continued on page 3



Our ref. STB15/00453
Project No. PA05-0034 (PM 33361)

Only one drawing is permitted under this Letter of Credit. All documents must be presented to us in one lot to Preferred Bank, 601 S. Figueroa Street, 29th Floor, Los Angeles, CA.90017, Attention: International Department.

We hereby agree with the drawers, endorsers and bonafide holders of draft(s) drawn under and in compliance with the terms and conditions of this Letter of Credit that such draft(s) will be duly honored on due presentation to the drawee if negotiated on or before expiry date.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credit 2007 Revision, International Chamber of Commerce Publication No. 600.

Preferred Bank

Preferred Bank

.....
Louie Couto
Executive Vice President

.....
William Ko
Vice President

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

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } S.S.

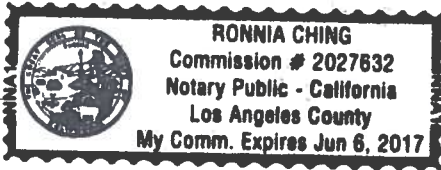
On May 14th, 2015 before me, Ronnia Ching
_____, a Notary Public in and for said County and State,
personally appeared, Louie Couto

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is 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: Ronnia Ching



(Notary Seal)

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

STATE OF CALIFORNIA }
COUNTY OF Los Angeles. } S.S.

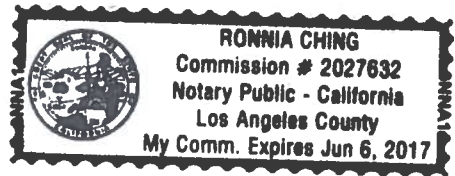
On May 14th, 2015 before me, Ronnia Ching
_____, a Notary Public in and for said County and State,
personally appeared, _____ William Ko _____

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (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: Ronnia Ching



(Notary Seal)

PREFERRED BANK
AUTHORIZATION LETTER

To Our Correspondents:
This booklet contains a listing of the facsimile signatures of officers and other persons authorized to sign on behalf of this Bank.
The signing authority of each person listed on the following page is designated by the Symbol A or B. The extent of this authorization is set forth in the following:

Document	Number Required	Class of Officer
Advices of credit	One	A or B
Advices of Drafts issued	One	A or B
Bills of Exchange	One	A or B
Bills of Lading, endorsement on	One	A or B
Cashier's Check	See Chart Below	
Certificate of Deposit	See Chart Below	
Letters of Credit	Two	AA or AB
Letters of Guarantee	Two	AA or AB
Letter of Indemnity or Guarantee in respect of shipping documents	One	A or B
Foreign Exchange Contracts	Two	AA or AB
Foreign Drafts	One	A or B
Correspondence with does not involve payments; transfers of funds; deliveries of securities or does not commit the Bank to new or additional obligations or to renewal or extension of existing obligations	One	A or B
Amount Per Transaction		
Below US\$100,000.00	One	A or B
Up to US\$1,000,000.00	One	A
Over US\$1,000,000.00	Two	AA

Whenever broader authorization exists, such additional authorization will be indicated immediately beneath the facsimile signature.
Revisions of our authorized signatures will be sent to you from time to time over the signature of our Operations Administrator.

By Authority of the Board of Directors.

Yours very truly,



Li Yu, Chairman of the Board and Chief Executive Officer

FACSIMILE SIGNATURES

A - Authorized Signers


Li Yu, Chairman of the Board and Chief Executive Officer


Wellington Chen, President and Chief Operating Officer


Edward J. Czajka, Executive Vice President and Chief Financial Officer


Louie Couto, Executive Vice President & Chief Credit Officer


Kristen Bjork, Senior Vice President, Operations Administrator & Compliance


Samuel Leung, Senior Vice President, Commercial Industrial Lending


Johnny Hsu, Senior Vice President, Commercial Loan Department

B - Authorized Signers


William Ko, Vice President, International Department


Winnie Lo, Vice President, Operations Administration


Anthony Miu, Vice President, Credit Administration


Margaret King, Vice President, Credit Administration


Wayne Chow, Vice President, Credit Administration

CANCELLED



IRREVOCABLE LETTER OF CREDIT
AS MATERIAL AND LABOR BOND

Irrevocable Letter of Credit No. STB15/00447 Project No. PA05-0034 (PM 33361)

Date: April 27, 2015

Public R/W
Improvements US\$189,500.00

City of Moreno Valley
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA. 92552-0805

Re: Irrevocable Letter of Credit Delivered as Security for Labor and Materials
Pursuant to Government code Sections 66499 et seq. and Regulations of the City
of Moreno Valley

Gentlemen:

Preferred Bank, a financial institution subject to regulation by the State of California and the United States Government, establishes and delivers to the City of Moreno Valley ("City") this Irrevocable Letter of Credit ("Letter of Credit") in your favor for the account of Inland Land Group, LLC located at 9670 Research Dr., Irvine, CA. 92618 ("Account Party") up to an aggregate sum of US\$189,500.00 (U.S. Dollars One hundred eighty nine thousand five hundred and 00/100 only), as "Security for Labor and Materials" as required by Government Code Section 66499 et seq. and Regulations of the City of Moreno Valley, for Project No. PA05-0034 (PM 33361).

All or any portion of the funds available pursuant to this Letter of Credit will be paid upon the written demand of the City. The written demand need not present documentation of any type as a condition of payment, including proof of loss, but will be available by your draft at sight drawn on us and accompanied by your signed certification stating that:

Inland Land Group, LLC has not complied with the labor and material payment requirements as set forth in the agreements entered into with the City of Moreno Valley; and, as a result [\$fill in amount] is now payable to the City of Moreno Valley.

To be continued on page 2



Our ref. STB15/00447
Project No. PA05-0034-(PM 33361)

This Letter of Credit expires at the institution's counter on April 27, 2016; however, it is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment of successive one year periods from the present and all future expiration dates thereof unless 60 days prior to any such date that institution shall notify the City in writing that the institution elects not to consider this Letter of Credit renewed for any such additional period. In the event of such notice, and in the event that the City does not notify the institution within 30 days of the date of the notice that it does not desire to receive the aggregate amount of the Letter of Credit, the institution shall forthwith send the aggregate amount of the Letter of Credit to the City by cashier's check.

The notice and the cashier's check shall be given via certified mail, return receipt requested, to the City Council, City of Moreno Valley 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552-0805, with copies to the City Engineer and the City Attorney.

Release of any part of said sum shall be made only upon written authorization of the City. As a part of the obligations of Account Party to the City, the Account Party is obligated to reimburse the City for costs and reasonable expenses and fees, including reasonable attorney's fees incurred by City in successfully enforcing the Account Party's obligations to it, all to be taxed as costs and included in any judgment rendered. These amounts may be part of a draw under this Letter of Credit.

This Letter of Credit is Irrevocable.

Only one drawing is permitted under this Letter of Credit. All documents must be presented to us in one lot to Preferred Bank, 601 S. Figueroa Street, 29th Floor, Los Angeles, CA.90017, Attention: International Department.

We hereby agree with the drawers, endorsers and bonafide holders of draft(s) drawn under and in compliance with the terms and conditions of this Letter of Credit that such draft(s) will be duly honored on due presentation to the drawee if negotiated on or before expiry date.

To be continued on page 3



Our ref. STB15/00447
Project No. PA05-0034 (PM 33361)

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credit 2007 Revision, International Chamber of Commerce Publication No. 600.

Preferred Bank

Preferred Bank

.....
Louie Couto
Executive Vice President

.....
William Ko
Vice President

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

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } S.S.

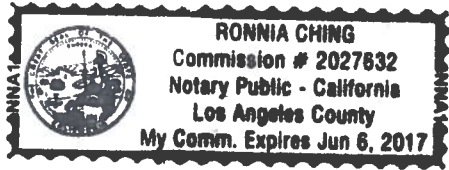
On May 14th, 2015 before me, Ronnia Ching
_____, a Notary Public in and for said County and State,
personally appeared, William Ko

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is 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: Ronnia Ching



(Notary Seal)

PREFERRED BANK
AUTHORIZATION LETTER

To Our Correspondents:

This booklet contains a listing of the facsimile signatures of officers and other persons authorized to sign on behalf of this Bank.
The signing authority of each person listed on the following page is designated by the Symbol A or B.
The extent of this authorization is set forth in the following:

Document	Number Required	Class of Officer
Advices of credit	One	A or B
Advices of Drafts issued	One	A or B
Bills of Exchange	One	A or B
Bills of Lading, endorsement on	One	A or B
Cashier's Check	See Chart Below	
Certificate of Deposit	See Chart Below	
Letters of Credit	Two	AA or AB
Letters of Guarantee	Two	AA or AB
Letter of Indemnity or Guarantee in respect of shipping documents	One	A or B
Foreign Exchange Contracts	Two	AA or AB
Foreign Drafts	One	A or B
Correspondence with does not involve payments, transfers of funds, deliveries of securities or does not commit the Bank to new or additional obligations or to renewal or extension of existing obligations	One	A or B
Amount Per Transaction		
Below US\$100,000.00	One	A or B
Up to US\$1,000,000.00	One	A
Over US\$1,000,000.00	Two	AA

Whenever broader authorization exists, such additional authorization will be indicated immediately beneath the facsimile signature.
Revisions of our authorized signatures will be sent to you from time to time over the signature of our Operations Administrator.

By: Authority of the Board of Directors.

Yours very truly,



Li Yu, Chairman of the Board and Chief Executive Officer

A - Authorized Signers


Li Yu, Chairman of the Board and Chief Executive Officer


Wellington Chen, President and Chief Operating Officer


Edward J. Czajka, Executive Vice President and Chief Financial Officer


Louie Couto, Executive Vice President & Chief Credit Officer


Kristen Bjork, Senior Vice President, Operations Administrator & Compliance


Samuel Leung, Senior Vice President, Commercial Industrial Lending


Johnny Hsu, Senior Vice President, Commercial Loan Department

B - Authorized Signers


William Ko, Vice President, International Department


Winny Lo, Vice President, Operations Administration

CANCELLED


Anthony Miu, Vice President, Credit Administration


Margaret King, Vice President, Credit Administration


Wayne Chow, Vice President, Credit Administration



Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: July 14, 2015

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

The attached list of personnel changes scheduled since the last City Council meeting and are presented for City Council ratification.

FISCAL IMPACT

All position changes are consistent with appropriations previously approved by the City Council.

PREPARATION OF STAFF REPORT

Prepared By:
Chris Paxton
Administrative Services Director

Department Head Approval:
Chris Paxton
Administrative Services Director

CITY COUNCIL GOALS

None

ATTACHMENTS

1. List of Personnel Changes

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 7:06 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 11:54 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:11 PM

City of Moreno Valley Personnel Changes

New Hires

None

Promotions

None

Transfers

Clement Jimenez, Senior Engineer, P.E.
From: Public Works/Capital Projects
To: Public Works/Electric Utility

Larry Gonzales, Senior Engineer, P.E.
From: Public Works/Capital Projects
To: Public Works/Land Development

Michael Lloyd, Senior Engineer, P.E.
From: Public Works/Transportation
To: Public Works/Capital Projects

Rene Herbert, Management Aide
From: Public Works/Capital Projects
To: Public Works/Special Districts

Launa Jimenez, Management Analyst
From: Police Department
To: Administrative Services Department

Kandace Baptiste, Executive Assistant I
From: Police Department
To: Financial & Management Services Department

Shanna Palau, Management Analyst
From: City Manager's Office
To: City Clerk's Office

Robert Roseen, Cable TV Producer
From: City Manager's Office
To: Financial & Management Services Department

Robert Lorch, Cable TV Producer
From: City Manager's Office
To: Financial & Management Services Department

Timothy Carroll, Media & Production Supervisor
From: City Manager's Office
To: Financial & Management Services Department

Larry Jaime, Senior Graphics Designer
From: City Manager's Office
To: Financial & Management Services Department

Daniel Monto, Landscape Services Supervisor
From: Financial & Management Services Department
To: Public Works Department

Daniel Cover, Landscape Services Inspector
From: Financial & Management Services Department
To: Public Works Department

Valin Gray, Landscape Services Inspector
From: Financial & Management Services Department
To: Public Works Department

Candace Cassel, Special Districts Division Manager
From: Financial & Management Services Department
To: Public Works Department

Margaret Williams, Senior Administrative Assistant
From: Financial & Management Services Department
To: Public Works Department

Sharon Goodale-Sharp, Senior Management Analyst
From: Financial & Management Services Department
To: Public Works Department

Jennifer Terry, Senior Management Analyst
From: Financial & Management Services Department
To: Public Works Department

Mosallam Almasri, Construction Inspector
From: Public Works Department
To: Financial & Management Services Department

Jeannette Olko, Electric Utility Division Manager
From: Public Works Department
To: Financial & Management Services Department

Tanya Dunlap, Senior Administrative Assistant
From: Public Works Department
To: Financial & Management Services Department

Priscilla Rasso, Senior Financial Analyst
From: Public Works Department
To: Financial & Management Services Department

Separations

Mark Sambito, Engineering Division Manager, Public Works Department

Attachment: List of Personnel Changes (1446 : LIST OF PERSONNEL CHANGES)



Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: July 14, 2015

TITLE: ORDINANCE NO. 898. AN ORDINANCE OF THE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM. (RECEIVED FIRST READING AND INTRODUCTION ON JUNE 23, 2015)

RECOMMENDED ACTION

Recommendations:

1. Adopt the required Ordinance No. 898. An Ordinance of the of the City Council of the City of Moreno Valley, California, Authorizing an Amendment to the Contract Between the City Council of the City of Moreno Valley and the Board of Administration of the California Public Employee's Retirement System.

CITY COUNCIL GOALS

None

ATTACHMENTS

1. Resolution 2015-51 - Resolution of Intention
2. Ordinance 898 - PERS Amendment
3. Exhibit

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	5/29/15 11:53 AM
City Attorney Approval	<u>✓ Approved</u>	6/03/15 8:19 AM
City Manager Approval	<u>✓ Approved</u>	6/03/15 9:15 AM

HISTORY:

06/09/15 Next: 06/23/15	City Council	CONTINUED
06/09/15	City Council	
06/09/15	City Council	
06/09/15	City Council	
06/23/15 Next: 07/14/15	City Council	FIRST READING OF ORDINANCE

ORDINANCE NO. 898

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1.

That an amendment to the contract between the City Council of the City of Moreno Valley and the Board of Administration, California Public Employee's Retirement System is hereby authorized, a copy of said amendment being attached hereto, marked Exhibit, and by such reference made a part hereof as though herein set out in full.

SECTION 2.

The Mayor of the City Council of the City of Moreno Valley is hereby authorized, empowered and directed to execute said amendment for and on behalf of said Agency.

SECTION 3. EFFECT OF ENACTMENT:

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 4. NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 5. EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 23rd day of June, 2015.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Ordinance 898 - PERS Amendment [Revision 1] (1486 : ORDINANCE NO. 898. AN ORDINANCE OF THE OF THE CITY COUNCIL OF

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 898 had its first reading on June 9, 2015 and had its second reading on June 23, 2015, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 23rd day of June, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)



EXHIBIT

California
Public Employees' Retirement System



AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
City Council
City of Moreno Valley



The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the above public agency, hereinafter referred to as Public Agency, having entered into a contract effective October 16, 1985, and witnessed October 15, 1985, and as amended effective February 14, 1992, July 5, 1995, July 15, 1997, January 6, 1999, July 18, 2003, January 13, 2007, March 27, 2009, December 24, 2011 and July 13, 2012 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 14 are hereby stricken from said contract as executed effective July 13, 2012, and hereby replaced by the following paragraphs numbered 1 through 14 inclusive:
 - 1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 55 for local miscellaneous members.

Attachment: Exhibit (1486 : ORDINANCE NO. 898. AN ORDINANCE OF THE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY,

PLEASE DO NOT SIGN "EXHIBIT ONLY"

2. Public Agency shall participate in the Public Employees' Retirement System from and after October 16, 1985 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the California Public Employees' Retirement System (CalPERS) and its trustees, agents and employees, the CalPERS Board of Administration, and the California Public Employees' Retirement Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorneys fees that may arise as a result of any of the following:
 - (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-CalPERS retirement program.
 - (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas
 - (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the California Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:
 - a. Employees other than local safety members (herein referred to as local miscellaneous members).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

5. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
 - a. **SAFETY EMPLOYEES, AND**
 - b. **CROSSING GUARD AND RECREATION AIDE HIRED ON OR AFTER JULY 13, 2012.**

6. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment before and not on or after January 13, 2007 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).

7. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member in employment on or after January 13, 2007 and not entering membership for the first time in the miscellaneous classification after December 24, 2011 shall be determined in accordance with Section 21354.5 of said Retirement Law (2.7% at age 55 Full).

8. The percentage of final compensation to be provided for each year of credited current service as a local miscellaneous member entering membership for the first time in the miscellaneous classification after December 24, 2011 shall be determined in accordance with Section 21354 of said Retirement Law (2% at age 55 Full).

9. Public Agency elected and elects to be subject to the following optional provisions:
 - a. Section 20042 (One-Year Final Compensation) for those local miscellaneous members entering membership on or prior to December 24, 2011.
 - b. Section 20938 (Limit Prior Service to Members Employed on Contract Date).
 - c. Section 21574 (Fourth Level of 1959 Survivor Benefits).
 - d. Section 21024 (Military Service Credit as Public Service).
 - e. Section 20965 (Credit for Unused Sick Leave).
 - f. Section 20903 (Two Years Additional Service Credit).

PLEASE DO NOT SIGN "EXHIBIT ONLY"

- g. **Section 20475 (Different Level of Benefits). Section 21354 (2% @ 55 Full formula) and Section 20037 (Three-Year Final Compensation) are applicable to local miscellaneous members entering membership for the first time in the miscellaneous classification after December 24, 2011.**
 - h. **Section 21548 (Pre-Retirement Option 2W Death Benefit) for service credit accumulated on and after the effective date of this amendment to contract.**
10. **Public Agency, in accordance with Government Code Section 20834, shall not be considered an "employer" for purposes of the Public Employees' Retirement Law. Contributions of the Public Agency shall be fixed and determined as provided in Government Code Section 20834, and such contributions hereafter made shall be held by the Board as provided in Government Code Section 20834.**
 11. **Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.**
 12. **Public Agency shall also contribute to said Retirement System as follows:**
 - a. **Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.**
 - b. **A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.**
 - c. **A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.**
 13. **Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.**

14. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the _____ day of _____, _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

CITY COUNCIL
CITY OF MORENO VALLEY

BY _____
RENEE OSTRANDER, CHIEF
EMPLOYER ACCOUNT MANAGEMENT DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
PRESIDING OFFICER

Witness Date

Attest:

Clerk



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: July 14, 2015

TITLE: AUTHORIZATION TO SUBMIT GRANT APPLICATIONS UNDER CYCLE 7 OF THE HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

RECOMMENDED ACTION

Recommendation:

1. Authorize the submittal of grant applications for Cycle 7 of the Highway Safety Improvement Program (HSIP).

SUMMARY

This report recommends approval to submit grant funding applications for Cycle 7 of the Highway Safety Improvement Program (HSIP). HSIP is a federal-aid program for the purpose of reducing collisions on public roads.

DISCUSSION

HSIP eligible projects must enhance roadway safety and be consistent with California's Strategic Highway Safety Plan (SHSP). Projects will be prioritized in descending order, statewide, using a benefit/cost (B/C) ratio comparison. Approximately \$150 million will be allocated under this program. Submissions are due Friday, July 31, 2015.

Staff recommends submittal of grant applications for Cycle 7 of the Highway Safety Improvement Program for the following projects:

1. *Safety improvements on Ironwood Avenue between Vista De Cerros Drive and Nason Street.* This project would fund the development of a Road Safety Audit (RSA), followed by installation of safety improvements identified by the RSA. Improvements may include guardrail, flashing beacons, roadway lighting, speed feedback signs, warning signs, or other countermeasures.

- 2. *Safety improvements on Kitching Street between Sunnymead Boulevard and Alessandro Boulevard.* Staff has identified Kitching Street as a target corridor for safety improvements, due to increased traffic levels since the completion of the extension of Kitching Street south of Alessandro Boulevard. This project would fund safety improvements to target observed trends in the collision history. Improvements may include new signing, revised lane alignment, and roadway lighting.
- 3. *Install Advanced Dilemma Zone Detection at certain intersections.* This project would procure and install above-ground vehicle detection capable of intelligently assessing the presence of approaching vehicles and holding the green indication for them to reduce rear-end collisions and red-light running. The project would have additional benefits in reducing the need to replace vehicle detection when repaving, and improving detection for motorcycles and non-motorized vehicles.

The current call for projects will fund certain types of projects (generally those that do not involve new pavement) at 100% (no local match required). To further improve the City's financial position, staff is proposing HSIP projects eligible for 100% funding.

ALTERNATIVES

- 1. Authorize the submittal of grant applications for the Highway Safety Improvement Program (HSIP) as shown. *This alternative will provide for potential federal funding of the proposed improvements.*
- 2. Do not authorize the submittal of grant applications for the Highway Safety Improvement Program (HSIP). *This alternative eliminates a potential outside funding source for eligible projects.*

FISCAL IMPACT

The recommended projects would be funded at 100% by the HSIP. All project phases (environmental clearance, design, construction, and construction engineering) are eligible for funding. City financial participation would be limited to setting aside funds for reimbursement by the State of California as the project progresses.

Preliminary project budgets are as follows:

Project	Estimated Cost
Ironwood Avenue Safety Improvements	\$ 500,000
Kitching Street Safety Improvements	\$ 300,000
Advanced Dilemma Zone Detection at certain intersections	<u>\$ 4,500,000</u>
<i>Total:</i>	<u>\$ 5,300,000</u>

NOTIFICATION

Publication of agenda

PREPARATION OF STAFF REPORT

Prepared By:
John Kerenyi
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Eric Lewis, P.E., T.E.
City Traffic Engineer/Transportation Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

None

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 7:08 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 3:00 PM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:08 PM



Report to City Council

TO: Mayor and City Council
 Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Betsy Adams, Parks & Community Services Director

AGENDA DATE: July 14, 2015

TITLE: AMEND THE CONTRACT WITH THINK TOGETHER, INC., TO OPERATE DAY-TO-DAY ACTIVITIES AND FUNCTIONS INVOLVING THE CITY'S AFTER SCHOOL EDUCATION AND SAFETY (ASES) GRANT PROGRAM FOR FISCAL YEAR 2015-16

RECOMMENDED ACTION

Recommendations:

1. Authorize the City Manager to amend the contract entered into with THINK Together, Inc., on April 26, 2011, to operate day-to-day activities and functions of the City.
2. Authorize the reduction of revenue and expense budgets in the ASES Program Grant Fund (Fund 2202) for the ASES Grant Program in the amount of \$28,983, respectively, upon approval of the contract amendment with THINK Together, Inc.

SUMMARY

This report recommends authorization for the City Manager to amend the contract entered into with THINK Together and reduce the revenue and expense operating budgets for the ASES Grant program in the amount of \$28,983.

DISCUSSION

THINK Together has successfully provided comprehensive after school programming since we began partnering with them in FY2011-12. Attendance increased, and there

were waiting lists at several of the school sites. The City applied for and received funding increases in FY2012-13 and FY2013-14. The increase in FY2013-14 brought our middle schools to the maximum funding level of \$150,000 to serve 112 students at each site. All of the middle schools were able to reach the minimum attendance levels to retain the increase in funding except Sunnymead Middle School. THINK Together used all of the recruitment tools in their arsenal; however Sunnymead Middle School was unable to reach minimum attendance levels and consequently reduced their funding level by \$28,982.62 for FY2015-16. Attached is the amended contract and payment schedule for THINK Together.

ALTERNATIVES

1. Authorize the City Manager to amend the contract with THINK Together, Inc. to operate day-to-day activities and functions of the City's Prop 49 state-funded ASES after school grant program, as outlined within this document.
2. Do not authorize amendment to the contract and provide direction to staff.

FISCAL IMPACT

This amendment will reduce the FY2015-16 Fund 2202 ASES Grant Budget according to the chart below. **All grant funds must be used for ASES Grant Expenditures and are restricted to this program.**

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 15/16 Budget	Proposed Adjustments	FY 15/16 Amended Budget
Receipt of Grant	ASES	2202-50-58-75312-486000	Rev	\$5,079,900	(\$28,983)	\$5,050,917
Contributions In-Kind	ASES	2202-50-58-75312-582012	Rev	1,693,300	(9,661)	1,683,639
Travel Training	ASES	2202-50-58-75312-620510	Exp	1,366	(600)	766
Donated Goods & Svc	ASES	2202-50-58-75312-625025	Exp	1,693,300	(9,661)	1,683,639
Contractual Svcs-Other	ASES	2202-50-58-75312-625099	Exp	4,950,775	(9,383)	4,941,392
Oper Mtrls-Other	ASES	2202-50-58-75312-930399	Exp	19,943	(19,000)	943

NOTIFICATION

Posting of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Patty Grube
Senior Management Analyst

Department Head Approval:
Betsy Adams
Parks & Community Services Director

CITY COUNCIL GOALS

None

ATTACHMENTS

1. THINK Contract Amendment

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	6/25/15 12:33 PM
City Attorney Approval	<u>✓ Approved</u>	7/04/15 8:42 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 9:35 AM

ATTACHMENT A

AMENDMENT TO

THINK TOGETHER, INC. CONTRACT

This Third Amendment to the THINK Together, Inc., Contract is made and entered into between the Community Services District of the City of Moreno Valley (hereinafter referred to as "CSD"), and THINK Together, Inc. (hereinafter referred to as "Contractor") and is effective the date the CSD Signs this Amendment.

Whereas, the CSD and Contractor entered into an Agreement dated July 13, 2011.

Whereas, the Contractor is providing operation of the After School Education and Safety Grant Program (ASES).

Whereas, the CSD received a \$28,982.62 reduction in ASES Grant funding.

Whereas, the Contractor desires to continue to operate the ASES

Section 1 – Amendment to THINK Together, Inc., Contract.

- 1.1 Pursuant to Page 4 of the Agreement, the Contractor's compensation shall be changed to 100% of the grant award from California Department of Education (CDE), less \$125,525 for administrative costs, according to Schedule A, attached hereto.

Section 2 – Other Terms to Remain

- 2.1 Except as otherwise specifically provided in this Amendment, the terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Contract.

SIGNATURE PAGE TO FOLLOW:

Attachment: THINK Contract Amendment (1557 : AMEND THE CONTRACT WITH THINK TOGETHER, INC.)

Community Services District of the
City of Moreno Valley

THINK Together, Inc.

BY: _____
City Manager

BY: _____
Randy Barth

TITLE: _____
Founder and CEO

Date

Date

<u>INTERNAL USE ONLY</u>
ATTEST:
_____ City Clerk <i>(only needed if Mayor signs)</i>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

Attachment: THINK Contract Amendment (1557 : AMEND THE CONTRACT WITH THINK TOGETHER, INC.)

Schedule A Payment Schedule

Ten monthly payments, due on the 1st of each month from September 1 through June 1, according to the following:

School Name	Components	Amount Awarded	Total Payment to THINK Together	Monthly Payment Amount (x10)
			(after \$125,525 carve-out)	10%
Armada Elementary	ASES After School Base	\$ 112,500.00	\$ 109,704.16	\$ 10,970.42
Badger Springs Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Bear Valley Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Box Springs Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Butterfield Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Chaparral Hills Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Cloverdale Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Creekside Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Edgemont Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Hendrick Ranch Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Hidden Springs Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Honey Hollow Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
La Jolla Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Landmark Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Midland Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Moreno Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Mountain View Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Palm Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Ramona Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Ridge Crest Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Seneca Elementary	ASES After School Base	98,550.00	96,100.84	9,610.08
Serrano Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Sugar Hill Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Sunnymead Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Sunnymead Middle	ASES After School Base	121,017.38	118,009.86	11,800.98
Sunnymeadows Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
TownGate Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Avalon Elementary	ASES After School Base	112,500.00	109,704.16	10,970.42
Columbia Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Lakeside Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Lasselle Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Manuel L. Real Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
March Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Mary McLeod Bethune Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
May Ranch Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Mead Valley Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Rainbow Ridge Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Sierra Vista Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Tomas Rivera Middle	ASES After School Base	150,000.00	146,272.21	14,627.22
Triple Crown Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Val Verde Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Victoriano Elementary	ASES After School Base	112,500.00	109,704.16	10,970.41
Vista Verde Middle	ASES After School Base	68,850.00	67,138.93	6,713.89
		\$5,050,917.38	\$ 4,925,392.38	\$ 492,539.24

Attachment: THINK Contract Amendment (1557 : AMEND THE CONTRACT WITH THINK TOGETHER, INC.)



Report to City Council

TO: Mayor and City Council
 Mayor and City Council Acting in its Capacity as President
 and Members of the Board of Directors of the Moreno Valley
 Community Services District (CSD)

FROM: Betsy Adams, Parks & Community Services Director

AGENDA DATE: July 14, 2015

TITLE: ACCEPTANCE OF GRANT MONIES FROM THE
 CALIFORNIA DEPARTMENT OF EDUCATION, CHILD
 DEVELOPMENT SERVICE, FOR CHILD CARE SERVICES
 AND ADOPTION OF THE RESOLUTION TO CERTIFY THE
 APPROVAL OF THE GOVERNING BOARD

RECOMMENDED ACTION

Recommendations:

1. Authorize the acceptance of grant money in the amount of \$593,054 for Fiscal Year (FY)2015/2016 from the California Department of Education, Child Development Division, for the purpose of providing school age child care and development services; and
2. Adopt Resolution No. CSD 2015-28. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Certifying the Approval of the Governing Board to Enter into this Transaction with the California Department of Education for the Purpose of Providing Child Care and Development Services and to Authorize the Designated Personnel, as shown on the Resolution, to Sign Contract Documents for FY2015/2016.

SUMMARY

This report recommends the acceptance of \$593,054 Child Development Grant Funds to continue the Child's Place licensed after school program.

DISCUSSION

The Child's Place is a state licensed program for children between the ages of kindergarten through 12 years of age and operates after school during the traditional school year and full day care on school vacation days. It is located at five elementary schools: Creekside, Sunnymead, Rainbow Ridge, and Armada during the school year and Rainbow Ridge and Red Maple during school breaks. This program has low or no fees based on family income for low income parents working or going to school. Programming for the students includes a nutritious snack served daily, arts and crafts, indoor and outdoor games, story time, homework time, and social time.

ALTERNATIVES

1. Authorize the acceptance of grant monies in the amount of \$593,054 for FY2015/2016 from the California Department of Education, Child Development Division for the purpose of providing school age child care and development services; and approve the proposed resolution to certify the approval of the governing board to enter into this transaction with the California Department of Education for the purpose of providing school age child care and development services.
2. Do not accept grant funding and eliminate the Child Care Grant Program.

FISCAL IMPACT

The proposed grant funds program expenditures on a cost reimbursement basis. **The grant funds as well as food program revenue and program fees are used for providing licensed school age child care and development services and are restricted to this program.** There is no impact to the General Fund. This grant is budgeted in the FY2015-16 Operating Budget (2201-50-58-75011)

NOTIFICATION

Posting of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Patty Grube
Senior Management Analyst

Department Head Approval:
Betsy Adams
Parks and Community Services Director

CITY COUNCIL GOALS

None

ATTACHMENTS

1. Proposed Resolution

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	6/24/15 1:46 PM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 4:58 PM
City Manager Approval	<u>✓ Approved</u>	7/08/15 4:58 PM

RESOLUTION NO. CSD 2015-28

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, CERTIFYING THE APPROVAL OF THE GOVERNING BOARD TO ENTER INTO A TRANSACTION WITH THE CALIFORNIA DEPARTMENT OF EDUCATION FOR THE PURPOSE OF PROVIDING CHILD CARE AND DEVELOPMENT SERVICES AND TO AUTHORIZE DESIGNATED PERSONNEL TO SIGN CONTRACT DOCUMENTS FOR FY 2015/2016

WHEREAS, the Moreno Valley Community Services District Board of Directors desires to provide school age child care services to the citizens of Moreno Valley during FY 2015/2016; and

WHEREAS, the Moreno Valley Community Services District Board of Directors further desires to enter into this transaction with the California Department of Education for the purpose of providing child care and development services; and

WHEREAS, the Moreno Valley Community Services District Board of Directors authorizes the persons listed to sign the transaction for the Governing Board

Betsy Adams, Director of Parks and Community Services _____

Mel Alonzo, Parks & Community Services Division Manager _____

Richard Teichert, Chief Financial Officer _____

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Accept the grant monies from the California Department of Education, Child Development Division, in the amount of \$593,054 per fiscal year to provide child care services for FY 2015/2016; and
2. Adopt a resolution to certify the approval of the Governing Board to enter into local agreement number/s CCTR-5169, Project Number 33-2186-00-5 with the California Department of Education for the purpose of providing child care and development services; and
3. Authorize designated personnel to sign contract documents on behalf of the Governing Board for FY 2015/2016.

1
Resolution No. CSD 2015-28
Date Adopted: July 14, 2015

Attachment: Proposed Resolution [Revision 1] (1556 : ACCEPTANCE OF GRANT MONIES FROM THE CALIFORNIA DEPARTMENT OF

APPROVED AND ADOPTED this 14th day of July, 2015.

Mayor of the City of Moreno Valley,
acting in the capacity of President of the Board
of Directors of the Moreno Valley Community
Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Legal Counsel of the Moreno
Valley Community Services District

2
Resolution No. CSD 2015-28
Date Adopted: July 14, 2015

Attachment: Proposed Resolution [Revision 1] (1556 : ACCEPTANCE OF GRANT MONIES FROM THE CALIFORNIA DEPARTMENT OF

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. CSD 2015-28 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District of the City of Moreno Valley at a regular meeting held on the 14th day of July, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

(SEAL)

3
Resolution No. CSD 2015-28
Date Adopted: July 14, 2015

Attachment: Proposed Resolution [Revision 1] (1556 : ACCEPTANCE OF GRANT MONIES FROM THE CALIFORNIA DEPARTMENT OF



Report to City Council

TO: Mayor and City Council

FROM: Mike Lee, Economic Development Director

AGENDA DATE: July 14, 2015

TITLE: OPERATING COVENANT AGREEMENT FOR DECKERS
OUTDOOR CORPORATION

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing.
2. Adopt Resolution No. 2015-53. A Resolution of the City Council of the City of Moreno Valley, California, Accepting the Economic Development Subsidy Report prepared pursuant to Government Code Section 53083, regarding an Operating Covenant Agreement by and between the City of Moreno Valley and Deckers Outdoor Corporation, a Delaware Corporation.
3. Adopt Resolution No. 2015-54. A Resolution of the City Council of the City of Moreno Valley, California, Approving the Operating Covenant Agreement between the City of Moreno Valley and Deckers Outdoor Corporation, Authorizing the City Manager to execute the Operating Covenant Agreement and making related findings.

SUMMARY

This report recommends that the City Council convene a Public Hearing and consider staff recommendations to approve the attached Operating Covenant Agreement for Deckers Outdoor Corporation.

DISCUSSION

On November 26, 2013, the Moreno Valley City Council approved a Memorandum of Understanding (MOU) with Deckers Outdoor Corporation (Deckers) regarding the development and occupancy of the corporation's primary North American distribution

center in Moreno Valley. Currently based in Goleta, Deckers Outdoor Corporation is a leading designer, producer, marketer, and brand manager of innovative, high-quality footwear, apparel, and accessories. They offer a variety of brands, most notably UGG Australia, and report international sales in excess of \$1.4 billion.

Deckers is constructing a new distribution center within the City at 17791 Perris Boulevard, the southwest corner of Perris Boulevard and Grove View Road, in the Moreno Valley Industrial Area. Construction and fixtures for the building are estimated at \$51 million and are projected for completion in two phases. Occupancy of the 794,447 sq. ft. Phase I is currently scheduled for the Fall of 2015. Under Decker's lease agreement with Sares Regis, they have a Phase II option to expand an additional 200,000 to 400,000 sq. ft. of new construction, for a total facility size of 1,200,000 sq. ft. Although there may be additional supportive business activity conducted at the site, the primary purpose of the facility will be warehousing footwear, apparel, and accessories for future distribution.

The logistics building in Moreno Valley will serve as Deckers' primary distribution center, with Phase I employment on site estimated at 80 full-time employees plus an additional 70 full-time employees at Phase II. Deckers Outdoor is a highly recognized international company, known for providing cutting edge quality products and for providing employees with highly competitive pay and benefits, which result in a high level of employee retention and loyalty.

The new Deckers Outdoor Corporation distribution center with an internet sales office may generate substantial revenue for the City, while creating new jobs and installing public improvements that might not otherwise be available to the community for many years. Direct economic benefits to the City would include the payment of sales, property, business license gross receipts, and utility taxes, plus indirect economic benefits would be achieved through local expenditures by employees and corporate contracts.

Deckers currently generates internet sales but has not designated the City of Moreno Valley as a point of sale location. To incentivize and memorialize Deckers Outdoor's establishment of an internet sales office in Moreno Valley, staff proposes approval of a resolution (Attachment 1) and execution of the attached Operating Covenant Agreement (OCA – see Attachment 2) that designates the City of Moreno Valley as a point of sale location. With such designation, the City would be able to receive new internet sale tax revenue from Deckers, which would otherwise not have occurred.

The OCA implements the sales tax sharing component of the previously approved Memorandum of Understanding, providing for covenant payments that are calculated based upon sales tax generation. The terms of the proposed OCA are reflective of the MOU, which incentivize Deckers Outdoor to locate an internet sales office within the City in addition to the distribution center already under construction. The OCA also now reflects components of the Hire MoVal program, which was recently adopted by the City Council. Following are the deal points of the Agreement, if the City Council approves it as proposed:

1. The City would cooperate with Deckers to establish an internet sales office within the City. For the first five (5) years, the City would rebate 60% of the City's portion of its local sales tax revenue received as a result of Deckers locating an internet sales office within the City. For the second five (5) years, the City would rebate 50% of the City's portion of its local sales tax revenue from the Deckers Moreno Valley internet sales office.
2. If Deckers completes the Company's Phase II expansion (the construction of another 200,000 to 400,000 or more sq. ft.) within the initial ten (10) year term, the Agreement term would be extended to twenty (20) years and the City would rebate 50% of the City's portion of its local sales tax revenue from the Deckers Moreno Valley internet sales office for a third five (5) year period. For the final five (5) years, the City would rebate 40%.
3. As a commitment to hire locally, Deckers would agree to employ Moreno Valley residents to fill at least 30% (24 positions) of its anticipated 80 full-time Phase I employees (plus 21 Moreno Valley residents as 30% of the 70 additional Phase II employees). Compliance will be established annually through a statement signed by a Deckers Outdoor executive under penalty of perjury. If Deckers fails to meet the 30% commitment, the City would be entitled to recapture a share of incentive payments. The recovery percentage will be equal to the percentage by which the Company doesn't meet the 30% commitment.
4. The City would utilize resources within the City of Moreno Valley's Employment Resource Center to assist Deckers in hiring Moreno Valley residents.

In the current, competitive business attraction environment, cities often utilize incentives as tools to enhance the desirability of their location and encourage prospective business tenants to locate there. For example, the City of Ontario recently executed a generous sales tax rebate to share up to 60% of substantial new sales tax revenues with QVC Corporation for forty-one years.

Pursuant to Assembly Bill 562 (AB 562), effective January 1, 2014, cities are required to provide an Economic Development Subsidy report (Attachment 3) and conduct a public hearing (see the Notice – Attachment 4) prior to adopting a resolution (Attachment 5) to approve any subsidies in excess of \$100,000.

ALTERNATIVES

1. Conduct the Public Hearing and Adopt the Resolutions approving the Economic Development Subsidy report and Operating Covenant Agreement as proposed. This will implement the MOU consistent with the terms included therein. Staff recommends this alternative.
2. Decline to conduct the Public Hearing and decline to Adopt the Resolutions approving the Economic Development Subsidy report and Operating Covenant

Agreement. This will result in not meeting the terms of the MOU. Staff does not recommend this alternative.

FISCAL IMPACT

The Agreement is not anticipated to result in any additional costs to the City's General Fund. The development of the project will create substantial new revenues to the City's General Fund in the form of sales, property, business license gross receipts, and utility users taxes. Entering into the Agreement ensures that sales, property, utility users, and other related taxes and City revenues generated by Deckers, will remain in the City for up to the twenty (20) year contract term.

Considering sales taxes alone, based on the current economic environment, it is estimated that Deckers will generate over \$1.0 million in cumulative new sales tax revenue to the City during the first ten years of the agreement, and over \$2.3 million for the following ten years. This represents a cumulative City share of sales tax revenue of an estimated \$3.4 million over the OCA's twenty year term.

Combined with property, business license gross receipts, and utility users tax revenues, the new Deckers facility is estimated to generate revenue to the City, after the Deckers share is deducted, of \$3.2 million in the first ten years and \$8.3 million over the twenty year OCA term.

These assumptions are based on current economic conditions and will vary as many variables and factors affect the national and local economy. The data is provided to demonstrate that the economic benefit of the OCA to the City will be significant in any event.

NOTIFICATION

Notice of the public hearing was published in the Press Enterprise on July 1, 2015. The notice was also posted on the City's website.

PREPARATION OF STAFF REPORT

Prepared By:
Name Michele Patterson
Title Economic Development Manager

Department Head Approval:
Name Mike Lee
Title Economic Development Director

Reviewed and Concurred By:
Rick Teichert
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

1. Resolution No. 2015-53 - Deckers Operating Covenant Agreement
2. Deckers_Executed Moreno Valley Operating Covenant Agreement (dtd 7-1-2015)
3. Deckers AB 562 Report FINAL
4. Notice of Public Hearing - Operating Covenant Agreement 071415
5. Resolution No. 2015-54 - Deckers Economic Development Subsidy

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 5:09 PM
City Attorney Approval	<u>✓ Approved</u>	7/09/15 8:03 AM
City Manager Approval	<u>✓ Approved</u>	7/09/15 8:30 AM

RESOLUTION NO. 2015-53

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE OPERATING COVENANT AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND DECKERS OUTDOOR CORPORATION AND MAKING RELATED FINDINGS

WHEREAS, Deckers Outdoor Corporation, a Delaware Corporation and its affiliates (together, "Deckers"), a retailer of consumer products with worldwide distribution, has leased for ten (10) years a newly constructed facility of approximately 800,000 square foot to serve as their Phase One distribution center (the "Facility") within the City of Moreno Valley, California ("City") at 17791 Perris Boulevard, Moreno Valley, CA 92551 ("the Property"); and

WHEREAS, Deckers may, at its option, construct and operate a Phase Two expansion to include additional space of approximate 200,000-400,000 square feet, for a total of 1,200,000 square feet (the "Project"); and

WHEREAS, the Facility will primarily operate as a warehousing location with ancillary support, distribution and administrative services from which internet and other purchase orders will be filled for customers who transact business with either the Company or its affiliates, where such purchases or products are intended for delivery within the State of California and elsewhere ("Distribution Center"); and

WHEREAS, Moreno Valley Municipal Code Section 5.02 requires every business within the city to pay an annual business license fee and a gross receipts tax as set by city council resolution from time to time; and

WHEREAS, based upon the current intended use of the facility, the City believes the activity at the warehouse should be classified as a warehouse for purposes of business license tax assessment; and

WHEREAS, the environmental impacts of the location for this facility were reviewed in conjunction with the Environmental Impact Report for the VIP Moreno Valley project that was certified by the City Council on September 25, 2012; and

WHEREAS, the incentives provide in the Operating Covenant Agreement ("Agreement"), a copy of which is attached to this Resolution as Exhibit A, are intended to ensure Deckers establishes a new warehouse and distribution center within the City; and

WHEREAS, if the Agreement is approved by the City Council, the start date of the economic development subsidy will be the date of commencement of operations at

the Facility, which is anticipated to occur on August 1, 2015. The end date will be no later than 10 years after the start date, on or around July 31, 2025; and

WHEREAS, Deckers may, at its option, construct and operate a Phase Two expansion to include additional space of approximate 200,000-400,000 square feet, for a total of 1,200,000 square feet (the "Project"); and

WHEREAS, if Deckers exercises its option to expand its occupancy at the Facility to include an additional approximate 200,000 – 400,000 square feet and establishes the Facility as the primary Point of Sale pursuant to the Sales Tax Law for all sales of the Company's products and those of its affiliates, and for all other products which are transacted through the Company's or its affiliates' internet website and which are destined for any location within the State of California, the Agreement period shall be extended for an additional period of ten (10) years and the extended end date will be no later than 20 years after the start date, on or around July 31, 2035; and

WHEREAS, The economic development subsidy will be calculated based on Deckers' quarterly sales tax revenue and the incentive payments shall be due thirty (30) days after the quarterly "true up" payment by the State for the preceding quarter.

WHEREAS, The economic development subsidy incentive payment shall be calculated as follows:

- (a) The City will provide an incentive payment to Deckers equal to sixty (60%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the first five (5) years after commencement of operation of the Distribution Center.
- (b) The City will provide an incentive payment to Deckers equal to fifty (50%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the second five (5) years after commencement of operation of the Distribution Center.
- (c) In the event that the term of the Agreement is extended to twenty (20) years based upon the completion of the Deckers' Phase Two expansion within the initial ten (10) year term, the City will provide an incentive payment to Deckers equal to fifty (50%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for Deckers' or its affiliates' California E-Commerce for the third five (5) years after commencement of operation of the Distribution Center, and

- (d) The City will provide an incentive payment equal to forty (40%) percent of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for Deckers' or its affiliates' California E-commerce for the fourth and final five (5) years after commencement of operation of the Distribution Center.

WHEREAS, Deckers agrees to employ City residents at a rate of at least 30% of its full-time workforce. Deckers shall meet the local hire requirement annually upon the anniversary of the date of commencement of operations. Deckers shall provide written notification of compliance with such requirement signed by an officer of Deckers under penalty of perjury within thirty (30) days of the reporting date commencing on August 1, 2016. Deckers agrees to maintain such compliance during the period in which the Agreement is in effect. In the event Deckers fails to satisfy the 30% requirement in a particular year due to circumstances beyond its control, the City shall provide the Company with an opportunity to describe an attempt to cure, which can be mutually approved by both parties. If Deckers fails to provide an attempt to cure within the thirty (30) day period, the City shall be entitled to a recapture of a pro-rata share of incentive payments or sales tax sharing payments for that particular year; and

WHEREAS, The City agrees to assist Deckers' human resources staff with identifying qualified applicants who are residents of the City to support and maintain the 30% hiring requirement during the period in which the Agreement is in effect. The City will utilize resources within the City of Moreno Valley Employment Resources Center to assist the Company in the recruitment and fulfillment of its obligation to achieve 30% local hire requirement; and

WHEREAS, the City has determined that the establishment of the new Deckers warehouse and distribution center within the City will generate substantial revenue for the City, create new jobs, and result in community and public improvements that might not otherwise be available to the community for many years; and

WHEREAS, on July 14, 2015, the City Council of the City of Moreno Valley conducted a Public Hearing to consider the Agreement and concluded said hearing on that date; and

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

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Resolution No. 2015-53
Date Adopted: July 14, 2015

SECTION 2. Findings.

- (a) **Public Purpose.** Entering into this agreement serves a public purpose. As a result of this Agreement, the development of this facility will assist the City in the development of its industrial space within Moreno Valley and will result in additional businesses coming into and through the City that might not otherwise be exposed to Moreno Valley. This development will generate substantial revenue for the City, create new jobs, result in community and public improvements that might not otherwise be available to the community for many years, and act as a catalyst for other companies to locate in Moreno Valley. The City believes additional development and job opportunities will result for the City and its residents. By bringing a business entity of this size into the community, there will be approximately 150 new jobs directly created, public and private improvements made, plus the energy and synergistic effect will likely stimulate additional growth and job opportunities within the community. Additionally, Deckers is a good public partner who will improve the City through civic and community involvement. Based upon these and other public benefits the City Council finds that the public purposes of the Agreement outweigh any private benefit to private persons or entities.

SECTION 3. Approve Agreement. The City Council hereby approves the Operating Covenant Agreement in the form attached to this Resolution as Exhibit A. The City Council hereby authorizes the City Manager, with the concurrence of the City Attorney, to execute said Agreement. City Manager is hereby authorized to take any additional steps necessary to facilitate the intent of this action.

SECTION 4. CEQA Compliance. Pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, § 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs, tit. 14 § 15000 et seq.), City staff has reviewed the environmental impacts of the location for this facility in conjunction with the Environmental Impact Report for the VIP Moreno Valley project that was certified by the City Council on September 25, 2012.

SECTION 5. Implementation. The City Manager or his or her designee is hereby authorized and directed to, on behalf of the City, execute any and all documents in accordance with this Resolution and applicable law.

SECTION 6. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this

Resolution are severable. The City declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 7. Certification. The City Clerk shall certify to the adoption of this Resolution.

SECTION 8. Effective Date. This Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 14th day of July, 2015.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2015-53 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 14th day of July, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

(SEAL)

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Resolution No. 2015-53
Date Adopted: July 14, 2015

OPERATING COVENANT AGREEMENT
BETWEEN THE CITY OF MORENO VALLEY AND
DECKERS OUTDOOR CORPORATION

This Operating Covenant Agreement ("Agreement"), is dated as of JULY
1, 2015 and is made by and between the City of Moreno Valley, a California municipal corporation ("City") and Deckers Outdoor Corporation, a Delaware corporation and its affiliates (together, "Company"). The City and Company are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

A. The Company has leased for 10 years a newly constructed approximately 800,000 square foot Phase One distribution center, with occupancy expected in the 4th quarter of calendar year 2014, with the option of and the potential of a Phase Two expansion with occupancy expected in 2018 to include an additional approximately 200,000-400,000 square feet, for a total of 1,200,000 square feet (the "Project") in the City to be located at 17791 Perris Boulevard, Moreno Valley, CA 92551 ("the Property").

B. The Company intends to use the Project as a distribution center from which to fulfill internet and other purchase orders by and provide products to customers who transact business with either the Company or its affiliates where such purchases or products are intended for delivery within the State of California and elsewhere. ("Distribution Center").

C. Based on the City's participation in the State's "triple flip" program (in which local government share of sales tax was decreased by 0.25% and the State portion of sales tax was increased by 0.25%, among other changes), the City's share of sales tax is currently 0.75% of the taxable sales occurring within the City.

D. The Distribution Center will be a Point of Sale for California E-Commerce. In addition, the Company may consider constructing or leasing a retail storefront. If it does so, the City would also receive sales tax from any retail sales made at the retail storefront. Retail storefront sales would not be covered by this agreement unless such activity occurs on the same site as the Distribution Center, unless otherwise approved by the City. The Company acknowledges that an existing Point of Sale for E-Commerce Sales may remain in operation after the commencement of the Distribution Center. However, upon commencement of a Phase Two expansion, if any, the Project will become the primary Point of Sale for all California E-Commerce.

E. The Moreno Valley City Council finds that it is of substantial benefit to the City and its residents for (i) the City to obtain an operating covenant from Company for the location and operation of the Distribution Center, and (ii) that the Distribution Center will be a Point of Sale for the Company's and the Company's affiliates' California E-Commerce in that significant additional sales tax revenue would be generated and additional employment created in the Distribution Center. The receipt of

additional sales tax not otherwise collectable by the City and creation of additional employment constitute valid public purpose for the City's entry into and execution of this Agreement.

F. In consideration for the Company's agreement to be bound by the operating covenant described herein, the City has agreed to make certain incentive payments to the Company. The City and Company acknowledge that the amount of each City payment hereunder is a fair exchange for the consideration actually furnished to the City by the Company during each fiscal year of the City in which such payment is made. The City has determined that each City payment to be made hereunder has been calculated so that it will not exceed the resources available to make the payment, and that in no event shall the City be indebted to Company for any aggregate payment herein provided.

G. The purpose and intention of the City in making incentive payments to the Company was or is to induce the Company to build and/or lease the Distribution Center in the City and for the Distribution Center to be a Point of Sale for the Company's and its affiliates' California E-Commerce sales in California, in addition to other direct retail sales that may occur at the facility and to further the well-being of the City's residents by enhancing local employment and expanding the City's tax revenue base.

H. The City Council has, prior to approving this Agreement, made findings as required by Government Code section 53083 with respect to the beneficiary, nature, term, public purpose and amount of the economic development subsidy provided by this Agreement as well as the benefits, projected tax revenues and estimated number of jobs to be created as a consequence of this Agreement. Such information is posted on the City's internet website and will remain posted for the term of this Agreement. The City Council has provided public notice and conducted a public hearing prior to approving this Agreement as required by Government Code section 53083.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

ARTICLE I SUBJECT OF AGREEMENT

Section 1.01. Recitals. The foregoing recitals are true and correct and are hereby incorporated into this Agreement.

Section 1.02. Purpose of Agreement. The purpose of this Agreement is to effectuate the economic goals of the City by providing an incentive for the Company's construction and/or leasing of the Project, relocate the Company's primary California E-Commerce function to the Distribution Center which will become a Point of Sale for the Company and its affiliates. The operation of the Distribution Center on the Property pursuant to this Agreement, and the fulfillment generally of the requirements of this

Agreement, are in the vital and best interests of the City and the welfare of the City’s citizens and in accord with the provisions of applicable federal, state and local law.

Section 1.03. Definitions. The following words or phrases shall have the meanings ascribed to them in this section.

(a) “Affiliate” means any entity which is: (i) owned or controlled by the Company, or under common control with the Company; (ii) shares the same management as the Company; or (iii) created by the Company or the Company’s management. For purposes of this definition, “control” means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, directors, trustees or management, whether by contract or otherwise.

(b) “California E-Commerce” means all or portion thereof of sales which are transacted through the Company’s internet websites or those of its affiliates and which are designated for delivery to any location within the State of California.

(c) “Commencement of operations” shall mean the date the Distribution Center first ships any product to any locations in California. Notwithstanding the forgoing, the initial ten (10) year term of Sales Tax Revenue sharing between the Company and the City shall commence on August 1, 2015.

(d) “Default” has the meaning as described in Section 3.01.

(e) “Distribution Center” has the meaning as described in Recital B.

(f) “Force Majeure” means any act of God (including fire, flood, earthquake, storm, lightning strike, tornado, volcanic eruption, hurricane or other natural disaster), labor strike or lockout, act of the public enemy, war (declared or undeclared), insurrection, riot, or explosion that: (i) prevents one Party from performing any of its obligations under this Agreement; (ii) could not reasonably be anticipated as of the date of this Agreement; (iii) is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or affiliate of that Party); and (iv) by the exercise of due diligence the affected Party is unable to avoid or overcome (provided that nothing in this clause iv shall be construed so as to require a Party to accede to or agree to any provision not satisfactory to it to settle and terminate a strike or lockout). Force Majeure shall not include changes in the financial condition of a Party, changes in market conditions or changes in financial profitability of the transactions contemplated by this Agreement.

(g) “Point of Sale” means a place where a retail (as defined by California Board of Equalization Law in Section 6007) transaction is completed as described in Recital D.

(h) “Project” means that certain distribution center project to be located within the City of Moreno Valley as described in Recital A.

(i) "Sales Tax Law" means the Bradley Burns Uniform Local Sales and Use Tax, California Revenue & Taxation Code section 7200 *et seq.*

(j) "Sales Tax Revenues" means that portion of taxes derived from the imposition of the Sales Tax Law with respect to all businesses and activities conducted in the Distribution Center, including any direct retail sales as well as California E-Commerce sales fulfilled at the Distribution Center, which taxes are actually received by the City and are legally available for unrestricted use by the City's general fund.

Section 1.04. City Land Use Approvals. Nothing in this Agreement shall be construed to grant City approval for the rezoning or construction of the Project or the operation of the Distribution Facility. The City retains all of its discretionary approval authority regarding such matters, including but not limited to review pursuant to the California Environmental Quality Act ("CEQA", California Public Resources Code section 21000 *et seq.*).

ARTICLE II DEVELOPMENT AND OPERATING COVENANT

Section 2.01. Covenant.

(a) The Company shall: (i) use its good faith and commercially reasonable efforts to locate a Point of Sale for California E-commerce at the Distribution Center by December 31, 2015; and (ii) at the commencement of Phase Two, if any, the Distribution Center will become the primary Point of Sale pursuant to the Sales Tax Law for all sales of the Company's products and those of its affiliates, and for all other products which are transacted through the Company's or its affiliates' internet website and which are destined for any location within the State of California. Such responsibilities shall be maintained for a period of ten (10) years commencing after the commencement of operations of the Distribution Center. Provided, that such period shall be extended for an additional ten (10) years, if the Phase Two expansion occurs at any time during such ten (10) year period.

(b) The Company shall, within fifteen (15) days after commencement of operations provide written notice of such to the City.

(c) The Company, on its behalf and on behalf of its successors-in-interest and its affiliates, hereby waives its right to protect against disclosure of the information contained in its California state sales and use tax returns (but solely for the limited purpose of determining compliance with the terms of this Agreement). The Company hereby further authorizes the release of such information by the State of California to the City, and will cooperate with the City as necessary to obtain such release. Upon written request of the City, Company shall within twenty-one (21) days also provide to the City copies of the Company's and its affiliates' California state sales and use tax returns evidencing sales and the payments of sales and use taxes that are the subject of this Agreement. The provisions of this subsection shall survive the termination of this Agreement for a period of eighteen (18) months.

(d) The foregoing subparagraphs of this Section 2.01 are hereinafter referred to in this Agreement as the "Covenant."

Section 2.02. City Incentive Payments.

(a) In consideration for the Company's agreement to be bound by the Covenant, the City shall make quarterly payments to Company of an incentive measured by the amount of Sales Tax Revenues received by the City as a direct result of the Company's and its affiliates' California E-Commerce sales for the period when the Covenant is in effect. The incentive payments shall be due thirty (30) days after the quarterly "true up" payment by the State for the preceding quarter. The amounts of the incentive payment shall be as follows:

(i) The City will provide an incentive payment to the Company equal to sixty (60%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the first five (5) years after commencement of operation of the Distribution Center.

(ii) The City will provide an incentive payment to the Company equal to fifty (50%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the second five (5) years after commencement of operation of the Distribution Center.

(iii) In the event that the term of the Covenant is extended to twenty (20) years pursuant to section 2.01(a) based upon the completion of the Company's Phase Two expansion within the initial ten (10) year term, the City will provide an incentive payment to the Company equal to fifty (50%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the third five (5) years after commencement of operation of the Distribution Center, and an incentive payment equal to forty (40%) percent of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the fourth and final five (5) years after commencement of operation of the Distribution Center.

(b) The incentive payments due hereunder shall be payable from any source of funds legally available to the City. The determination of the source of funds for the City's payments shall be in the sole and absolute discretion of the City. The Company acknowledges that the City is not making a pledge of Sales Tax Revenues, or any other particular source of funds. Sales Tax Revenues are used merely as a measure of the amount of incentive payment due hereunder and as means of computing the City's payment obligation in consideration for the Covenant. It is acknowledged by Company that the City's obligation to make incentive payments provided for herein is contingent upon actual receipt by the City of the Sales Tax Revenues derived from California E-Commerce and the operation of the Distribution Center which are paid to the City by the

State of California. The City shall not be obligated to make any incentive payments hereunder if Sales Tax Revenues are not actually received by the City from the State of California.

(c) Incentive payments by the City shall be made only for those quarters in which the Company is in compliance with the Covenant described herein. The failure of the City to make any payment required by this Agreement because of any Default (as defined in Section 3.01 hereof) by Company in complying with the Covenant shall not cause acceleration of any future payments by the City to Company beyond the date of such Default.

Section 2.03. Conditions Precedent.

(a) The obligation of the Company to locate California Point of Sale E-Commerce functions and operations for itself and its affiliates at the Distribution Center is contingent upon satisfaction or written waiver by the Company of each of the following:

(i) The Company shall operate the Distribution Center as a Point of Sale for the Company's and its affiliates' California E-Commerce.

(ii) The Company has secured approval of all plans and specifications, if necessary, for the proposed operation of California E-Commerce Point of Sale functions and has been issued permits therefor.

(iii) There is no litigation challenging the validity of any provision of this Agreement or that may have a material adverse effect on the Property or the Distribution Center, the Company's intended operations or use thereof, or the City's payment obligations hereunder.

(b) The obligation of the City to make payments to Company is contingent upon satisfaction or written waiver by the City of each of the following:

(i) The Company shall operate the Distribution Center as a Point of Sale for the Company's and its affiliates' California E-Commerce pursuant to the Sales Tax Law.

(ii) The Company has secured approval from the City of Moreno Valley of all land use approvals, permits and plans and specifications, if any, required for the construction and operation of the Distribution Center and has paid all necessary fees to entitle Company to the issuance of permits therefor.

(iii) The Company has performed and complied in all material respects, with all agreements and covenants required by this Agreement to be performed or complied with by Company within the time periods required hereunder.

(iv) There is no litigation challenging this Agreement or the implementation hereof.

**ARTICLE III
DEFAULTS AND REMEDIES**

Section 3.01. Event of Default. The occurrence of any or all of the following shall constitute an Event of Default (“Default”) under this Agreement:

(a) The Company’s failure to comply with any material term of the Covenant or this Agreement.

(b) The City’s failure to comply with any material term of its obligations pursuant to Section 2.02 hereof or of this Agreement.

(c) The filing of a petition in bankruptcy by or against the Company or appointment of a receiver or trustee for the Company, or an assignment by the Company for the benefit of creditors, or any adjudication that the Company is insolvent by a court, and failure of Company to cause such petition, appointment or assignment to be removed or discharged within sixty (60) days from the date of such filing, appointment, assignment or adjudication.

(d) An unapproved assignment that requires approval of the City pursuant to section 4.01.

Section 3.02. Cure and Default. In the event of any Event of Default as provided in section 3.01 occurs, the nondefaulting Party shall give written notice to the defaulting Party. The defaulting Party shall immediately commence and diligently thereafter pursue the curing of the Event of Default within thirty (30) days after receipt of notice; Failure to cure an Event of Default within such thirty (30) day period shall constitute a Default of this Agreement. Provided, however, if an Event of Default as specified in section 3.01(a) or 3.01(b) cannot reasonably be completed within such thirty (30) day period, such failure shall not be a Default so long as such Party promptly commences a cure within thirty (30) day period and thereafter diligently prosecutes such cure to completion.

Section 3.03. Limitation of City Remedies. Nothing herein is intended to limit or restrict whatever specific performance or other equitable remedies either Party may have in accordance with applicable law; provided, however, that notwithstanding any other provision of this Agreement, the City shall not have the remedy of specific performance to enforce the Company’s Default of the Covenant, or any portion thereof.

Section 3.04. Termination. Notwithstanding anything to the contrary contained in this Agreement, Company shall have the on-going right to terminate this Agreement: (a) upon six (6) months written notice and shall repay 50% of the City payments received to the date of termination if the termination occurs prior to the third (3rd) anniversary of this Agreement or (b) in the event any third party brings any such action challenging the validity of this Agreement or the operation of the Distribution Center as a Point of Sale, provided however that Company’s obligation of defense and indemnity pursuant to section 5.04 shall survive any such termination. Either Party may, upon the Default of the other Party as defined in Section 3.02, after expiration of all applicable notice and cure periods, and in addition to pursuing all remedies otherwise available to it, terminate

this Agreement and all of its obligations hereunder without cost, expense or liability to itself.

ARTICLE IV ASSIGNMENT

Section 4.01. Prohibition against Assignment of Agreement.

(a) The qualifications and identity of the Company are of particular concern to the City. It is because of these unique qualifications and the identity of the Company that the City has entered into this Agreement. No voluntary or involuntary successor-in-interest of the Company shall acquire any rights or powers under this Agreement, except as expressly set forth herein.

(b) Except as otherwise provided in this Agreement, Company shall not assign all or any part of this Agreement without prior written approval of the City which shall not be unreasonably withheld, delayed or conditioned.

(c) The Company may, subject to the prior written approval of the City, assign this Agreement to a separate ownership entity which would assume all of the obligations of Company hereunder and which would assume all of the business related activities of Company, including its E-Commerce operations.

(d) The Company may, with thirty (30) days prior written notice to the City, but without the City's prior consent, assign this Agreement to a subsidiary or affiliate of the Company. In addition, Company may, with thirty (30) days prior notice to the City, but without the City's prior consent, assign this Agreement to an entity with which Company or the parent of Company or any subsidiary or affiliate of Company might merge or consolidate. Moreover, the Company preserves its right to assign this Agreement to any entity that retains control over the Company via an asset acquisition or stock sale.

ARTICLE V MISCELLANEOUS PROVISIONS

Section 5.01. Compliance With Bradley-Burns Uniform Local Sales and Use Tax Law. The Company shall carry out the operation of its Commerce E-Commerce transactions through the Distribution Center in conformity with the Sales Tax Law.

Section 5.02. Local Hiring Requirement. The Company agrees to employ at least 30% of full-time employees that are City residents at the Project. The term "full-time employee" as used herein means an employee that works at least 1750 hours per year performing tasks directly related to the products or services of the Project. Company shall meet the local hire requirement annually upon the anniversary of the date of commencement of operations. Company shall provide written notification of compliance with such requirement signed by an officer of the Company under penalty of perjury

within thirty (30) days of the reporting date commencing on August 1, 2016. Company agrees to maintain such compliance during the period in which the Covenant is in effect.

(a) In the event the Company fails to satisfy the 30% requirement in a particular year due to circumstances beyond its control, the City shall provide the Company with an opportunity to describe an attempt to cure, which can be mutually approved by both parties. If Company fails to provide an attempt to cure within the thirty (30) day period the City shall be entitled to a recapture of a pro-rata share of incentive payments or sales tax sharing payments for that particular year. The City shall make a written recommendation of recapture and amount thereof, which shall be agreed upon by the Company. The recapture will be limited to that particular year's incentive payments and in no event shall a recapture under this Section include any incentive payment previously earned. The City shall not unreasonably deny the incentive payment for immaterial variances from the requirement.

(b) The City agrees to assist the Company's human resources staff with identifying qualified applicants who are residents of the City to support and maintain the 30% hiring requirement during the period in which the Covenant is in effect. The City will utilize resources within the City of Moreno Valley Employment Resources Center to assist the Company in the recruitment and fulfillment of its obligation to achieve 30% local hire requirement as defined under Section 5.02.

Section 5.03. Notices. All notices under this Agreement shall be given in writing by personal delivery, by certified mail or registered United States mail, return receipt requested, postage prepaid addressed as set forth below. Either party may change its address by giving written notice thereof to other in accordance with the provisions of this section.

CITY:

City of Moreno Valley
Attention: City Manager
14177 Frederick Street
Moreno Valley, CA 92553

With a copy to:

City of Moreno Valley
Attention: City Attorney
14177 Frederick Street
Moreno Valley, CA 92553

DECKERS OUTDOOR CORPORATION:

Deckers Outdoor Corporation
250 Coromar Drive
Goleta, CA, 93117
Attn: Senior Vice President, Supply Chain

With a copy to:

Deckers Outdoor Corporation
250 Coromar Drive
Goleta, CA, 93117
Attn: General Counsel

Section 5.04. Entire Agreement. This Agreement constitutes the entire agreement between the City and the Company concerning the subject matter hereof, and supersedes all prior agreements and understands whether written or verbal. This agreement may not be modified or amended except in a writing signed by the Parties.

Section 5.05. Indemnity. The Company shall defend (with representation of Company's choosing and acceptable to the City), indemnify and hold harmless the City, its elected officials, officers, employees and agents from and against any and all third party claims, losses, proceedings, damages, causes of action, liability, cost and expenses (including reasonable attorneys' fees) arising from or in connection with or caused by an act, omission or negligence of Company and its contractors, agents and employees in connection with this Agreement (including, but not limited to, claims regarding the validity of this Agreement) or the operation of the Distribution Center as a Point of Sale, except to the extent arising as a result of the City's negligence or willful misconduct. The City shall fully cooperate in the defense of any such actions and, upon the written request of Company, shall provide to Company such documents and records in the possession of the City that are relevant to such actions.

Section 5.06. Force Majeure. The time for performance of any obligation hereunder shall be extended by any period of delay caused by Force Majeure provided the Party claiming the existence of an event of Force Majeure provides written notice to the other Party within thirty (30) days following commencement of any such circumstances.

Section 5.07. Interpretation. In this Agreement the neuter gender includes the feminine and masculine, and the singular number includes the plural and the words "person" and "party" include corporation, partnership, firm, trust or association where the context so requires. The Parties agree that each Party and its counsel have reviewed this Agreement and that any rule of construction of the effect that ambiguities are to be resolve against the drafting Party shall not apply in the interpretation of this Agreement or any amendments of exhibits to this Agreement.

Section 5.08. Time of the Essence. Time is of the essence of this Agreement and the Parties' obligations under this Agreement.

Section 5.09. Authority to Execute. The person or persons executing this Agreement on behalf of Company warrant and represent that they have authority to execute the Agreement on behalf of Company and warrant and represent that they have the authority to bind Company to the performance of its obligations hereunder.

Section 5.10. Release of City Officials. No elected official, officer, employee or agent of the City ("released persons") shall be personally liable to Company, or any successors-in-interest of Company, in the event of any Default or breach by City or for any amount which may become due to Company or its successors, or on any obligations under the terms of this Agreement. Company hereby waives and releases any claim it may have against the released persons with respect to any Default or breach by the City or for any amount which may be come due to Company or its successors, or on any obligations under the terms of this Agreement. Company makes such release with full knowledge of California Civil Code Section 1542, and hereby waives any and all rights thereunder to the extent of this release. Civil Code 1542 provides as follows:

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

Section 5.11. Headings. The headings to the sections of this Agreement have been inserted for convenience only and shall not, to any extent, have the effect of modifying, amending or changing the expressed terms and provisions of the Agreement.

Section 5.12. Venue and Attorneys’ Fees. In the event of any litigation under this Agreement, all such actions shall be instituted in the Superior Court of the County of Riverside, State of California, or in the United States District Court, Central District of California, Eastern Division. In any such action, the prevailing party may recover its reasonable attorneys’ fees as costs.

Section 5.13. Applicable Law. This Agreement shall be governed by and constructed in accordance with the laws of the State of California, without giving effect to its conflict of law principles.

Section 5.14. Successors and Assigns. The provisions of this Agreement shall be binding upon, and insure to the benefit of, the City and Company and their respective successors and assigns.

Section 5.15. No Joint Venture. Nothing contained in this Agreement shall be constructed to render the City in any way, or for any purpose, a partner, joint venture, or associated in any relationship with Company nor shall this Agreement be constructed to authorize any Party to act as an agent for the other.

Section 5.16. No Third Party Beneficiaries. No provisions, term or condition of this Agreement is intended to, nor shall be constructed as conferring any benefit to, any third party, person or entity.

Section 5.17. Waiver. The waiver by the City or Company of any breach by the other Party of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. Any Party’s acceptance of any performance by the other Party after the due date of such performance shall not be deemed to be a waiver by any Party or any preceding breach by the other Party of any term, covenant or condition of the Agreement, regardless of such party’s knowledge of such preceding breach at the time of acceptance of such performance.

Section 5.18. Severability. Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or part, of this Agreement is declared invalid, unconstitutional or void for any reason, the remainder of this Agreement shall continue in full force and effect unless to do so would deprive one of the Parties of a material benefit of its bargain under this Agreement.

Section 5.19. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts each of which shall be deemed an original, but all of which shall constitute one Agreement, binding on the Parties.


SIGNATURE PAGE TO FOLLOW

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

CITY OF MORENO VALLEY

DECKERS OUTDOOR CORPORATION,
a Delaware corporation

BY: _____
Chief Financial Officer/
City Manager/Mayor
(Select only one please)

BY: 
TITLE: VP, GLOBAL TAX
(President or Vice President)

Date

07-01-15
Date


BY: _____

TITLE: Assistant Secretary
(Corporate Secretary)

7/1/15
Date

INTERNAL USE ONLY	
ATTEST:	
_____	City Clerk (only needed if Mayor signs)
APPROVED AS TO LEGAL FORM:	
_____	City Attorney
_____	Date
RECOMMENDED FOR APPROVAL:	
_____	Department Head (if contract exceeds 15,000)
_____	Date

2283233.1

**ECONOMIC DEVELOPMENT SUBSIDY REPORT
PURSUANT TO GOVERNMENT CODE SECTION 53083
FOR AN OPERATING COVENANT AGREEMENT
BY AND BETWEEN
CITY OF MORENO VALLEY
AND
DECKERS OUTDOOR CORPORATION**

Pursuant to Government Code Section 53083, the City Council of the City of Moreno Valley must hold a noticed public hearing and, prior to the public hearing, provide all of the following information in written form and available to the public and through the City's website, regarding a proposed economic development subsidy to be provided by the City pursuant to an Operating Covenant Agreement by and between the City of Moreno Valley and Deckers Outdoor Corporation ("Agreement"). Notice was published in the local newspaper for a public hearing to be held on July 14, 2015.

The purpose of this report is to provide the information required pursuant to Government Code Section 53083 in regards to the Agreement. This report shall remain available to the public and posted on the City's website until the end date of the economic development subsidy, as further described in number 2 below.

Name and address of business benefitting from the economic development subsidy:

Deckers Outdoor Corporation
250 Coromar Drive
Goleta, CA 93117

Location of facility:

17791 Perris Boulevard
Moreno Valley, CA 92551

Start and end dates for the subsidy:

If the Agreement is approved by the City Council, the start date of the economic development subsidy will be at the Commencement of operations. Notwithstanding the forgoing, the initial ten (10) year term of Sales Tax Revenue sharing between the Company and the City shall commence on August 1, 2015 and terminate on July 31, 2025. In the event that the term of the Agreement is extended to twenty (20) years pursuant to section 2.01(a) based upon the completion of the Company's Phase Two expansion within the initial ten (10) year term, the termination date will be extended to July 31, 2035.

The economic development subsidy will be paid quarterly (every 3 months), due thirty (30) days after the quarterly "true up" payment by the State for the preceding quarter.

Computation Quarters run from January 1 to March 31, April 1 to June 30, July 1 to September 30, and October 1 to December 31.

A description of the economic development subsidy:

The subsidy will rebate a portion of the sales tax generated at the facility as follows:

1. The City would rebate 60% of the City's portion of its local sales tax revenue from an internet sales office located within the City to the Company for the first five (5) years of operation, and a 50% rebate for the second five (5) years of operate. The term would be extended to twenty (20) years based upon the completion of the Company's Phase II expansion (the construction of another 200,000 to 400,000 or more sq. ft.) within the initial ten (10) year term, with a 50% rebate for the third five (5) years and a 40% rebate for the fourth five (5) years. Based on the City's participation in the State's "triple flip" program, the City's sales tax portion is 0.75% of sales.
2. As a commitment to hire locally, Deckers Outdoor Corporation would agree to employ Moreno Valley residents to fill at least 30% (45 positions) of its anticipated 150 full-time employees. Compliance will be established annually through a statement signed by a Deckers Outdoor Corporation executive under penalty of perjury. If Deckers Outdoor Corporation fails to meet the 30% commitment, the City would be entitled to recapture a share of incentive payments. The recovery percentage will be equal to the percentage by which Deckers Outdoor Corporation doesn't meet the 30% commitment.

Statement of the public purpose of the subsidy:

Deckers Outdoor Corporation is constructing a new distribution center within the City of Moreno Valley at 17791 Perris Boulevard, the southwest corner of Perris Boulevard and Grove View Road, in the Moreno Valley Industrial Area. Construction and fixtures for the building are estimated at \$51 million and are projected for completion in two phases. Occupancy of the 800,000 sq. ft. Phase I is currently scheduled for the Fall of 2015. Under Deckers Outdoor Corporation's lease agreement with Sares Regis, they have a Phase II option to expand an additional 200,000 to 400,000 sq. ft. of new construction, for a total facility size of 1,200,000 sq. ft. Although there may be additional supportive business activity conducted at the site, the primary purpose of the facility will be warehousing footwear, apparel, and accessories for future distribution.

The logistics building in Moreno Valley will serve as Deckers Outdoor Corporation's primary distribution center, with Phase One employment on site estimated at 150 employees. The proposed facility will also result in approximately 40 additional seasonal jobs during peak sales periods. Deckers Outdoor Corporation is a highly recognized international company, known for providing cutting edge quality products,

and for providing employees with highly competitive pay and benefits, which result in a high level of employee retention and loyalty.

Staff has determined that the establishment of the new Deckers Outdoor Corporation distribution center with an internet sales office may generate substantial revenue for the City, while creating new jobs and installing public improvements that might not otherwise be available to the community for many years. Direct economic benefits to the City would include the payment of sales, property business license, and utility taxes, plus indirect economic benefits would be achieved through local expenditures by employees and corporate contracts. Deckers Outdoor Corporation is expected to generate approximately \$100,000 in new annual sales tax revenue (minus the subsidy to be paid to the Company).

The subsidy is provided to facilitate the location of the facility in the City of Moreno Valley. The facility will provide substantial benefits to the community including the creation of new local jobs (150 at the facility and an additional 380 indirectly), substantial net public revenues to provide expanded services to the community, expanded operating revenue to the Moreno Valley Utility, and increased economic and fiscal impact to the State and local community estimated at \$800 million using the RIMS II multiplier.

Projected tax revenue to the City as a result of the subsidy:

The ten year projection of tax revenue (sales tax, property tax, utility tax and business license gross receipts tax) is **\$ 3,208,973**. The ten year projection of the sales tax share provided to Deckers Outdoor Corporation is **\$ 1,198,520**.

The twenty year projection of tax revenue is **\$8,339,128**. The twenty year projection of the sales tax share provided to Deckers Outdoor Corporation is **\$3,078,168**.

Estimated number of jobs created by the economic development subsidy:

The subsidy is anticipated to result in the creation of 80 full time jobs in Phase I, increasing to a total of 150 if Deckers proceeds with Phase II. An additional 40 seasonal jobs are anticipated during peak season.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT, pursuant to Section 53083 of the California Government Code, the City Council (the "City Council") of the City of Moreno Valley (the "City") will hold a public hearing on July 14, 2015, at 6:00 P.M., at the regular meeting place of the City Council of the City, located at 14177 Frederick Street, Moreno Valley, California 92553, regarding an economic development subsidy to Deckers Outdoor Corporation and approval of an Operating Covenant Agreement between the City of Moreno Valley and Deckers Outdoor Corporation.

Any interested person may appear at said public hearing to address the City Council of the City on the foregoing matter.

Dated: July 1, 2015

Jane Halstead, City Clerk, CMC
CITY CLERK OF THE CITY OF MORENO VALLEY

RESOLUTION NO. 2015-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ACCEPTING THE ECONOMIC DEVELOPMENT SUBSIDY REPORT PREPARED PURSUANT TO GOVERNMENT CODE SECTION 53083 REGARDING AN OPERATING COVENANT AGREEMENT BY AND BETWEEN THE CITY OF MORENO VALLEY AND DECKERS OUTDOOR CORPORATION.

WHEREAS, Deckers Outdoor Corporation, a Delaware Corporation and its affiliates (together, "Deckers"), a retailer of consumer products with worldwide distribution, has leased for ten (10) years a newly constructed facility of approximately 800,000 square foot to serve as their Phase One distribution center (the "Facility") within the City of Moreno Valley, California ("City") at 17791 Perris Boulevard, Moreno Valley, CA 92551 ("the Property"); and

WHEREAS, Deckers may, at its option, construct and operate a Phase Two expansion to include additional space of approximate 200,000-400,000 square feet, for a total of 1,200,000 square feet (the "Project"); and

WHEREAS, the Facility will primarily operate as a warehousing location with ancillary support, distribution and administrative services from which internet and other purchase orders will be filled for customers who transact business with either the Company or its affiliates where such purchases or products are intended for delivery within the State of California and elsewhere ("Distribution Center"); and

WHEREAS, the City and Deckers desire to enter into an Operating Covenant Agreement ("Agreement") for an economic development subsidy based on Deckers' sales tax revenue; and

WHEREAS, on July 14, 2015, the City Council of the City of Moreno Valley conducted a public hearing to consider the Agreement and concluded said hearing on that date; and

WHEREAS, if the Agreement is approved by the City Council, the start date of the economic development subsidy will be the date of commencement of operations at the Facility, which is anticipated to occur on August 1, 2015. The end date will be no later than 10 years after the start date, on or around July 31, 2025; and

WHEREAS, if Deckers exercises its option to expand its occupancy at the Facility to include an additional approximate 200,000 – 400,000 square feet and establishes the Facility as the primary Point of Sale pursuant to the Sales Tax Law for all sales of the Company's products and those of its affiliates, and for all other products which are transacted through the Company's or its affiliates' internet website and which

are destined for any location within the State of California, the Agreement period shall be extended for an additional period of ten (10) years and the extended end date will be no later than 20 years after the start date, on or around July 31, 2035; and

WHEREAS, The economic development subsidy will be calculated based on Deckers' quarterly sales tax revenue and the incentive payments shall be due thirty (30) days after the quarterly "true up" payment by the State for the preceding quarter.

WHEREAS, The economic development subsidy incentive payment shall be calculated as follows:

- (a) The City will provide an incentive payment to Deckers equal to sixty (60%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the first five (5) years after commencement of operation of the Distribution Center.
- (b) The City will provide an incentive payment to Deckers equal to fifty (50%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for the Company's or its affiliates' California E-Commerce for the second five (5) years after commencement of operation of the Distribution Center.
- (c) In the event that the term of the Agreement is extended to twenty (20) years based upon the completion of the Deckers' Phase Two expansion within the initial ten (10) year term, the City will provide an incentive payment to Deckers equal to fifty (50%) percent of the City's portion of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for Deckers' or its affiliates' California E-Commerce for the third five (5) years after commencement of operation of the Distribution Center, and
- (d) The City will provide an incentive payment equal to forty (40%) percent of Sales Tax Revenue received as a consequence of the Distribution Center being a Point of Sale for Deckers' or its affiliates' California E-commerce for the fourth and final five (5) years after commencement of operation of the Distribution Center.

WHEREAS, Deckers agrees to employ City residents at a rate of at least 30% of its full-time workforce. Deckers shall meet the local hire requirement annually upon the anniversary of the date of commencement of operations. Deckers shall provide written notification of compliance with such requirement signed by an officer of Deckers under penalty of perjury within thirty (30) days of the reporting date commencing on August 1, 2016. Deckers agrees to maintain such compliance during the period in which the

Agreement is in effect. In the event Deckers fails to satisfy the 30% requirement in a particular year due to circumstances beyond its control, the City shall provide the Company with an opportunity to describe an attempt to cure, which can be mutually approved by both parties. If Deckers fails to provide an attempt to cure within the thirty (30) day period, the City shall be entitled to a recapture of a pro-rata share of incentive payments or sales tax sharing payments for that particular year; and

WHEREAS, The City agrees to assist Deckers' human resources staff with identifying qualified applicants who are residents of the City to support and maintain the 30% hiring requirement during the period in which the Agreement is in effect. The City will utilize resources within the City of Moreno Valley Employment Resources Center to assist the Company in the recruitment and fulfillment of its obligation to achieve 30% local hire requirement; and

WHEREAS, based on information provided by City staff, and other such written and oral evidence as presented to the City, the City finds and determines that the economic development subsidy to Deckers pursuant to the Agreement is reasonably related to a legitimate governmental purpose in that the Agreement will ensure that the Deckers sales tax revenues remain in the City over the ten (10) years, or twenty (20) years if extended. The City further finds and determines that the establishment of the new Deckers warehouse and distribution center within the City will generate substantial revenue for the City, create new jobs, and result in community and public improvements that might not otherwise be available to the community for many years; and

WHEREAS, in accordance with Government Code Section 53083, the City provided certain information in written form to the public and on its website, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, and held a noticed public hearing on July 14, 2015 to consider all written and oral comments on the Economic Development Subsidy Report; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND RESOLVED, by the City Council of the City of Moreno Valley, as follows:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct, and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Findings. The City Council additionally finds and determines that

- (a) There are identifiable public purposes fulfilled by the Operating Covenant Agreement, as set forth in the Recitals, that outweigh the benefit to private persons; and

(b) The findings set forth in this Resolution are based upon substantial written and oral evidence presented to the City Council.

SECTION 3. CEQA. Pursuant to the California Environmental Quality Act ("CEQA") (Pub. Res. Code, § 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs, tit. 14 § 15000 et seq.), City staff has reviewed the environmental impacts of the location for this facility in conjunction with the Environmental Impact Report for the VIP Moreno Valley project that was certified by the City Council on September 25, 2012.

SECTION 4. Acceptance of Economic Development Subsidy Report. The City Council finds and determines that this Economic Development Subsidy Report is in compliance with applicable law and specifically Government Code Section 53083.

SECTION 5. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

The City Clerk of the City of Moreno Valley shall certify as to the adoption of this Resolution.

APPROVED, AND ADOPTED this 14th DAY OF July, 2015.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

4
Resolution No. 2015-54
Date Adopted: July 14, 2015

Attachment: Resolution No. 2015-54 - Deckers Economic Development Subsidy [Revision 1] (1572 : OPERATING COVENANT AGREEMENT FOR

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2015-54 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 14th day of July, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

(SEAL)

5
Resolution No. 2015-54
Date Adopted: July 14, 2015

Attachment: Resolution No. 2015-54 - Deckers Economic Development Subsidy [Revision 1] (1572 : OPERATING COVENANT AGREEMENT FOR



Report to City Council

TO: Mayor and City Council
 Mayor and City Council Acting in its Capacity as Chairman
 and Members of the Board of Directors of the Moreno Valley
 Public Financing Authority (MVPFA)

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: July 14, 2015

TITLE: ADOPTION OF RESOLUTIONS APPROVING THE
 ISSUANCE BY THE MORENO VALLEY PUBLIC
 FINANCING AUTHORITY OF NOT TO EXCEED
 \$29,000,000 AGGREGATE PRINCIPAL AMOUNT OF
 LEASE REVENUE BONDS, SERIES 2015 TO FINANCE
 CERTAIN CAPITAL IMPROVEMENTS; APPROVING THE
 FORMS OF A MASTER TRUST AGREEMENT,
 AUTHORIZING EXECUTION AND DELIVERY OF A
 MASTER FACILITIES LEASE, A MASTER FACILITIES
 SUBLEASE AND A BOND PURCHASE AGREEMENT;
 APPROVING FORM OF OFFICIAL STATEMENT; AND
 AUTHORIZING EXECUTION OF DOCUMENTS AND THE
 TAKING OF ALL NECESSARY ACTIONS RELATING TO
 THE FINANCING WITH THE MORENO VALLEY PUBLIC
 FINANCING AUTHORITY

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Adopt Resolution No. 2015-55. A Resolution of the City Council of the City of Moreno Valley Approving the Issuance by the Moreno Valley Public Financing Authority of Not to Exceed \$29,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2015 to Finance Certain Capital Improvements; Authorizing Execution and Delivery of a Master Facilities Lease, a Master Facilities Sublease and a Bond Purchase Agreement; Approving Form of Official Statement; and Authorizing Execution of Documents and the Taking of All Necessary Actions Relating to the Financing with the Moreno Valley Public Financing Authority.

2. Adopt Resolution No. MVPFA 2015-01. A Resolution Authorizing the Issuance and Sale of Lease Revenue Bonds to Finance Certain Capital Facilities; Approving the Forms of a Master Trust Agreement, a Master Facilities Lease, a Master Facilities Sublease and a Bond Purchase Agreement; Approving an Official Statement Describing Said Bonds; and Authorizing Execution of Documents and the Taking of All Necessary Actions Relating to the Issuance of the Bond.
3. Approve the budget amendment detailed in the fiscal impact section of this report, authorizing the receipt and expenditure of the debt proceeds and the project funds.

SUMMARY

The City has an opportunity to finance critical infrastructure for the City's Electric System and lock in a low and stable interest cost through the issuance of the 2015 Bonds. The Bonds will be issued on a taxable basis. The financing would tentatively close on August 6, 2015.

Staff has worked with members of the finance team to pursue a transaction that will place the City in a position to move forward with this financing by presenting all of the requisite documents to the City Council. The Finance Subcommittee of the City Council has reviewed the documents.

DISCUSSION

On June 6, 2001, the City Council approved the formation of the Moreno Valley Electric Utility ("MVU") through the adoption of Resolution No. 2001-33. MVU was created to provide retail electric distribution to residential, commercial and industrial customers in the City's undeveloped areas.

MVU operates under a 17-year contract with ENCO Utility Services Moreno Valley, LLC ("ENCO"). Under this contract, ENCO provides operations and maintenance, construction support, customer service, meter reading, billing, emergency response and other services. All other responsibilities not covered by this contract are performed under the City's Electric Utility Division.

MVU began serving its first customers on February 6, 2004 primarily located in the Promontory Park subdivision built by Western Pacific Housing, located at Cactus Avenue and Moreno Beach Drive. Today, this footprint has expanded to serve over 5944 residential, commercial and industrial customers.

The expansion of MVU promulgated the financing of capital needs through the issuance of the Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds ("2007 Bonds"). The 2007 Bonds were issued to finance the following projects:

- 115kV to 12kV Distribution Class power substation
- 115kV to 12kV Transmission Class switchyard
- All-weather access road, site grading, fencing, perimeter wall, etc.
- Infrastructure improvements to existing utility grid

Given the start-up nature of MVU in 2007, the 2007 Bonds were back-stopped by the General Fund (although the actual debt payments on the 2007 Bonds were payable from electric revenues from MVU). This General Fund back-stop was required to enable the 2007 Bonds to be sold at “A” category interest rates.

As MVU continues to grow and expand its service, additional capital improvement projects were identified by MVU staff that would be needed over the next several years. Based on MVU’s 10-Year CIP plan approved by the MVU Commission and City Council on May 15, 2015 and May 26, 2015, respectively, MVU will need to finance \$25 million of capital projects (“2015 Bonds”).

The expansion of MVU infrastructure is necessary to meet the strong economic development occurring in the South Industrial area of the City. The following projects are needed to be constructed timely to meet growing demand, which will be at capacity by late 2016, and to improve the load balancing and reliability of service delivery to the ever growing customer base.

Project Title	Project Description	Estimated Cost
Kitching Substation	Install 115kV/12kV substation	\$13,489,000
Kitching Substation to Edwin Rd.	Install conduit and cable from Kitching to Edwin Rd.	\$480,000
Kitching Backbone to Indian	Circuit going north towards Heacock for reliability	\$787,000
Kitching Substation to Perris Blvd.	Allow part of Iris circuit to transfer to Kitching substation	\$414,000
Kitching Substation to Lasselle Sports Park	Create a tie to Lasselle 12kV	\$477,000
Load transfer to Iris Interconnect	Install cable from Iris to Indian	\$378,000
Kitching Substation to Globe	Connect new circuit to Globe interconnect	\$459,000
Kitching Backbone to Perris Blvd.	Install conduit and cable along Modular Way to Perris Blvd.	\$465,000
Kitching – Nason 12kV tie	Ties Kitching substation to MoVal substation providing additional reliability	\$816,000
Alessandro Blvd.	Ties Centerpointe Interconnects to MoVal substation	\$2,025,000
Heacock St.	Ties Centerpointe Interconnects to South Industrial area	\$1,396,350
Electrical system automation	Build automation, communication, and protection in circuits that serve critical customers	\$2,000,000

MoVal Substation - 3 rd transformer bank	Addition of a 3 rd transformer bank at MoVal substation. 50% of cost funded by bonds.	\$1,925,000
Total		\$25,111,350

For the 2015 Bond financing, MVU considered issuing either (1) stand-alone revenue bonds supported solely by MVU's electric revenues or (2) to issue Lease Bonds that would be secured by the General Fund, but paid from the Electric Fund (similar to the structure of the 2007 Bonds). MVU staff and the City's Financial & Management Services Department determined that MVU would not likely reach an "A" category level credit rating by issuing stand-alone revenue bonds. Without an "A" category rating, the upcoming MVU bonds would not qualify for bond insurance and therefore significantly increase the borrowing costs to MVU for this financing.

Therefore, MVU staff is recommending that the 2015 Bonds be issued as Lease Revenue Bonds (similar to the 2007 Bonds) backed by the General Fund, but ultimately paid by MVU's electric revenues. The 2015 Bonds will need to be issued on a taxable basis because the current management agreement with ENCO does not currently comply with IRS tax rules that are required to enable the bonds to be issued on a tax-exempt basis. Taxable bonds would have to be issued at higher interest rates versus a tax-exempt bond.

To mitigate the long-term borrowing cost, MVU staff would also recommend that the 2015 Bonds be issued with a 5-year early prepayment option. This will enable the 2015 Bonds to be refinanced as early as 2020 (once the ENCO management contract issue is resolved) on a tax-exempt basis, which could potentially lower MVU's borrowing cost. Taxable municipal interest rates continue to be at historically low levels. The Federal Reserve has supported a sustained low interest rate environment by continuing to use economic policies to keep interest rates low through 2015. However, recent economic trends demonstrating a strengthening domestic economy and signals from the Federal Reserve point to a gradual increase in rates in the future, which has put upward pressure on today's low interest rates. Based on the existing favorable interest rate environment and potential for future volatility in the municipal market, it is prudent to place the City in position to finance the 2015 bonds in the current market.

In order to take advantage of current market conditions, the Authority will issue not-to-exceed \$29 million of lease revenue bonds to finance MVU's capital improvements ("2015 Bonds"). The 2015 Bonds will be issued as a thirty-year financing with a final maturity in 2045. The Authority will issue the 2015 Bonds on a taxable basis due to existing operator agreement terms associated with the Electric System. The City intends to structure the bonds with an option to redeem bonds in five years in order to facilitate the refinancing of the 2015 Bonds in the future on a tax-exempt basis supported by revenues of the Electric System only.

The final amount of bonds to be financed will be subject to the final project sizing and interest rates negotiated with investors at the time of the bond sale. Therefore, staff recommends that the not-to-exceed amount for the refunding bonds be set at \$29

million and a not-to-exceed interest rate of 7% to provide staff the flexibility to structure the bonds appropriately for the market.

Like the City's other lease revenue bonds, the 2015 Bonds will be structured as a lease-leaseback financing between the City and the Authority. However, the 2015 Bonds will not be on parity to the City's other general fund obligations. The Authority is a City-controlled joint powers authority consisting of the City and the Community Redevelopment Agency of the City of Moreno Valley and was originally formed in October 1997 to facilitate bond financing. The Authority has used the same financing structure for its prior lease revenue bond financings.

The 2015 Bonds will be structured with a new pool of lease assets consisting of Bethune Park, Moreno Valley Community Park, Fire Station No. 6, Fire Station No. 58, Moreno Valley Public Library and the Conference and Recreation Center. This lease asset pool has sufficient rental value to support the lease financing structure.

The 2015 Bonds will be designed with a "master lease" bond structure separate from the City's existing master lease associated with the 2013 Refunding Bonds and 2014 Refunding Bonds. Under this structure, the Authority will be allowed to issue additional lease bonds secured by a single pool of lease assets so long as the rental value of the pool is sufficient to cover the new bonds. Additionally, the master lease structure enables the City to pledge fewer assets over time to effectuate future lease financings. Most importantly, under this structure, the City will have the flexibility to substitute, remove or add other assets over time, which will be prudent as the City contemplates refinancing this project on a stand-alone Electric System utility credit in the future. The financing structure terms will be the same as the Authority's previous lease financings in all other respects.

The 2015 Bonds are currently anticipated to be structured with bond insurance and surety debt service reserve fund policy.

Orrick, Herrington & Sutcliffe LLP will serve as Bond Counsel. Stifel, Nicolaus & Co., Inc. will serve as underwriter for the bonds, which will be sold on a negotiated basis. Stradling, Yocca, Carlson & Rauth will serve as Disclosure and Underwriter's Counsel. Wells Fargo Bank, National Association, will serve as the bond trustee and escrow agent.

ALTERNATIVES

The following alternatives are available to the City.

1. Issue not-to-exceed \$29 million to finance capital improvements associated with MVU through a negotiated bond sale and authorize the City Manager to sign all related bond documents. *Staff recommends this alternative.*
2. Not proceed with financing the proposed capital improvements and maintain the current level of debt service payment obligations pledged under the General

Fund. *This alternative does not allow the City to lock in rates and finance these improvements in the near term.*

FISCAL IMPACT

Based on current rates, the City will issue not to exceed \$29 million of 2015 Bonds. The bond authorizing resolution has a not-to-exceed issuance amount of \$29 million to allow for the financing of the capital improvements and to pay costs of issuance. This figure also provides additional cushion to accommodate structuring flexibility to achieve the lowest interest rates.

The 2015 Bonds will be structured with a thirty-year term and level annual debt service payments. The final maturity is currently contemplated to be in 2045.

By taking advantage of interest rates currently available in the market, the City will be able to finance MVU capital improvements over a thirty-year term. Average annual payments are projected to be \$1,800,000 with total debt service of \$54,000,000 to be paid over the life of the bonds. These figures are net of financing costs.

Payment for the 2015 Bonds is secured by a pledge of the City’s General Fund. However, staff expects the City’s payments to be reimbursed by revenues generated by the City’s Electric System.

The 2015 Bonds are currently projected to be rated “A+” by the Standard & Poor’s rating agency.

The total “all-in” cost of issuing the new refunding bonds is about \$500,000 (equal to 1.8% of the estimated bond size), which has already been factored into the payment figures stated above. The majority of these fees will remain constant, however the bond underwriting fee (not-to-exceed 1.0% of the bond size) and some other legal/rating fees will fluctuate lower or higher depending on the final size of 2015 Bonds.

With the issuance of these bonds, the City will need to amend the 2015-16 and 2016-17 Adopted Budget to record the financial transactions related to this bond issue. These transactions have been identified in the following table.

Budget Amendments to Record Bond Financing Transactions and Annual Debt Service			
Account Number	Account Description	FY 16 Budget Amendment	FY 17 Budget Amendment
Recording of Bond Financing			
6040-99-99-xxxxx-589000	Bond Proceeds	\$25,645,000	\$0
6040-99-99-xxxxx-670510	Cost of Issuance	\$645,000	\$0
6040-99-99-96040-906011	Transfers Out To 6011	\$25,000,000	\$0
6011-99-99-96011-806040	Transfers In From 6040	\$25,000,000	\$0
6011-99-99-xxxxx-720199	Capital Projects	\$25,000,000	\$0

Annual Debt Service			
6010-99-99-96010-906040	Transfers Out to 6040	\$1,142,730	\$1,822,300
6040-99-99-96040-806010	Transfers In from 6010	\$1,142,730	\$1,822,300
6040-99-99-xxxxx-670410	Interest Expense	\$1,042,730	\$1,412,300
6040-99-99-xxxxx-670314	Principal Expense	\$95,000	\$405,000
6040-99-99-xxxxx-620299	Other Professional Svcs	\$5,000	\$5,000

PREPARATION OF STAFF REPORT

Prepared By:
 Brooke McKinney
 Treasury Operations Division Manager

Department Head Approval:
 Richard Teichert
 Chief Financial Officer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

1. Resolution 2015-55_City Council
2. Resolution MVPFA 2015-01
3. Master Facilities Lease
4. Master Facilities Sublease
5. Master Trust Agreement
6. Bond Purchase Agreement
7. Preliminary Official Statement

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 2:01 PM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 2:41 PM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:21 PM

RESOLUTION NO. 2015-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$29,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, SERIES 2015 TO FINANCE CERTAIN CAPITAL IMPROVEMENTS; AUTHORIZING EXECUTION AND DELIVERY OF A MASTER FACILITIES LEASE, A MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING FORM OF OFFICIAL STATEMENT; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE FINANCING WITH THE MORENO VALLEY PUBLIC FINANCING AUTHORITY

WHEREAS, the City of Moreno Valley (the "City") and the former Community Redevelopment Agency of the City of Moreno Valley (the "Agency") have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the "Joint Powers Agreement"), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Marks-Roos Local Bond Pooling Act of 1985") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits to be realized; and

WHEREAS, the City desires to approve the Authority's issuance of not to exceed \$29,000,000 in aggregate principal amount of Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2015 (Taxable) (the "Bonds") for the purpose of financing certain capital facilities (the "2015 Project"); and

WHEREAS, in order to finance the 2015 Project, the City desires to lease to the Authority certain facilities (the "Facilities") pursuant to a facilities lease (the "Facilities Lease") between the City and the Authority, and the City desires to lease back from the Authority the Facilities pursuant to a facilities sublease (the "Facilities Sublease") between the Authority and the City; and

WHEREAS, the Authority will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with Stifel, Nicolaus & Company, Incorporated (the "Underwriter"); and

1
Resolution No. 2015-55
Date Adopted: July 14, 2015

Attachment: Resolution 2015-55_City Council [Revision 2] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE

WHEREAS, there have been submitted and are on file with the City Clerk proposed forms of the Mater Facilities Lease, Master Facilities Sublease and Bond Purchase Agreement, an Official Statement with respect to the Bonds proposed to be sold by the Authority, and a Master Trust Agreement by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trust Agreement"); and

WHEREAS, the issuance of the Bonds by the Authority and the execution and delivery of the Master Facilities Lease and Master Facilities Sublease will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs and a more efficient delivery of City services to residential and commercial development, and that it furthers the public purpose to assist in such financing;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES AS FOLLOWS:

Section 1. All of the recitals set forth above are true and correct, and the City Council so finds and determines.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority, in an aggregate principal amount not to exceed \$29,000,000, to finance the 2015 Project. The City Manager and Chief Financial Officer (the "Authorized Officers" of the City) are hereby directed to perform the duties, if any, imposed upon each of them by the provisions of the financing documents approved herein, including the Trust Agreement for the Bonds, the Master Facilities Sublease, the Master Facilities Lease and the Purchase Agreement.

Section 3. The proposed form of Master Facilities Lease, by and between the City and the Authority, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver a facilities lease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said facilities lease shall end no later than November 1, 2046, plus an extension period of not to exceed 10 years.

Section 4. The proposed form of Master Facilities Sublease, by and between the Authority and City, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver a facilities sublease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said facilities sublease shall end no later than November 1, 2046, plus an extension period of not to exceed 10 years.

2
Resolution No. 2015-55
Date Adopted: July 14, 2015

Section 5. The proposed form of Bond Purchase Agreement, by and among the Underwriter, the Authority and the City, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, or any such officer's designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver a bond purchase contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the underwriting discount (not including original issue discount) shall not exceed 1.0% of the aggregate principal amount of the Bonds.

Section 6. The proposed form of Official Statement relating to the Bonds (the "Official Statement"), on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver an Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriter of a preliminary Official Statement relating to the Bonds is hereby approved and the Authorized Officers, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been "deemed final" by the City for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 7. The Authorized Officers, jointly and severally, are hereby authorized on behalf of the City to execute and deliver a Continuing Disclosure Certificate with Wells Fargo Bank, National Association, as trustee, containing such covenants of the City as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 8. The Authorized Officers and City Council members of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to obtaining bond insurance or a reserve fund surety.

Section 9. All actions heretofore taken by the officers and agents of the Council of the City with respect to the refinancing are hereby ratified, confirmed and approved.

Section 10. This Resolution shall take effect from and after its adoption and approval.

3
Resolution No. 2015-55
Date Adopted: July 14, 2015

APPROVED AND ADOPTED this 14th day of July, 2015.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

4
Resolution No. 2015-55
Date Adopted: July 14, 2015

Attachment: Resolution 2015-55_City Council [Revision 2] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2015-55 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 14th day of July, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

5
Resolution No. 2015-55
Date Adopted: July 14, 2015

Attachment: Resolution 2015-55_City Council [Revision 2] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE

6
Resolution No. 2015-55
Date Adopted: July 14, 2015

RESOLUTION NO. MVPFA 2015-01

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO FINANCE CERTAIN CAPITAL FACILITIES; APPROVING THE FORMS OF A MASTER TRUST AGREEMENT, A MASTER FACILITIES LEASE, A MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING AN OFFICIAL STATEMENT DESCRIBING SAID BONDS; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE ISSUANCE OF THE BONDS

WHEREAS, the City of Moreno Valley (the "City") and the former Community Redevelopment Agency of the City of Moreno Valley (the "Agency") have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the "Joint Powers Agreement"), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the "Authority"); and

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Marks-Roos Local Bond Pooling Act of 1985") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits to be realized; and

WHEREAS, the Authority desires to issue bonds for the purpose of financing certain capital facilities (the "2015 Project"); and

WHEREAS, this Board of the Authority hereby determines that there are significant public benefits, including through demonstrable savings in the effective interest rates and bond issuance costs expected to be paid for the Bonds (as defined herein) and a more efficient delivery of City services to residential and commercial development, and that it furthers the public purpose to assist in such financing; and

WHEREAS, in order to achieve such significant public benefits and public purpose, this Board of the Authority desires to authorize the issuance and sale of not to exceed \$29,000,000 in aggregate principal amount of its Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable) (the "Bonds"); and

WHEREAS, the Authority desires to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") for the Bonds with Stifel, Nicolaus & Company, Incorporated (the "Underwriter"); and

WHEREAS, the Authority desires to enter into a Master Trust Agreement (the "Trust Agreement") with Wells Fargo Bank, National Association, as trustee (the "Trustee"), for the purpose of securing the Bonds; and

WHEREAS, in order to finance the 2015 Project, the Authority desires to lease from the City certain facilities (the "Facilities") pursuant to a Master Facilities Lease (the "Facilities Lease") between the City and the Authority, and the Authority desires to lease back to the City the Facilities pursuant to a Master Facilities Sublease (the "Facilities Sublease") between the Authority and the City; and

WHEREAS, proposed forms of the Trust Agreement, Facilities Lease, Facilities Sublease and Bond Purchase Agreement are on file with the Secretary of the Authority;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. The issuance and sale of the Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable), in an aggregate principal amount not to exceed \$29,000,000, are hereby approved.

Section 3. The proposed form of Trust Agreement, by and between the Authority and Trustee, on file with the Secretary of the Authority, is hereby approved. The Chairman, the Vice Chairman, the Executive Director, the Treasurer and the Secretary (each an "Authorized Officer"), jointly and severally, are hereby authorized and directed for and in the name and on behalf of the Authority, to execute and deliver the Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (not to exceed November 1, 2046), interest rate or rates (not to exceed a true interest cost of 7.0% per annum), interest payment dates, series, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Bonds shall be as provided in the Trust Agreement, as finally executed...

Section 4. The proposed form of Facilities Lease, by and between the City and the Authority, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a facilities lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said facilities lease shall end no later than May 1, 2046, plus an extension period of not to exceed 10 years.

Section 5. The proposed form of Facilities Sublease, by and between the Authority and City, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a facilities sublease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the term of said facilities sublease shall end no later than May 1, 2046, plus an extension period of not to exceed 10 years.

Section 6. The proposed form of Bond Purchase Agreement among the Authority, the Underwriter and the City, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a bond purchase contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the underwriting discount (not including original issue discount) shall not exceed 1.0% of the aggregate principal amount of the Bonds.

Section 7. The proposed form of Official Statement relating to the Bonds (the "Official Statement"), on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for the Authority, to execute and deliver an Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Bonds. Distribution by the Underwriter of a preliminary Official Statement relating to the Bonds is hereby approved and the Authorized Officers, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been "deemed final" by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12.

Section 8. The Authorized Officers, jointly and severally, are hereby authorized on behalf of the Authority to execute and deliver a Continuing Disclosure Certificate with Wells Fargo Bank, National Association, as trustee, containing such covenants of the Authority as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 9. The Board hereby appoints Orrick, Herrington & Sutcliffe, LLP, as Bond Counsel and De La Rosa & Co. as the Underwriter for the Bonds, and approves Stradling Yocca Carlson & Rauth, as counsel for the Underwriter.

Section 10. The officers and directors of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute

and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to obtaining bond insurance or a reserve fund surety.

Section 11. The officers and board members of the Authority are hereby authorized and directed, jointly and severally, to execute and deliver any Certificate of the Authority or Written Request of the Authority required to be delivered pursuant to the Trust Agreement.

Section 12. This Resolution shall take effect from and after its adoption.

APPROVED AND ADOPTED this 14th day of July, 2015.

Mayor of the City of Moreno Valley,
Acting in the capacity of Chairman of the
Moreno Valley Public Financing Authority

ATTEST:

City Clerk, acting in the capacity of
Secretary of Moreno Valley Public
Financing Authority

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Public Financing Authority

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, Secretary of the Moreno Valley Public Financing Authority, do hereby certify that Resolution No. MVPFA 2015-01 was duly and regularly adopted by the members of the Board of Directors of said Authority at a regular meeting thereof held on the 14th day of July, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-Chairman and Chairman)

Secretary of the
Moreno Valley Public Financing Authority

(SEAL)

Recording requested by
and return to:

CITY OF MORENO VALLEY
c/o Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, Suite 3200
Los Angeles, California 90017

Attention: William W. Bothwell, Esq.

Pursuant to Section 27383 of the
Government Code of the State of
California, recording of this document is
Exempt from any fees charged by the
recorder.

Transfer tax: None, exempt per R&T
11922, Lessee is governmental entity.

MASTER FACILITIES LEASE

between the

CITY OF MORENO VALLEY

and

MORENO VALLEY PUBLIC FINANCING AUTHORITY

Dated as of [DATED DATE]

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Attachment: Master Facilities Lease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

MASTER FACILITIES LEASE

This Master Facilities Lease (the “Lease”), dated as of [DATED DATE], by and between the CITY OF MORENO VALLEY, a general law city organized and existing under and by virtue of the laws of the State of California (the “City”), as lessor, and the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (the “Authority”), duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley, as lessee;

W I T N E S S E T H:

WHEREAS, the City intends to lease the Facilities (as defined herein) to the Authority pursuant to this Lease; and

WHEREAS, the Authority intends to sublease the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of [DATED DATE] (the “Sublease”) by and between the Authority, as lessor, and the City, as lessee; and

WHEREAS, the Authority intends to issue its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”, and together with any bonds issued on a parity therewith, the “Bonds”) pursuant to a trust agreement and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California; and

WHEREAS, the proceeds of the Series 2015 Bonds will be applied by the City to finance the 2015 Project;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Facilities.

The City hereby leases to the Authority and the Authority hereby leases from the City, on the terms and conditions hereinafter set forth, the real property and improvements situated in the City of Moreno Valley, State of California, and described in Exhibit A attached hereto and made a part hereof, including removal or substitution or addition of any additional real property by any supplement or amendment hereto, in accordance with Section 2.04 of the Sublease and the Trust Agreement (herein collectively called the “Facilities”).

SECTION 2. Term.

The term of this Lease shall commence on the date of recordation of this Lease in the office of the County Recorder of Riverside County, State of California, or on [DATED DATE, whichever is earlier, and shall end on [November 1, 2046], unless such term is extended or sooner terminated as hereinafter provided, including as such term may be extended in connection with the issuance of additional Bonds. If on [November 1, 2046] (or such later date established in connection with the issuance of additional Bonds), the Bonds and all other amounts due under the Trust Agreement shall not be fully paid, or if the rental or other amounts payable under the Sublease shall have been abated at any time and for any reason or shall not

have been fully paid, then the term of this Lease shall be extended until ten (10) days after the Bonds and all other amounts due under the Trust Agreement and the Sublease shall be fully paid, except that the term of this Lease shall in no event be extended beyond [November 1, 2056] (or such later date established in connection with the issuance of additional Bonds). If prior to [November 1, 2046], the Bonds and all other amounts due under the Trust Agreement shall be fully paid, the term of this Lease shall end ten (10) days thereafter or ten (10) days after written notice by the City to the Authority, whichever is earlier.

SECTION 3. Rental.

The Authority shall pay to the City as and for rental hereunder, including but not limited to the payment of rent for the Facilities, the sum of \$XX,000,000, which amount shall be deposited pursuant to the Trust Agreement in the funds and accounts thereunder, and which amount the City finds and determines is full and fair rental for the Facilities.

SECTION 4. Purpose.

The Authority shall use the Facilities solely for the purpose of leasing the Facilities to the City pursuant to the Sublease and for such purposes as may be incidental thereto; provided, that in the event of default by the City under the Sublease the Authority may exercise the remedies provided in the Sublease or in the Trust Agreement.

SECTION 5. Owner in Fee.

The City covenants that it is the owner in fee of the Facilities, as described in Exhibit A hereto. The City further covenants and agrees that if for any reason this covenant proves to be incorrect, the City will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the City's title, and will diligently pursue such action to completion. The City further covenants and agrees that it will hold the Authority and the Bondowners harmless from any loss, cost or damages resulting from any breach by the City of the covenants contained in this Section.

SECTION 6. Assignments and Subleases.

Unless the City shall be in default under the Sublease, the Authority may not assign its rights under this Lease or sublet the Facilities, except pursuant to the Sublease, without the written consent of the City, which consent may be withheld in the City's sole and absolute discretion. Upon the occurrence of a default by the City under the Sublease, the Authority may assign or sell its rights under this Lease or sublet the Facilities without the consent of the City.

SECTION 7. Right of Entry; Easements.

The City reserves the right for any of its duly authorized representatives to enter upon the Facilities at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination.

The Authority agrees, upon the termination of this Lease, to quit and surrender the Facilities in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority further agrees that any permanent improvements to and structures existing upon the Facilities at the time of the termination of this Lease shall remain thereon and title thereto shall vest in the City.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Sublease and upon payment of the option price required by said section, the term of this Lease shall terminate as to the portion of the Facilities being so purchased is situated.

SECTION 9. Default.

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority, the City may exercise any and all remedies granted by law, except that no merger of this Lease and of the Sublease shall be deemed to occur as a result thereof; provided, however, that the City shall have no power to terminate this Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment or sublease of all or any part of the Facilities then in effect between the Authority and any assignee or subtenant of the Authority (other than the City under the Sublease). So long as any such assignee or subtenant of the Authority shall duly perform the terms and conditions of this Lease, such assignee or subtenant shall be deemed to be and shall become the tenant of the City hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bondowners.

SECTION 10. Quiet Enjoyment.

The Authority at all times during the term of this Lease, shall peaceably and quietly have, hold and enjoy all of the Facilities.

SECTION 11. Waiver of Personal Liability.

All liabilities under this Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the City hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Lease to the City or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the City or to any other party whomsoever for any death, injury or

damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities. The City, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the operation of the Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 12. Taxes.

The City covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Facilities (including both land and improvements).

SECTION 13. Eminent Domain.

In the event the whole or any part of the Facilities is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds and all other amounts due under the Trust Agreement and the Sublease attributable to the whole or part of the Facilities taken, and such amount shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the City.

SECTION 14. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Lease shall be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 15. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, and, if to the City, addressed to the City in care of the Financial and Administrative Services Director, 14177 Frederick Street, Moreno Valley, CA 92552, or if to the Authority, addressed to the Authority in care of the Executive Director, 14177 Frederick Street, Moreno Valley, CA 92552, in all cases with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 16. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

SECTION 17. Amendment.

The Authority and the City may at any time agree to the amendment of this Lease; provided, however, that the Authority and the City agree and recognize that this Lease is entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

SECTION 18. Execution.

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the City and the Authority, all with the same force and effect as though the same counterpart had been executed by both the City and the Authority.

IN WITNESS WHEREOF, the City and the Authority have caused this Master Facilities Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF MORENO VALLEY,
Lessor

By _____
Michelle Dawson, City Manager

MORENO VALLEY PUBLIC FINANCING
AUTHORITY,
Lessee

By _____
Michelle Dawson, Executive Director

Attachment: Master Facilities Lease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

EXHIBIT A
DESCRIPTION OF THE FACILITIES

Attachment: Master Facilities Lease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

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

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

WITNESS my hand and official seal.

[Seal]

Attachment: Master Facilities Lease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

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

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

WITNESS my hand and official seal.

[Seal]

Attachment: Master Facilities Lease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

Recording requested by
and return to:

CITY OF MORENO VALLEY
c/o Orrick, Herrington & Sutcliffe LLP
777 South Figueroa Street, Suite 3200
Los Angeles, California 90017

Attention: William W. Bothwell, Esq.

Pursuant to Section 27383 of the
Government Code of the State of
California, recording of this document is
exempt from any fees charged by the
recorder.

Transfer tax: None, exempt per R&T
11922, Lessee is governmental entity.

MASTER FACILITIES SUBLEASE

between the

MORENO VALLEY PUBLIC FINANCING AUTHORITY

and

CITY OF MORENO VALLEY

Dated as of [DATED DATE]

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Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

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Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

MASTER FACILITIES SUBLEASE

This MASTER FACILITIES SUBLEASE, dated as of [DATED DATE] (the “Sublease”), between the MORENO VALLEY PUBLIC FINANCING AUTHORITY (the “Authority”), a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley), as lessor, and the CITY OF MORENO VALLEY (the “City”), a city organized and validly existing under the Constitution and general laws of the State of California, as lessee;

W I T N E S S E T H:

WHEREAS, the City intends to lease the Facilities (as defined herein) to the Authority pursuant to the Lease (as defined herein); and

WHEREAS, the Authority intends to sublease the Facilities back to the City pursuant to this Sublease; and

WHEREAS, the Authority intends to issue its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”, and together with any bonds issued on a parity therewith, the “Bonds”) pursuant to a master trust agreement and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California; and

WHEREAS, the proceeds of the Series 2015 Bonds will be applied by the City to finance the “2015 Project”;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Sublease, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement.

Additional Bonds

The term “Additional Bonds” means bonds issued pursuant to Article III of the Trust Agreement.

Additional Payments

The term “Additional Payments” means all amounts payable to the Authority or the Trustee or any other person from the City as Additional Payments pursuant to Section 3.02 hereof.

Authority

The term “Authority” means (i) the Moreno Valley Public Financing Authority, acting as lessor hereunder; (ii) any surviving, resulting or transferee entity; and (iii) except where the context requires otherwise, any assignee of the Authority.

Base Rental Payments

The term “Base Rental Payments” means all amounts payable to the Authority from the City as Base Rental Payments pursuant to Section 3.01 hereof.

Base Rental Payment Schedule

The term “Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Authority from the City pursuant to Section 3.01 hereof and attached hereto as Exhibit B.

Bonds

The term “Bonds” means the bonds issued by the Authority under and pursuant to the Trust Agreement.

Code

The term “Code” means the Internal Revenue Code of 1986, as amended.

City

The term “City” means the City of Moreno Valley, California, a city organized and validly existing under the Constitution and general laws of the State of California.

Event of Default

The term “Event of Default” shall have the meaning specified in Section 6.01 hereof.

Facilities

The term “Facilities” means the buildings, other improvements and facilities described in Exhibit A attached hereto, including all real property on which such buildings, other improvements and facilities are located, or any portion thereof, or any City buildings, other improvements and facilities substituted therefor or added thereto, or any portion thereof, in

accordance with this Sublease and the Trust Agreement; subject, however, to any conditions, reservations and easements of record known to the City.

Insurance Consultant

The term “Insurance Consultant” means an individual or firm employed by the City that has experienced personnel in the field of risk management.

Lease

The term “Lease” means that lease, entitled “Master Facilities Lease,” dated as of [DATED DATE], between the City, as lessor, and the Authority, as lessee, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions thereof and of the Trust Agreement.

Outstanding

The term “Outstanding,” when applied to Bonds, shall have the meaning ascribed to such term in the Trust Agreement.

Permitted Encumbrances

“Permitted Encumbrances” means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to this Sublease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of this Sublease in the office of the County Recorder of the County of Riverside and which the City certifies in writing will not materially impair the use of the Facilities; (3) the Lease, as it may be amended from time to time; (4) this Sublease, as it may be amended from time to time; (5) the Trust Agreement, as it may be amended from time to time; (6) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the City consent in writing and certify to the Trustee will not materially impair the leasehold interests of the Authority or use of the Facilities by the City; and (8) subleases and assignments of the City which will not adversely affect the exclusion from gross income of interest on the Bonds.

Permitted Investments

The term “Permitted Investments” shall have the meaning ascribed to such term in the Trust Agreement.

Rental Payment Period

The term “Rental Payment Period” means the twelve month period commencing November 2 of each year and ending the following November 1.

Series 2015 Bonds

The term “Series 2015 Bonds” means the bonds issued and so designated by the Authority under and pursuant to the Trust Agreement.

State

The term “State” means the State of California.

Sublease

The term “Sublease” means this Master Facilities Sublease, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

Supplemental Trust Agreement

The term “Supplemental Trust Agreement” means any supplement or amendment to the Trust Agreement hereafter duly authorized and entered into between the Authority and the Trustee in accordance with the provisions of the Trust Agreement.

Tax Certificate

The term “Tax Certificate” shall have the meaning ascribed to such term in the Trust Agreement.

Trust Agreement

The term “Trust Agreement” means the master trust agreement, entitled “Master Trust Agreement” and dated as of [DATED DATE], by and between the Authority and the Trustee, pursuant to which the Trustee will deliver the Series 2015 Bonds, as originally executed or as it may from time to time be supplemented or amended by a Supplemental Trust Agreement entered into pursuant to the provisions of the Trust Agreement.

Trustee

The term “Trustee” means Wells Fargo Bank, National Association, appointed as trustee pursuant to the Trust Agreement, and any successor appointed under the Trust Agreement.

Written Request of the Authority

The term “Written Request of the Authority” means an instrument in writing signed by or on behalf of the Authority by its Chair, Vice-Chair, Secretary, Executive Director or Treasurer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

Written Request of the City

The term “Written Request of the City” means an instrument in writing signed by the Mayor, Vice-Mayor, City Manager, or the Finance Director/Treasurer of the City or any such official’s duly authorized designee, or by any other officer or employee of the City duly authorized by the City for that purpose.

ARTICLE II

LEASE OF FACILITIES; TERM; SUBSTITUTION; RELEASE; ADDITION OF PROPERTY

SECTION 2.01. Lease of Facilities. The Authority hereby leases to the City and the City hereby leases from the Authority the Facilities, subject, however, to all easements, encumbrances and restrictions that exist at the time of the commencement of the term of this Sublease. The City hereby agrees and covenants during the term of this Sublease that it will use the Facilities for public and City purposes.

The leasing by the City to the Authority of the Facilities shall not effect or result in a merger of the City’s leasehold estate pursuant to this Sublease and its fee estate as lessor under the Lease, and the Authority shall continue to have and hold a leasehold estate in said Facilities pursuant to the Lease throughout the term thereof. As to said Facilities this Sublease shall be deemed and constitute a sublease.

SECTION 2.02. Term; Occupancy. (A) Term. The term of this Sublease shall commence on the date of recordation of this Sublease in the office of the County Recorder of the County of Riverside, or on [DATED DATE] whichever is earlier, and shall end on [November 1, 2046], unless such term is extended or sooner terminated as hereinafter provided (including as such term may be extended in connection with the issuance of Additional Bonds). If on [November 1, 2046] (or such later date established in connection with the issuance of Additional Bonds), the Bonds and all amounts due hereunder and under the Trust Agreement shall not be fully paid, or if the rental or other amounts payable hereunder shall have been abated at any time and for any reason, then the term of this Sublease shall be extended until all Bonds and all amounts due hereunder and under the Trust Agreement shall be fully paid, except that the term of this Sublease shall in no event be extended beyond [November 1, 2056] (or such later date established in connection with the issuance of Additional Bonds). If prior to [November 1, 2046], all Bonds and all amounts due hereunder and under the Trust Agreement shall be fully paid, or provision therefor made in accordance with the terms and provisions of the Trust Agreement, the term of this Sublease shall end immediately.

SECTION 2.03. The Facilities. The City and the Authority hereby agree to lease the Facilities hereunder. The annual Base Rental Payments for the Facilities as set forth in Exhibit B hereto shall be the fair rental value for the Facilities, as hereby determined by the City. The Base Rental Payments for the Facilities shall be due and payable on the dates set forth in Section 3.01 hereof.

SECTION 2.04. Substitution; Release; Addition of Property. (A) The City and the Authority may add, substitute or release real property for all or part of, or may release a part of, the Facilities for purposes of the Lease and this Sublease, but only after the City shall have filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(i) Executed copies of the Lease and this Sublease or amendments thereto containing the amended description of the Facilities, including the legal description of any real property component of the Facilities as modified, if necessary.

(ii) A Written Certificate of the City, certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of such facility to the City) of the Facilities that will constitute the Facilities after such addition, substitution or withdrawal will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year. At the sole discretion of the City, in the alternative, in the event of a substitution only, the Written Certificate of the City will certify that the annual fair rental value of the new Facility is at least equal to that of the substituted Facility.

(iii) With respect to an addition or substitution of property, a leasehold owner's title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies resulting in title insurance with respect to the Facilities after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding; each such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority in such property subject only to such exceptions as do not substantially interfere with the City's right to use and occupy such property and as will not result in an abatement of Base Rental Payments payable by the City under this Sublease.

(iv) A Written Certificate of the City stating that such addition, substitution or withdrawal, as applicable, does not adversely affect the City's use and occupancy of the Facilities.

(v) With respect to the substitution of property, a Written Certificate of the City stating that the useful life of the property to be substituted is at least equal to the useful life of the property being released.

(vi) An opinion of bond counsel stating that any amendment executed in connection with such addition, substitution or withdrawal, as the case may be, (i) is authorized or permitted under this Sublease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the City; and (iii) will not cause the interest on any tax-exempt Bonds to be included in gross income for federal income tax purposes.

(B) The City and the Authority hereby agree that the Facilities or portion thereof for which other real property is substituted, pursuant to Section 2.04(A), shall be released from the Lease and this Sublease, and shall no longer be encumbered thereby and hereby or by the Trust Agreement at such time as the City shall have caused said substitution.

ARTICLE III

BASE RENTAL PAYMENTS

SECTION 3.01. Base Rental Payments. The City agrees to pay to the Authority, as Base Rental Payments for the use and occupancy of the Facilities (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Sublease), annual rental payments, all in accordance with the Base Rental Payment Schedule attached hereto as Exhibit B and made a part hereof. The Base Rental Payments payable hereunder shall be due and payable on October 25 and April 25 in the amounts set forth in Exhibit B hereto and shall be for the use and occupancy of the Facilities during the one-year period ending on the 1st day of each November.

If the term of this Sublease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payment installments shall continue to be payable on October 25 and April 25 in each year, and payable as hereinabove described, continuing to and including the date of termination of this Sublease, in an amount equal to the amount of Base Rental payable for the twelve-month period commencing [November 2, 2045].

The City agrees that all Base Rental Payments for the Facilities shall be paid by the City from lawfully available funds of the City.

SECTION 3.02. Additional Payments. The City shall also pay such amounts (herein called the “Additional Payments”) as shall be required by the Authority for the payment of all amounts, costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of this Sublease or any assignment hereof, the Trust Agreement, the Authority’s interest in the Facilities and the lease of the Facilities to the City, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Bonds, the Facilities, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification payable by the Authority to the Trustee under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement; but not including in such Additional Payments amounts required to pay the principal of or interest on the Bonds.

Such Additional Payments shall be billed to the City by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. Amounts so billed shall be paid by the City within sixty (60) days after receipt of the bill by the City. The City reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the City to make full and timely payment for all Additional Payments.

The Authority may in the future issue bonds to finance facilities, and may in the future enter into leases with respect to other facilities. The administrative costs of the Authority shall be allocated among such other facilities and the Facilities as hereinafter in this paragraph

provided. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Facilities shall be included in the Additional Payments payable hereunder. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Facilities, shall not be included in the administrative costs of the Facilities, and shall not be paid from the Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably allocated among all such projects, including the Facilities in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the Mayor, Vice-Mayor, City Manager or Finance Director of the City or any such officer's duly authorized designee, or a duly authorized representative of the City, endorsed thereon, in making any determination that costs relating to the Authority are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Facilities.

SECTION 3.03. Fair Rental Value. Such payments of Base Rental Payments and Additional Payments for each Rental Payment Period during the term of this Sublease shall constitute the total rental for said Rental Payment Period and shall be paid by the City in each Rental Payment Period for and in consideration of the right of use and occupancy of the Facilities during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each Rental Payment Period represents no more than the fair rental value of the Facilities for each such period. In making such determination, consideration has been given to the cost of acquisition of the Facilities, other obligations of the parties under this Sublease, the uses and purposes which may be served by the Facilities and the benefits therefrom which will accrue to the City and the general public.

SECTION 3.04. Payment Provisions. Each Base Rental Payment installment or Additional Payment payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the corporate trust office of the Trustee or such other place as the Authority shall designate. Any such Base Rental Payment installment or Additional Payment accruing hereunder which shall not be paid when due and payable under the terms of this Sublease shall bear interest at the rate of twelve percent (12%) per annum, or such lesser rate of interest as may be the maximum rate permitted by law, from the date when the same is due hereunder until the same shall be paid (provided that the foregoing shall not apply to payments following an abatement). Notwithstanding any dispute between the Authority and the City, the City shall make all Base Rental Payments, Additional Payments and other payments when due without deduction or offset of any kind and shall not withhold any rental or other payments pending the final resolution of such dispute. In the event of a determination that the City was not liable for said payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent payments due hereunder or refunded at the time of such determination. Amounts required to be deposited by the City with the Trustee pursuant to this Section for payment of Base Rental

Payments on any date shall be reduced to the extent of amounts on deposit in the Revenue Fund and available therefor.

Rental is subject to abatement as provided in Section 3.06 hereof.

SECTION 3.05. Appropriations Covenant; Base Rental Payments and Additional Payments to Constitute a Current Expense of the City. The City covenants to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due hereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments. The City will deliver to the Authority and the Trustee copies of the portion of each annual City budget relating to the payment of Base Rental Payments and Additional Payments hereunder within thirty (30) days after the filing or adoption thereof. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Sublease agreed to be carried out and performed by the City.

The Authority and the City understand and intend that the obligation of the City to pay Base Rental Payments and Additional Payments hereunder shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of the City, Base Rental Payments and Additional Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise legally available for the purpose of paying Base Rental Payments and Additional Payments or other payments due hereunder as consideration for the use of the Facilities. The City has not pledged the full faith and credit of the City, the State or any agency or department thereof to the payment of the Base Rental Payments and Additional Payments or any other payments due hereunder.

SECTION 3.06. Rental Abatement. The Base Rental Payments and Additional Payments shall be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation which is hereinafter provided for) there is substantial interference with the use and occupancy of the Facilities by the City, in the proportion in which the cost of that portion of the Facilities rendered unusable bears to the cost of the whole of the Facilities. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Sublease shall continue in full force and effect and the City waives the benefits of California Civil Code Section 1932(2) and 1933(4) and of Title 11 of the United States Code, Section 365(h) and any and all other rights to terminate this Sublease by virtue of any such damage or destruction or interference.

ARTICLE IV

USE OF PROCEEDS; MAINTENANCE OF, ALTERATIONS OF, AND ADDITIONS TO FACILITIES

SECTION 4.01. Use of Proceeds. The parties hereto agree that the proceeds of the Series 2015 Bonds will be used to refund the Refunded Bonds. Proceeds of any Additional Bonds will be applied in accordance with a supplement to this Sublease.

SECTION 4.02. Maintenance and Utilities. Throughout the term of this Sublease, all maintenance and repair, both ordinary and extraordinary, of the Facilities shall be the responsibility of the City, which shall at all times maintain or otherwise arrange for the maintenance of the Facilities in first class condition, and the City shall pay for or otherwise arrange for the payment of all utility services supplied to the Facilities, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Facilities resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof or any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Facilities.

SECTION 4.03. Changes to the Facilities. Subject to Section 8.02 hereof, the City shall, at its own expense, have the right to remodel the Facilities or to make additions, modifications and improvements to the Facilities. All such additions, modifications and improvements shall thereafter comprise part of the Facilities and be subject to the provisions of this Sublease. Such additions, modifications and improvements shall not in any way damage the Facilities or cause either to be used for purposes other than those authorized under the provisions of State and federal law; and the Facilities, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Facilities immediately prior to the making of such additions, modifications and improvements.

SECTION 4.04. Installation of City's Equipment. The City and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Facilities. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Facilities resulting from the installation, modification or removal of any such items. Nothing in this Sublease shall prevent the City from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facilities.

ARTICLE V

INSURANCE

SECTION 5.01. Fire and Extended Coverage. The City shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Sublease, insurance against loss or damage to any structures constituting any part of the Facilities by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facilities, excluding the cost of excavations, of grading and filling, and of the land, or, in the alternative, shall be in an amount and in a form sufficient, in the event of total or partial loss, to enable all Bonds then Outstanding to be redeemed.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the City may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the Authority, the Holders and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the City. Before such other method or plan may be provided by the City, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Sublease, there shall be filed with the Trustee a certificate of an Insurance Consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a certificate of the City setting forth the details of such substitute method or plan.

In the event of any damage to or destruction of any part of the Facilities caused by the perils covered by such insurance, the Authority, except as hereinafter provided, shall cause the proceeds of such insurance to be used for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds separate and apart from all other funds in a special fund to be designated the "Insurance and Condemnation Fund," to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall withdraw said proceeds from time to time upon receiving the Written Request of the Authority, stating that the Authority has expended monies or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such monies were expended, or such liabilities were incurred, and containing the additional information required to be included in a Written Request of the Authority prepared pursuant to Section 5.04 of the Trust Agreement. Any balance of said proceeds not required for such repair, reconstruction or

replacement shall be transferred to the Trustee and treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.04 of the Trust Agreement. Alternatively, if the proceeds of such insurance, together with any other monies then available for the purpose, are at least sufficient to redeem an aggregate principal amount of Outstanding Bonds equal to the amount of Outstanding Bonds attributable to the portion of the Facilities so destroyed or damaged, the City may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the provisions of the Trust Agreement.

The Authority and the City shall promptly apply for federal disaster aid or State disaster aid for which either may be eligible in the event that the Facilities are damaged or destroyed as a result of an earthquake or other declared disaster occurring at any time. Any proceeds received as a result of such disaster aid shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Facilities, or to redeem Outstanding Bonds if such use of such disaster aid is permitted.

SECTION 5.02. Liability Insurance. Except as hereinafter provided, the City shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Sublease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facilities, with minimum liability limits of one million dollars (\$1,000,000) for personal injury or death of each person and three million dollars (\$3,000,000) for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of two hundred thousand dollars (\$200,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of three million dollars (\$3,000,000) covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the City.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the City may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the City. Before such other method or plan may be provided by the City, and annually thereafter so long as such method or plan is being provided to satisfy the requirements of this Sublease, there shall be filed with the Trustee a certificate of an Insurance Consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a certificate of the City setting forth the details of such substitute method or plan.

SECTION 5.03. Rental Interruption or Use and Occupancy Insurance.

The City shall procure or cause to be procured and maintain or cause to be maintained throughout the term of this Sublease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facilities as the result of any of the hazards covered by the insurance required by Section 5.01 hereof, in an amount sufficient to pay the maximum annual Base Rental Payments hereunder for any two year period except that such insurance may be subject to a deductible clause of not to exceed twenty-five thousand dollars (\$25,000). Any proceeds of such insurance shall be used by the Trustee to reimburse to the City any rental theretofore paid by the City under this Sublease attributable to such structure for a period of time during which the payment of rental under this Sublease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for the payment of Base Rental Payments) and in Section 3.02 hereof (to the extent required for the payment of Additional Payments).

SECTION 5.04. Worker's Compensation.

The City shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the City. Such insurance may be maintained by the City in the form of self-insurance.

SECTION 5.05. Title Insurance.

The City shall obtain a ALTA leasehold owner's policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing policy or policies resulting in title insurance with respect to the Facilities in an amount at least equal to the principal amount of the Bonds. Such insurance instrument, when issued, shall name the Trustee as the insured, and shall insure the leasehold estate of the Authority subject only to such exceptions as do not substantially interfere with the City's right to use and occupy the property and as will not result in an abatement of Base Rental Payments payable by the City under this Sublease.

SECTION 5.06. Insurance Proceeds; Form of Policies.

All policies of insurance required by Sections 5.01 and 5.03 hereof shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Holders pursuant to a lender's loss payable endorsement substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall collect, and receive all monies which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03 hereof. All policies of insurance required by this Sublease shall provide that the Trustee shall be given thirty (30) days' notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required or if forms of endorsement or policies comply with the provisions of this Sublease and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The City shall pay when due the premiums for all insurance policies required by this Sublease, and shall promptly furnish evidence of such payments to the Authority.

The City will deliver to the Authority and the Trustee in the month of August in each year a written certificate of an officer of the City stating that such policies satisfy the requirements of this Sublease, setting forth the insurance policies then in force pursuant to this Section, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an Insurance Consultant or other qualified person containing the information required for such self-insurance program and described in Sections 5.01, 5.02, 5.03 and 5.04 hereof. Delivery to the Trustee of the certificate under the provisions of this Section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Defaults and Remedies. (A) If the City shall fail to pay any Base Rental Payment, Additional Payment or other amount payable hereunder when the same becomes due and payable, time being expressly declared to be of the essence of this Sublease, or the City shall fail to keep, observe or perform any other term, covenant or condition contained herein or in the Trust Agreement to be kept or performed by the City for a period of thirty (30) days after notice of the same has been given to the City by the Authority or the Trustee or for such additional time as is reasonably required, in the discretion of the Trustee, to correct the same, or upon the happening of any of the events specified in subsection (B) of this Section (any such case above being an “Event of Default”), the City shall be deemed to be in default hereunder and it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Sublease. Upon any such default, the Authority, in addition to all other rights and remedies it may have at law, may do any of the following:

(1) To terminate this Sublease in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Facilities as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Facilities and remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and place such personal property in storage in any warehouse or other suitable place located within the City. In the event of such termination, the City agrees to surrender immediately possession of the Facilities without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Facilities given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Facilities nor the appointment of a receiver upon initiative of the Authority to protect the Authority’s interest under this Sublease shall of itself operate to terminate this Sublease, and no termination of this Sublease on account of default by the City shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the

City of the election on the part of the Authority to terminate this Sublease. The City covenants and agrees that no surrender of the Facilities or of the remainder of the term hereof or any termination of this Sublease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(2) Without terminating this Sublease, (i) to collect each Base Rental Payment installment and other amounts as they become due and enforce any other terms or provision hereof to be kept or performed by the City, regardless of whether or not the City has abandoned the Facilities, or (ii) to exercise any and all rights of re-entry upon the Facilities. In the event the Authority does not elect to terminate this Sublease in the manner provided for in subparagraph (1) hereof, the City shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the City and, if the Facilities are not re-let, to pay the full amount of the Base Rental Payments, Additional Payments and other amounts to the end of the term of this Sublease or, in the event that the Facilities are re-let, to pay any deficiency in rent and other amounts that result therefrom; and further agrees to pay said rent and other amounts and/or deficiency rent and other amounts punctually at the same time and in the same manner as hereinabove provided for the payment of Base Rental Payments, Additional Payments and other amounts hereunder (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental or other amounts in excess of the rental or other amounts herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such entry or re-entry or obtaining possession of the Facilities. Should the Authority elect to enter or re-enter as herein provided, the City hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Facilities or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facilities and to place such personal property in storage in any warehouse or other suitable place located in the City, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facilities and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The City agrees that the terms of this Sublease constitute full and sufficient notice of the right of the Authority to re-let the Facilities and to do all other acts to maintain or preserve the Facilities as the Authority deems necessary or desirable in the event of such re-entry without effecting a surrender of this Sublease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Sublease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Sublease shall vest in the Authority to be effected in the sole and exclusive manner provided for in subparagraph (1) hereof. The City further waives the right to any Base Rental Payment or other amounts obtained by the Authority in excess of such rental and other amounts herein specified and hereby conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Facilities or any part thereof.

The City hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Facilities as herein provided and all claims for damages that may result from the destruction of the Facilities and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Facilities.

(B) If (1) the City's interest in this Sublease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, as hereinafter provided for, or (2) the City or any assignee shall file any petition or institute any proceeding under any act or acts, State or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the City asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the City's debts or obligations, or offers to the City's creditors to effect a composition or extension of time to pay the City's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the City's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the City, or if a receiver of the business or of the property or assets of the City shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the City shall make a general or any assignment for the benefit of the City's creditors, or if (3) the City shall abandon or vacate the Facilities, then the City shall be deemed to be in default hereunder.

(C) The Authority shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the City to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the City shall be entitled to pursue any remedy provided by law.

(D) In addition to the other remedies set forth in this Section, upon the occurrence of an event of default as described in this Section, the Authority shall proceed to protect and enforce the rights vested in the Authority by this Sublease or by law. The provisions of this Sublease and the duties of the City and of its trustees, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority may bring the following actions:

(1) Accounting. By action or suit in equity to require the City and its trustees, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the City (and its council, officers and employees)

and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the Authority as provided herein.

The exercise of any rights or remedies under this Sublease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term “re-let” or “re-letting” as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the Facilities. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Sublease, the City agrees to pay a reasonable amount as and for attorney’s fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder, whether or not a lawsuit has been filed and whether or not any lawsuit culminates in a judgment.

SECTION 6.02. Waiver. Failure of the Authority to take advantage of any default on the part of the City shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the City of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Sublease.

ARTICLE VII

EMINENT DOMAIN; PREPAYMENT

SECTION 7.01. Eminent Domain. If the whole of the Facilities or so much thereof as to render the remainder unusable for the purposes for which it was used by the City shall be taken under the power or threat of eminent domain, the term of this Sublease shall cease as of the day that possession shall be so taken. If less than the whole of the Facilities shall be taken under the power or threat of eminent domain and the remainder is usable for the purposes for which it was used by the City at the time of such taking, then this Sublease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equivalent to the amount by which the annual payments of principal of and interest on the Bonds then Outstanding will be reduced by the application of the award in eminent domain to the redemption of Outstanding Bonds. So long as any of the Bonds shall be Outstanding, any award made in eminent domain proceedings for taking the Facilities or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental

Payments as provided in Section 7.02 hereof. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the City.

SECTION 7.02. Prepayment. (A) The City shall prepay on any date from insurance and eminent domain proceeds, to the extent provided in Sections 5.01, 5.05, and 7.01 hereof (provided, however, that in the event of partial damage to or destruction of the Facilities caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, such proceeds shall be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Facilities, pursuant to the procedure set forth in Section 5.01 hereof for proceeds of insurance), all or any part (in an integral multiple of \$5,000 principal component) of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which shall be payable after such prepayment date shall be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date, at a prepayment amount equal to the principal of and interest on the Bonds to the date of redemption of the Bonds.

(B) The City may prepay, from any source of available funds, all or any portion of Base Rental Payments by (i) depositing with the Trustee monies or securities as provided in Section 4.02 or 10.01 of the Trust Agreement sufficient to retire or redeem Bonds corresponding to such Base Rental Payments when due or redeemable, and (ii) satisfying the other requirements of Section 10.01 of the Trust Agreement. The City agrees that if following such prepayment the Facilities are damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and shall not be entitled to any reimbursement of such Base Rental Payments.

(C) Before making any prepayment pursuant to this Article, the City shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than sixty (60) days from the date such notice is given.

(D) When (1) there shall have been deposited with the Trustee at or prior to the due dates of the Base Rental Payments or date when the City may exercise its option to purchase the Facilities or any portion or item thereof, in trust for the benefit of the Owners of the Bonds and irrevocably appropriated and set aside to the payment of the Base Rental Payments or option price, sufficient monies and Permitted Investments described in subsection (1) of the definition thereof in the Trust Agreement, not redeemable prior to maturity, the principal of and interest on which when due will provide money sufficient to pay all principal of and interest on the Bonds to the due date of the Bonds or date when the City may exercise its option to purchase the Facilities, as the case may be, and to the payment in full of all other amounts due hereunder or under the Trust Agreement; (2) all of the requirements set forth in Section 10.01 of the Trust Agreement have been satisfied; and (3) an agreement shall have been entered into with the Trustee for the payment of its fees and expenses so long as any of the Bonds shall remain unpaid; then and in that event the right, title and interest of the Authority herein and the obligations of the City hereunder shall thereupon cease, terminate, become void and be completely discharged

and satisfied (except for the right of the Authority and the obligation of the City to have such monies and such Permitted Investments applied to the payment of the Base Rental Payments or option price) and the Authority's interest in and title to the Facilities or applicable portion or item thereof shall be transferred and conveyed to the City. In such event, the Authority shall cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the Authority (and accompanied by a verification report of a certified public accountant) and evidence such discharge and satisfaction, and the Authority shall pay over to the City as an overpayment of Base Rental Payments all such monies or Permitted Investments held by it pursuant hereto other than such monies and such Permitted Investments as are required for the payment or prepayment of the Base Rental Payments or the option price and the fees and expenses of the Trustee, which monies and Permitted Investments shall continue to be held by the Trustee in trust for the payment of Base Rental Payments or the option price and the fees and expenses of the Trustee, and shall be applied by the Authority to the payment and redemption of the Bonds and the fees and expenses of the Trustee.

SECTION 7.03. Option to Purchase; Sale of Personal Property. The City shall have the option to purchase the Authority's interest in any part of the Facilities upon payment of an option price consisting of monies or securities of the category specified in clause (1) of the definition of the term "Permitted Investments" contained in Section 1.01 of the Trust Agreement (not callable by the issuer thereof prior to maturity) in an amount sufficient (together with the earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Sublease of the part of the total rent hereunder attributable to such part of the Facilities (determined by reference to the proportion which the cost of such part of the Facilities bears to the cost of all of the Facilities). Any such payment shall be made to the Trustee and shall be treated as Base Rental Payments and shall be applied by the Trustee to pay the principal of and interest on the Bonds and to redeem Bonds if such Bonds are subject to redemption pursuant to the terms of the Trust Agreement. Upon the making of such payment to the Trustee and the satisfaction of all requirements set forth in Section 10.01 of the Trust Agreement, (a) the Base Rental Payments thereafter payable under this Sublease shall be reduced by the amount thereof attributable to such part of the Facilities and theretofore paid pursuant to this Section; (b) Section 3.06 and this Section of this Sublease shall not thereafter be applicable to such part of the Facilities; (c) the insurance required by Sections 5.01, 5.02 and 5.03 of this Sublease need not be maintained as to such part of the Facilities; and (d) title to such part of the Facilities shall vest in the City and the term of this Sublease shall end as to such part of the Facilities.

The City, in its discretion may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facilities, and to release said personal property from this Sublease, if (a) in the opinion of the City the property so sold or exchanged is no longer required or useful in connection with the operation of the Facilities; (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released; and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$25,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facilities. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and

released shall be paid to the Authority. Any money so paid to the Authority may, so long as the City is not in default under any of the provisions of this Sublease, be used upon the Written Request of the City to purchase personal property, which property shall become a part of the Facilities leased hereunder. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Sublease or before releasing for the purchase of new personal property money received by it for personal property so sold.

ARTICLE VIII

COVENANTS

SECTION 8.01. Right of Entry. The Authority and its assignees shall have the right (but not the duty) to enter upon and to examine and inspect the Facilities during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the City's rights or obligations under this Sublease, and (c) for all other lawful purposes.

SECTION 8.02. Liens. In the event the City shall at any time during the term of this Sublease cause any changes, alterations, additions, improvements or other work to be done or performed or materials to be supplied, in or upon the Facilities, the City shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the City in, upon or about the Facilities and shall keep the Facilities free of any and all mechanics' or materialmen's liens or other liens against the Facilities or the Authority's interest therein. In the event any such lien attaches to or is filed against the Facilities or the Authority's interest therein, the City shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the City desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the City shall forthwith pay and discharge said judgment. The City agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Facilities or the Authority's interest therein.

SECTION 8.03. Quiet Enjoyment. The parties hereto mutually covenant that the City, by keeping and performing the covenants and agreements herein contained and if not in default hereunder, shall at all times during the term of this Sublease peaceably and quietly have, hold and enjoy the Facilities without suit, trouble or hindrance from the Authority.

SECTION 8.04. Authority Not Liable. The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facilities.

The City, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from (i) the construction or operation of the Facilities, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facilities regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity, and (ii) the issuance of the Bonds and any other action of the Authority taken pursuant to the Trust Agreement including, but not limited to, any liability of the Authority incurred pursuant to Section 8.03 of the Trust Agreement.

SECTION 8.05. Assignment and Subleasing. Neither this Sublease or any interest of the City hereunder may be mortgaged, pledged, assigned, sublet or transferred by the City without the prior written consent of the Authority, and provided that such subletting shall not cause interest on the Bonds to be included in gross income for federal income tax purposes. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the City to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.06. Title to Facilities. During the term of this Sublease, the Authority shall hold a leasehold title to the Facilities and any and all additions which comprise fixtures, repairs, replacements or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the City and which may be removed without damaging the Facilities, and except for any items added to the Facilities by the City pursuant to Section 4.04 hereof. This provision shall not operate to the benefit of any insurance company if there is a rental interruption covered by insurance pursuant to Section 5.03 hereof. During the term of this Sublease, the Authority shall have a leasehold interest in the Facilities pursuant to the Lease.

Upon the termination or expiration of this Sublease (other than as provided in Sections 6.01 and 7.01 of this Sublease), title to the Facilities shall vest in the City pursuant to the Lease. Upon any such termination or expiration, the Authority shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

SECTION 8.07. Tax Covenants. The City and the Authority shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

The City further covenants that it will not use or permit the use of the Facilities by any person not an “exempt person” within the meaning of Section 141(a) of the Code or by an “exempt person” (including the City) in an “unrelated trade or business”, in such manner or to such extent as would result in the inclusion of interest on the Bonds in gross income for federal income tax purposes under Section 103 of the Code.

If at any time the City is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on or change in any way the investment of any monies held

by the Trustee or the City or the Authority under this Sublease or the Trust Agreement, the City shall so instruct the Trustee or the appropriate officials of the City in writing, and the Trustee or the appropriate officials of the City, as the case may be, shall take such actions as may be necessary in accordance with such instructions.

In furtherance of the covenants of the City set forth above, the City and the Authority will comply with the Tax Certificate and will cause the Trustee to comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions, and the City hereby agrees to hold harmless the Trustee and the Authority for any loss, claim, damage, liability or expense incurred by the Authority or Trustee for any actions taken by the Authority or the Trustee in accordance with such instructions.

The foregoing provisions of this Section 8.07 shall not be applicable to the Series 2015 Bonds, nor to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

SECTION 8.08. Purpose of Lease. The City covenants that during the term of this Sublease, (a) it will use, or cause the use of, the Facilities for public purposes and for the purposes for which the Facilities are customarily used, (b) it will not vacate or abandon the Facilities or any part thereof, and (c) it will not make any use of the Facilities which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof.

SECTION 8.09. Continuing Disclosure Certificate. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Sublease, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Holders of at least 25% aggregate principal amount in Outstanding Bonds and upon receipt of indemnification satisfactory to it, shall) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section. For purposes of this Section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

SECTION 8.10. Net-Net-Net Lease. This Sublease shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the rentals and other payments provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 8.11. Taxes. The City shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Facilities or the respective interests or estates therein; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City

shall be obligated to pay only such installments as are required to be paid during the term of this Sublease as and when the same become due.

The City shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the City to pay any of the foregoing or failure to file or furnish to the Authority or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the Facilities, the rentals and other payments required hereunder or any parts thereof or interests of the City or the Authority or the Trustee therein by any governmental authority.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the City that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Facilities will be materially endangered or the Facilities, or any part thereof, will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

ARTICLE IX

DISCLAIMER OF WARRANTIES; USE OF THE FACILITIES

SECTION 9.01. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITIES, OR WARRANTY WITH RESPECT THERETO. THE CITY ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE FACILITIES OR A DEALER THEREIN, THAT THE CITY LEASES THE FACILITIES AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE CITY. In no event shall the Authority and Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Sublease or the existence, furnishing, functioning or the City's use of any item or products or services provided for in this Sublease.

SECTION 9.02. Use of the Facilities. The City will not install, use, operate or maintain the Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. The City shall provide all permits and licenses, if any, necessary for the installation and operation of the Facilities. In addition, the City agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Facilities) with all laws of the jurisdictions in which its

operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facilities; provided, however, that the City may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not adversely affect the estate of the Authority in and to the Facilities or its interest or rights under this Sublease.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Law Governing. This Sublease shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 10.02. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally, by confirmed facsimile transmission or if mailed by United States first class mail, return receipt requested, postage prepaid:

If to the City: City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552
Attention: Chief Financial Officer
Tel: (951) 413-3021

If to the Authority: Moreno Valley Public Financing Authority
c/o City of Moreno Valley-Dept. of Finance
14177 Frederick Street
Moreno Valley, CA 92552
Attention: Treasurer
Tel: (951) 413-3021

If to the Trustee: Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017
Attention: Corporate Trust Department

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03. Validity and Severability. If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable or unenforceable by the Authority or by the City, or if for any reason it is held by such a court that any of the covenants and conditions of the City hereunder, including the covenant to pay rentals hereunder, is

unenforceable for the full term hereof, then and in such event this Sublease is and shall be deemed to be a lease under which the rentals are to be paid by the City annually in consideration of the right of the City to possess, occupy and use the Facilities, and all of the rental and other terms, provisions and conditions of this Sublease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Sublease.

SECTION 10.05. Amendment or Termination. The Authority and the City may at any time agree to the amendment or termination of this Sublease; provided, however, that the Authority and the City agree and recognize that this Sublease is entered into in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

SECTION 10.06. Execution. This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Sublease. It is also agreed that separate counterparts of this Sublease may separately be executed by the Authority and the City, all with the same force and effect as though the same counterpart had been executed by both the Authority and the City.

IN WITNESS WHEREOF, the Authority and the City have caused this Master Facilities Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

MORENO VALLEY PUBLIC FINANCING
AUTHORITY,
Lessor

By _____
Michelle Dawson, Executive Director

CITY OF MORENO VALLEY,
Lessee

By _____
Michelle Dawson, City Manager

Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

EXHIBIT A
DESCRIPTION OF THE FACILITIES

Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

EXHIBIT B
BASE RENTAL PAYMENT SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 2015			
May 1, 2016			
November 1, 2016			
May 1, 2017			
November 1, 2017			
May 1, 2018			
November 1, 2018			
May 1, 2019			
November 1, 2019			
May 1, 2020			
November 1, 2020			
May 1, 2021			
November 1, 2021			
May 1, 2022			
November 1, 2022			
.....			
November 1, 2046			

Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

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

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

WITNESS my hand and official seal.

[Seal]

Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

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

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

WITNESS my hand and official seal.

[Seal]

Attachment: Master Facilities Sublease (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

MASTER TRUST AGREEMENT

between the
MORENO VALLEY PUBLIC FINANCING AUTHORITY
and
WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

Dated as of [DATED DATE]

\$XX,000,000
Moreno Valley Public Financing Authority
Lease Revenue Bonds, Series 2015 (Taxable)

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Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT dated as of [DATED DATE] (the “Trust Agreement”), by and between the MORENO VALLEY PUBLIC FINANCING AUTHORITY (the “Authority”), a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the Redevelopment Agency of the City of Moreno Valley), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States, as trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the “Act”);

WHEREAS, Article 4 of the Act authorizes and empowers the Authority to issue bonds to assist local agencies in financing projects and programs consisting of certain public improvements or working capital or liability and other insurance needs whenever a local agency determines that there are significant public benefits from so doing;

WHEREAS, the City of Moreno Valley (the “City”) has determined that the consummation of the transactions contemplated in the Facilities Sublease, Facilities Lease (as such terms are hereinafter defined) and this Trust Agreement will result in significant public benefits;

WHEREAS, the Authority is empowered pursuant to the Facilities Lease, the Facilities Sublease, and the aforementioned Article 4 of the Act to cause the lease of the Facilities (as hereinafter defined), and to finance and refinance certain capital facilities of the City through the issuance of its bonds, including the capital facilities described in Exhibit B attached hereto (the “2015 Project”);

WHEREAS, the Authority has authorized the issuance of its Lease Revenue Bonds, Series 2015 (the “Series 2015 Bonds”), in an aggregate principal amount of \$XX,000,000 to assist in financing the 2015 Project;

WHEREAS, to provide for the authentication and delivery of the Bonds (as hereinafter defined), to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement;

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth, have been done and taken, and have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the full and timely payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facilities Sublease.

Acquisition and Construction Fund

The term “Acquisition and Construction Fund” means the fund held by the Trustee pursuant to Section 3.01.

Act

The term “Act” means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.

Authority

The term “Authority” means the Moreno Valley Public Financing Authority created pursuant to the Act and its successors and assigns in accordance herewith.

Authorized Denominations

The term “Authorized Denominations” means \$5,000 or any integral multiple thereof.

Base Rental Payments

The term “Base Rental Payments” shall have the meaning ascribed to such term in the Facilities Sublease.

Bond Counsel

The term “Bond Counsel” means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Authority.

Bonds, Series 2015 Bonds, Additional Bonds, Serial Bonds, Term Bonds

The term “Bonds” means the Series 2015 Bonds and all Additional Bonds. The term “Series 2015 Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02(a) and Section 3.01. The term “Additional Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III. The term “Serial Bonds” means Bonds for which no sinking fund payments are provided. The term “Term Bonds” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Bond Insurance Policy

The term “Bond Insurance Policy” means each municipal bond insurance policy, if any, issued by the applicable Bond Insurer and guaranteeing, in whole or in part, the payment of principal or accreted value of and interest on a Series of Bonds.

Bond Insurer

The term “Bond Insurer” means any issuer or issuers of a policy or policies of municipal bond insurance obtained by the City to insure the payment of principal or accreted value of and interest on a Series of Bonds executed and delivered under the Trust Agreement, when due otherwise than by acceleration, and which, in fact, are at any time insuring such Series of Bonds. For the purposes of this definition, all consents, approvals or actions required by the Bond Insurer shall be by action of a majority of all Bond Insurers (based upon the aggregate principal amount of Outstanding Bonds insured by each such Bond Insurer) if there is more than a single Bond Insurer. [The Bond Insurer with respect to the Series 2015 Bonds is _____.]

Bond Year

The term “Bond Year” means the twelve (12)-month period ending on November 1 of each year to which reference is made.

Bondholder; Holder; Owner

The term “Bondholder,” “Holder” or “Owner” means any person who shall be the registered owner of any Outstanding Bond.

Business Day

The term “Business Day” means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or California are authorized to remain closed, or a day on which the Federal Reserve System is closed.

Certificate of the Authority

The term “Certificate of the Authority” means an instrument in writing signed by the Chair, Vice-Chair, Executive Director, Secretary or Treasurer of the Authority, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

Certificate of the City

The term “Certificate of the City” means an instrument in writing signed by the Mayor, Vice-Mayor, City Manager or Finance Director/Treasurer of the City, or by any such officials’ duly appointed designee, or by any other officer or employee of the City duly authorized by the City Council of the City for that purpose.

City

The term “City” means the City of Moreno Valley, a city organized and validly existing under the Constitution and general laws of the State.

Code

The term “Code” means the Internal Revenue Code of 1986, as amended.

Continuing Disclosure Certificate

The term Continuing Disclosure Certificate shall mean that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2015 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Costs of Issuance

The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the City or the Authority and related to the authorization, execution and delivery of the Facilities Lease, the Facilities Sublease, this Trust Agreement and the issuance and sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, fees of the Authority and any other authorized cost, charge or fee in connection with the issuance of the Bonds.

Costs of Issuance Fund

The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.01.

Debt Service

The term “Debt Service” means, for any Fiscal Year or other period, the sum of (1) the interest accruing during such Fiscal Year or other period on all Outstanding Bonds, assuming that all Outstanding Serial Bonds are retired as scheduled and that all Outstanding Term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is to be paid from the proceeds of sale of any Bonds so long as such funded interest is in an amount equal to the gross amount necessary to pay such interest on the Bonds and is invested in direct obligations of the United States which mature no later than the related Interest Payment Date), (2) the principal amount of all Outstanding Serial Bonds maturing during such Fiscal Year or other period, and (3) the principal amount of all Outstanding Term Bonds required to be redeemed or paid (together with the redemption premiums, if any, thereon) during such Fiscal Year or other period.

Depository

The term “Depository” shall mean DTC or another recognized securities depository selected by the Authority which maintains a book-entry system for the Bonds.

DTC

The term “DTC” means The Depository Trust Company, New York, New York.

Escrow Account

The term “Escrow Account” means the account by that name established pursuant to Section 3.01 hereof.

Event of Default

The term “Event of Default” shall have the meaning specified in Section 7.01.

Facilities

The term “Facilities” means the buildings, other improvements and facilities described in Exhibit A to the Facilities Sublease, including all real property on which such buildings, other improvements and facilities are located, or any portion thereof, or any City buildings, other improvements and facilities added thereto or substituted therefor, or any portion thereof, in accordance with the Facilities Sublease and this Trust Agreement; subject, however, to any conditions, reservations and easements of record known to the City.

Facilities Lease

The term “Facilities Lease” means that certain lease, entitled “Master Facilities Lease”, by and between the City and the Authority, dated as of [DATED DATE], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Facilities Sublease

The term “Facilities Sublease” means that certain lease, entitled “Master Facilities Sublease”, by and between the Authority and the City, dated as of [DATED DATE], as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Financial Newspaper

The term “Financial Newspaper” means The Wall Street Journal or The Bond Buyer, or any other newspaper or journal printed in the English language, publishing financial news, and selected by the Authority.

Fiscal Year

The term “Fiscal Year” means the twelve (12) month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

Government Securities

The term “Government Securities” means United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations the timely payment of which is guaranteed directly by the United States of America, including evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations; provided that investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; (c) the underlying obligations are not redeemable prior to maturity, and (d) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

Independent Certified Public Accountant

The term “Independent Certified Public Accountant” means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the Authority, and who, or each of whom --

(1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the Authority or the City;

(2) does not have a substantial financial interest, direct or indirect, in the operations of the Authority or the City; and

(3) is not connected with the Authority or the City as a member, officer or employee of the Authority or the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the Authority or the City.

Information Services

The term “Information Services” means the Electronic Municipal Market Access System of the Municipal Rulemaking Board; and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or such services as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

Interest Payment Date

The term “Interest Payment Date” means May 1 and November 1 in each year, commencing November 1, 2015.

Joint Powers Agreement

The term “Joint Powers Agreement” means the Joint Exercise of Powers Agreement by and between the City and the former Community Redevelopment Agency of the City of Moreno Valley, dated October 28, 1997, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof and thereof.

Mandatory Sinking Account Payment

The term “Mandatory Sinking Account Payment” means the principal amount of any Bond required to be paid on each Mandatory Sinking Account Payment Date pursuant to the terms of this Trust Agreement or any Supplemental Trust Agreement.

Mandatory Sinking Account Payment Date

The term “Mandatory Sinking Account Payment Date,” if applicable, means November 1 of each year set forth in [Section 4.03] and in any Supplemental Trust Agreement.

Moody’s

The term “Moody’s” means Moody’s Investors Service, Inc. a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of Bond Counsel.

Outstanding

The term “Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.02) all Bonds except

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 10.01; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant hereto.

Permitted Encumbrances

The term “Permitted Encumbrances” means (1) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the City may, pursuant to the Facilities Sublease, permit to remain unpaid; (2) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of recordation of the Facilities Sublease in the office of the County Recorder of the County of Riverside and which the City certifies in writing will not materially impair the use of the Facilities; (3) the Facilities Lease, as it may be amended from time to time; (4) the Facilities Sublease, as it may be amended from time to time; (5) this Trust Agreement, as it may be amended from time to time; (6) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (7) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions to which the Authority and the City consent in writing and certify to the Trustee will not materially impair the leasehold interests of the Authority or use of the Facilities by the City; and (8) subleases and assignments of the City which will not adversely affect the exclusion from gross income of interest on the Bonds.

Permitted Investments

The term “Permitted Investments” means any of the following, if and to the extent each is permissible for investment of funds of the Authority, as stated in its current investment policy and pursuant to applicable laws:

- (1) Government Securities;
- (2) Any obligations which are then legal investments for moneys of the City under the laws of the State of California; provided that such investments shall be rated in the highest short-term or one of the three highest long-term Rating Categories by the Rating Agencies or deposits which are fully insured by the FDIC;

(3) Debentures of the Federal Housing Administration; or obligations of the following agencies which are not guaranteed by the United States of America: (i) participation certificates or debt obligations of the Federal Home Loan Mortgage Corporation; (ii) consolidated system-wide bonds and notes of the Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives); (iii) consolidated debt obligations or letter of credit-backed issues of the Federal Home Loan Banks; (iv) mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal or debt obligations of the Federal National Mortgage Association; or (v) letter of credit-backed issues or debt obligations of the Student Loan Marketing Association;

(4) Money markets or mutual funds which are rated by S&P “AAAm-G” or “AAAm” or higher and, if rated by Moody’s, are rated “Aaa” or higher, which funds may include funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services;

(5) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated in any of the three highest Rating Categories by the Rating Agencies at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event such rating at any time falls below any of the three highest Rating Categories of the Rating Agencies; provided that any such investment agreement shall have been provided to the Rating Agencies;

(6) The Local Agency Investment Fund of the State of California; and

(7) Any other investment selected by the Authority which does not adversely affect the then-current rating on the Bonds.

The Trustee may conclusively rely on the written instructions of the Authority and the City that such investment is a Permitted Investment hereunder.

Person

The term “Person” means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Principal Office

The term “Principal Office” refers to the office of the Trustee noted in Section 12.12 and such other offices as the Trustee may designate from time to time except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Principal Payment Date

The term “Principal Payment Date” means any date on which principal of the Bonds is required to be paid (whether by reason of maturity or redemption).

Projects; 2015 Project; Additional Projects

The term “Projects” means the 2015 Project and all Additional Projects.

The term “2015 Project” means capital facilities described in Exhibit B attached hereto.

The term “Additional Projects” means public capital improvements, including equipment, located within the City and financed in whole or in part with the proceeds of Additional Bonds.

Project Costs

The term “Project Costs” means all costs of acquisition and construction of the Projects and of expenses incident thereto (or for making reimbursements to the Authority or the City or any other person, firm or corporation for such costs theretofore paid by him or it), including, but not limited to, architectural and engineering fees and expenses, interest during construction, furnishings and equipment, tests and inspection, surveys, land acquisition, insurance premiums, losses during construction not insured against because of deductible amounts, costs related to the Trustee during construction, costs of accounting, feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs.

Rating Agencies

The term “Rating Agencies” means, as of any date, (a) Moody’s, if Moody’s then maintains a rating on the Bonds, and (b) S&P, if S&P then maintains a rating on the Bonds.

Rating Category

The term “Rating Category” means one of the general long-term (or short-term, if so specifically provided) rating categories of either Moody’s and S&P, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

Record Date

The term “Record Date” means the close of business on the fifteenth (15th) calendar day (whether or not a Business Day) of the month preceding any Interest Payment Date.

Redemption Date

The term “Redemption Date” shall mean the date fixed for redemption of any Bonds.

Redemption Price

The term “Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Trust Agreement.

Representation Letter

The term “Representation Letter” means the blanket letter of representation of the Authority to DTC or any similar letter to a substitute depository.

Reserve Facility

The term “Reserve Facility” means a letter of credit or other credit facility issued by a financial institution or other form of credit enhancement and any replacements thereto, including, but not limited to, surety bonds and guarantees delivered to the Trustee to meet all or a portion of the Reserve Fund Requirement.

Reserve Policy

The term “Reserve Policy” means the Municipal Bond Debt Service Reserve Insurance Policy, and any Endorsement thereto, issued by the Reserve Insurer under which claims may be made in order to provide moneys in the Reserve Fund available for the purposes thereof.

Reserve Fund

The term “Reserve Fund” means the fund by that name established in accordance with Section 3.03 hereof.

Reserve Fund Requirement

The term “Reserve Fund Requirement” means, with respect to each Series of Bonds, an amount equal to an amount equal to the least of (i) maximum prospective annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Sublease, (ii) 10% of the proceeds of the Bonds or (iii) 125% of the average annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Sublease. The Reserve Fund Requirement with respect to any Series of Bonds may be satisfied by crediting to the account established within the Reserve Fund for such Series of Bonds a Reserve Facility.

Reserve Insurer

The term “Reserve Insurer” means _____, or any successor thereto.

Responsible Officer

The term “Responsible Officer” means any officer of the Trustee assigned to administer its duties under this Trust Agreement.

Revenues

The term “Revenues” means (i) all Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not Additional Payments), and (ii) all interest or other income from any investment, pursuant to Section 5.05, of any money in any fund or account (other than the Rebate Fund) established pursuant to this Trust Agreement or the Facilities Sublease.

Securities Depositories

The term “Securities Depositories” means: The Depository Trust Company or such other securities depositories as the Authority may designate to the Trustee.

Series

The term “Series,” whenever used herein with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

S&P

The term “S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

State

The term “State” means the State of California.

Supplemental Trust Agreement

The term “Supplemental Trust Agreement” means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee

amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is executed and delivered pursuant to the provisions hereof.

Tax Certificate

The term “Tax Certificate” means the Tax Certificate delivered by the Authority at the time of the issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

Treasurer

The term “Treasurer” means the Treasurer and Controller of the Authority designated pursuant to the Joint Powers Agreement.

Trust Agreement

The term “Trust Agreement” means this Master Trust Agreement, dated as of [DATED DATE] between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

Trustee

The term “Trustee” means Wells Fargo Bank, National Association, or any other association or corporation which may at any time be substituted in its place as provided in Section 8.01.

Written Request of the Authority

The term “Written Request of the Authority” means an instrument in writing signed by or on behalf of the Authority by its Chair, Vice-Chair, Executive Director or Treasurer or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

Written Request of the City

The term “Written Request of the City” means an instrument in writing to the Trustee signed by the Mayor, Vice-Mayor, City Manager, or the Finance Director/Treasurer of the City, or by any such officer’s duly appointed designee, or by any other officer or employee of the City duly authorized by the City for that purpose.

SECTION 1.02 Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and final payment of the interest on and principal of and redemption premiums, if any, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and

all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

SECTION 1.03 Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean or include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

ARTICLE II

THE BONDS

SECTION 2.01 Authorization of Bonds; Series 2015 Bonds. (a) Bonds may be issued hereunder from time to time in order to obtain moneys to carry out the purposes of the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited. The Bonds are designated generally as “Moreno Valley Public Financing Authority Lease Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein contained.

(b) An initial Series of Bonds is hereby created and designated “Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable).” The aggregate principal amount of Series 2015 Bonds which may be issued and Outstanding under this Trust Agreement shall not exceed \$XX,000,000.

(c) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2015 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2015 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2015 Bonds in the form and manner provided herein and that the Series 2015 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(d) The validity of the issuance of the Series 2015 Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of a capital improvement or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of a capital improvement or upon the

performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Series 2015 Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Series 2015 Bonds shall be incontestable from and after their issuance. The Series 2015 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Series 2015 Bonds (or any temporary Series 2015 Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

SECTION 2.02 Terms of the Series 2015 Bonds. (a) The Series 2015 Bonds shall be issued in the aggregate principal amount of \$XX,000,000. The Series 2015 Bonds shall be dated as of the date of initial delivery, shall be issued only in fully registered form in Authorized Denominations (not exceeding the principal amount of Series 2015 Bonds maturing at any one time), and shall mature in the years and in the principal amounts and bear interest at the rates as set forth in the following schedule, subject to prior redemption as described in Article IV hereof:

<u>Series 2015 Bonds</u>		
<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
[2016]		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
.....		
2046		

The Series 2015 Bonds shall bear interest at the rates set forth above, payable commencing November 1, 2015, and semiannually thereafter on November 1 and May 1 in each year. The Series 2015 Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they shall bear interest from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event they shall bear interest from their dated date. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(b) Payment of interest on the Series 2015 Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to Section 2.09; provided, however, that interest on any

Series of Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Holder of at least \$1,000,000 in aggregate principal amount of such Series of Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date.

(c) Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Holder of such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of this Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Bond, as appropriate, from moneys held by the Trustee for such payment.

(d) The principal of the Bonds shall be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal shall be made on any Bond unless and until such Bond is surrendered to the Trustee for cancellation.

(e) The Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal, and premium by CUSIP number of the related Bonds.

SECTION 2.03 Form of Series 2015 Bonds. The Series 2015 Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the forms set forth in Exhibit A hereto attached and by this reference herein incorporated.

SECTION 2.04 [Reserved].

SECTION 2.05 [Reserved].

SECTION 2.06 Execution of Series 2015 Bonds. The Executive Director of the Authority is hereby authorized and directed to execute each of the Series 2015 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Series 2015 Bonds on behalf of the Authority. The signatures of such Executive Director and Secretary may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Series 2015 Bonds shall cease to be such officer before the delivery of the Series 2015 Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Series 2015 Bonds.

Only those Series 2015 Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Series 2015 Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 2.07 Transfer and Payment of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.09 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may, except as otherwise provided herein, deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bonds which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.05 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.08 Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other authorized denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.05 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.09 Bond Registration Books. The Trustee will keep at its office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.10 Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same Series secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

SECTION 2.11 Special Covenants as to Book-Entry Only System for Series 2015 Bonds. (a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Series 2015 Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2015 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2015 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Series 2015 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Series 2015 Bonds, representing the aggregate principal amount of the Series 2015 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2015 Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.09 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2015 Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Series 2015

Bonds, selecting the Series 2015 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Series 2015 Bonds, obtaining any consent or other action to be taken by Bondholders of the Series 2015 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any “Participant” (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2015 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2015 Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Series 2015 Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2015 Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Series 2015 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2015 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority’s obligations with respect to the payment of the principal of and premium, if any, and interest on the Series 2015 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2015 Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section.

(c) In the event that the Authority determines that the Series 2015 Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Series 2015 Bonds will be transferable in accordance with subsection (e) of this Section. DTC may determine to discontinue providing its services with respect to the Series 2015 Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2015 Bonds will be transferable in accordance with subsection (e) of this Section. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2015 Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2015 Bonds then Outstanding. In such event, the Series 2015 Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Series 2015 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2015 Bond and all notices with respect to each such Series 2015 Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

(e) In the event that any transfer or exchange of Series 2015 Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2015 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.07 and 2.08. In the event Series 2015 Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2015 Bonds, another securities depository as holder of all the Series 2015 Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.07 and 2.08 shall also apply to, among other things, the registration, exchange and transfer of the Series 2015 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2015 Bonds.

ARTICLE III

ISSUANCE OF BONDS

SECTION 3.01 Procedure for the Issuance of Series 2015 Bonds. At any time after the sale of the Series 2015 Bonds in accordance with the Act, the Authority shall execute the Series 2015 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2015 Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof. Upon receipt of payment for the Series 2015 Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, transfer or deposit the proceeds received from such sale to the following respective accounts or funds, in the following order of priority:

(i) deposit the sum of \$_____ in the Costs of Issuance Fund, which fund is hereby created and which fund the Trustee hereby agrees to maintain until October 1, 2015. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Series 2015 Bonds upon receipt of a Written Request of the Authority filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. On October 1, 2015, or upon the earlier Written Request of the Authority, any remaining balance in the Costs of Issuance Fund shall be transferred to the Revenue Fund; and

(ii) deposit the sum of \$_____ in the Acquisition and Construction Fund established pursuant to Section 3.02 hereof.

The Trustee shall deposit the Reserve Policy in the Reserve Fund established pursuant to Section 3.04 hereof

The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

SECTION 3.02 Use of Moneys in the Acquisition and Construction Fund.

The Acquisition and Construction Fund is hereby established. All moneys in the Acquisition and Construction Fund shall be held by the Trustee in trust and applied by the Trustee to the payment of Project Costs and of expenses incident thereto (or for making reimbursements to the Authority or the City or any other person, firm or corporation for such costs theretofore or thereafter paid by it).

Before any payment is made from the Acquisition and Construction Fund by the Trustee, the City shall cause to be filed with the Trustee a Written Request of the City, endorsed thereon, showing with respect to each payment to be made:

- (i) the item number of the payment;
- (ii) the name and address of the person to whom payment is due;
- (iii) the amount to be paid; and
- (iv) the purpose for which the obligation to be paid was incurred.

Each such Written Request shall state, and shall be sufficient evidence to the Trustee that obligations in the stated amounts have been incurred and that each item thereof is a proper charge against the Acquisition and Construction Fund. The Trustee is not responsible for determining whether any cost of construction is pursuant to a contract.

When any Project (or component thereof) shall have been completed, the City shall (1) deliver to the Trustee a Certificate of Completion stating that all such costs of construction and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition and Construction Fund is to be maintained in the full amount of such claims until such dispute is resolved); and (2) subject to the covenants contained in Section 6.03, transfer to the Trustee any moneys remaining in the Acquisition and Construction Fund (but less the amount of any such retention) for deposit in the Revenue Fund.

SECTION 3.03 Reserve Fund.

(a) The Trustee shall establish and maintain a separate fund to be known as the "Reserve Fund." Moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purposes set forth in this Section 3.03. [There shall be deposited in the Reserve Fund the Reserve Policy pursuant to Section 3.01 hereof.] The City, upon notice to the Rating Agencies, reserves the right to substitute, at any time and from time to time, one or more Reserve Facilities from a financial institution, the long-term unsecured obligations of which are rated in the two highest rating categories of the Rating Agency in substitution for or in place of all or any

portion of the Reserve Policy or the moneys, if any, on deposit in the Reserve Fund, which satisfy the Reserve Fund Requirement, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes hereof. Upon deposit by the City with the Trustee of any such Reserve Facility(ies), the Trustee shall, on or after the date of such deposit, transfer to the City such amounts as are on deposit in the Reserve Fund in excess of the Reserve Fund Requirement after application of the Reserve Facility(ies) thereto. The City shall, subject to any investment instructions contained in the Tax Certificate, use any such amounts transferred from the Reserve Fund for any lawful purpose of the City which will not adversely affect any current or past exclusion from gross income for federal income tax purposes of the interest on the Bonds, if and to the extent such interest is currently or has in the past been so excluded. Any amounts paid pursuant to any Reserve Facility shall be deposited in the Reserve Fund. The moneys in the Reserve Fund and any Reserve Facility shall be held in trust by the Trustee and shall be used and disbursed only for the purposes and uses herein authorized.

(b) Amounts on deposit in the Reserve Fund which were not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement shall be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee shall, as and to the extent necessary, liquidate any investments purchased with such amounts. If and to the extent that, more than one Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, drawings thereunder, and repayment of expenses with respect thereto, shall be made on a pro-rata basis (calculated by reference to the policy limits available thereunder).

(c) If, on any Interest Payment Date, the amount on deposit in any account within the Interest Account is insufficient to pay the interest due with respect to the corresponding Series of Bonds on such Interest Payment Date, the Trustee shall transfer from the corresponding account within the Reserve Fund and deposit in such account within the Interest Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee shall make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Interest Account.

(d) If, on any Principal Payment Date or any **Mandatory Sinking Account Payment Date**, the amount on deposit in any account within the Principal Account is insufficient to pay the principal due with respect to the corresponding Series of Bonds on such Principal Payment Date or **Mandatory Sinking Account Payment Date**, the Trustee shall transfer from the corresponding account within the Reserve Fund and deposit in such account within the Principal Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee shall make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Principal Account.

(e) In the event of any withdrawal or transfer from the Reserve Fund, the Trustee shall, within 5 days thereafter, provide written notice to the City of the amount and the date of such transfer. If there are no amounts currently due under any Reserve Facility and the sum of the amount on deposit in the Reserve Fund, plus the amount available under any Reserve Facilities, shall be reduced below the Reserve Fund Requirement, the first of Base Rental Payments thereafter received from the City under the Sublease and not needed to pay the interest and principal of the Bonds on the next Interest Payment Date, Principal Payment Date or **Mandatory Sinking Account Payment Date** shall be used, first, to reinstate the amounts available under the Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Fund, so that the amount available under the Reserve Facilities, when added to the amount on deposit in the Reserve Fund, shall equal the Reserve Fund Requirement. In the event there are insufficient funds to remedy any deficiencies in all such accounts, moneys shall be deposited pro rata in each such account.

(f) If at any time the balance in any account within the Reserve Fund shall be in excess of the Reserve Fund Requirement for such fund, the Trustee shall transfer such excess to any other account within the Reserve Fund with a balance less than the Reserve Fund Requirement for such fund to make up such deficiency, and thereafter Revenue Fund.

(g) At the termination of the Sublease in accordance with its terms, any balance remaining in the Reserve Fund shall be released and may be transferred to such other fund or account of the City, or otherwise used by the City for any other lawful purposes, as the City may direct. For purposes of determining the amount on deposit in the Reserve Fund, all investments shall annually be valued at the cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). Except as provided in this paragraph from Base Rental Payments not needed to pay the interest and principal of the Bonds, the City shall have no obligation to replenish the Reserve Fund.

SECTION 3.04 Conditions for the Issuance of Additional Bonds. The Authority may at any time, issue Additional Bonds pursuant to a Supplemental Trust Agreement, payable from the Revenues as provided herein and secured by a pledge of and charge and lien upon the Revenues as provided herein equal to the pledge, charge and lien securing the Outstanding Bonds theretofore issued hereunder, but only subject to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority shall be in compliance with all agreements and covenants contained herein and no Event of Default shall have occurred and be continuing.

(b) The Supplemental Trust Agreement shall require that the proceeds of the sale of such Additional Bonds shall be applied to finance or refinance Projects, or for the refunding or repayment of any Bonds then Outstanding, including the payment of costs and expenses of and incident to the authorization and sale of such Additional Bonds. The Supplemental Trust Agreement may also provide that a portion of such proceeds shall be applied to the payment of the interest due or to become due on said Additional Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding hereunder shall not exceed any limit imposed by law, by this Trust Agreement or by any Supplemental Trust Agreement.

(d) The Facilities Sublease shall have been amended, if necessary, so that the Base Rental Payments payable by the City thereunder in each Fiscal Year shall at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year, and if Base Rental Payments are being increased, a Certificate of the City shall be delivered to the Trustee certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of any facility which is or will become part of the Facilities) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year.

(e) If additional facilities, if any, are to be leased and are not situated on property described in the Facilities Lease and Facilities Sublease, (1) the Facilities Lease shall have been amended so as to lease to the Authority such additional real property; and (2) the Facilities Sublease shall have been amended so as to lease to the City such additional real property.

SECTION 3.05 Proceedings for Authorization of Additional Bonds.

Whenever the Authority and the City shall determine to execute and deliver any Additional Bonds pursuant to this Section 3.05, the Authority and the Trustee shall enter into a Supplemental Trust Agreement providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Trust Agreement shall prescribe the form or forms of such Additional Bonds and, subject to the provisions of Section 3.04, shall provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates, interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds shall be issued, the City and the Authority shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel setting forth that (1) such Counsel has examined the Supplemental Trust Agreement and the amendment to the Facilities Sublease and Facilities Lease required by Section 3.04(d) and (e); (2) the execution and delivery of the Additional Bonds have been duly authorized by the City and the Authority; and (3) said amendment to the Facilities Sublease and Facilities Lease, when duly executed by the City and the Authority, will be valid and binding obligations of the City and the Authority.

(b) A Certificate of the Authority stating that the requirements of Section 3.04 have been met.

(c) A Certificate of the City stating that the insurance required by Sections 5.01, 5.02 and 5.03 of the Facilities Sublease is in effect.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the City and of the Authority stating that all applicable provisions of this Trust Agreement have been complied with (so as to permit the execution and delivery of the Additional Bonds in accordance with the Supplemental Trust Agreement then delivered to the Trustee), the Trustee shall execute and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Trust Agreement to, or upon the Written Request of, the Authority.

SECTION 3.06 Limitations on the Issuance of Obligations Payable from Revenues. The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from Revenues except the following:

(a) Bonds of any Series authorized pursuant to Section 3.05; or

(b) Obligations which are junior and subordinate to the payment of the principal, premium and interest on the Bonds and which subordinated obligations are payable as to principal, premium and interest only out of Revenues after the prior payment of all amounts then required to be paid hereunder from Revenues for principal, premium and interest on the Bonds, as the same become due and payable and at the times and in the manner as required in this Trust Agreement.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01 Extraordinary Redemption. The Series 2015 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the City pursuant to Section 7.02(a) of the Facilities Sublease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such Redemption Date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

SECTION 4.02 Optional Redemption. The Series 2015 Bonds are not subject to optional redemption.

SECTION 4.03 [Reserved].

SECTION 4.04 Selection of Bonds for Redemption. If less than all Outstanding Series 2015 Bonds of the same Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Series 2015 Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of

the Series 2015 Bonds so selected for redemption. For purposes of such selection, Series 2015 Bonds shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event 2012 Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

SECTION 4.05 Notice of Redemption; Cancellation; Effect of Redemption.

Notice of redemption shall be mailed by first-class mail by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to (i) the respective Bondholders of the Series 2015 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Securities Depositories and (iii) one or more Information Services. Notice of redemption to the Securities Depositories and the Information Services shall be given by registered mail or overnight delivery or facsimile transmission or by such other method acceptable to such institutions. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2015 Bonds of such maturity, to be redeemed and, in the case of Series 2015 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Series 2015 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2015 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice or any defect in such notice shall not invalidate any of the proceedings taken in connection with such redemption.

The Authority may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Bonds shall cease to accrue, and the Bondholders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Series 2015 Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed with a certificate of destruction furnished to the Authority upon its request and shall not be reissued.

ARTICLE V

REVENUES

SECTION 5.01 Pledge of Revenues. (a) All Revenues, any other amounts (including proceeds of the sale of the Bonds) held by the Trustee in any fund or account established hereunder (other than amounts on deposit in the Rebate Fund created pursuant to Section 6.03) and any other amounts (excluding Additional Payments) received by the Authority in respect of the Facilities are hereby irrevocably pledged to the payment of the interest and premium, if any, on and principal of the Bonds as provided herein, and the Revenues and other amounts pledged hereunder shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues, all other amounts pledged hereunder and all other moneys on deposit in the funds and accounts established hereunder (excluding amounts on deposit in the Rebate Fund created pursuant to Section 6.03) for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof. The Authority hereby assigns to the Trustee all of the Authority's right, title and interest in the Facilities Sublease and the Facilities Lease as security for payment of the Bonds.

(b) At least three (3) Business Days prior to each date on which a Base Rental Payment is due, pursuant to the Facilities Sublease, the Trustee shall notify the City of the amount of the installment of Base Rental Payment needed to pay the principal of and interest on the Bonds due on the next following Interest Payment Date. Any failure to send such notice shall not affect the City's obligation to make timely payments of installments of Base Rental Payments.

SECTION 5.02 Receipt and Deposit of Revenues in the Revenue Fund. In order to carry out and effectuate the pledge, charge and lien contained herein, the Authority agrees and covenants that all Revenues and all other amounts pledged hereunder when and as received shall be received by the Authority in trust hereunder for the benefit of the Bondholders and shall be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund (the "Revenue Fund"), which fund is hereby created and which fund the Authority hereby agrees and covenants to maintain in trust for Bondholders so long as any Bonds shall be Outstanding hereunder. Subject to Section 5.05, all Revenues and all other amounts pledged hereunder shall be accounted for through and held in trust in the Revenue Fund, and the Authority shall have no beneficial right or interest in any of the Revenues except only as herein provided. All Revenues and all other amounts pledged hereunder, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Authority.

SECTION 5.03 Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund. (a) Subject to Section 6.03, all money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts or funds within the

Revenue Fund (each of which is hereby created and each of which the Authority hereby covenants and agrees to cause to be maintained) in the following order of priority:

- (1) Interest Account, and
- (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section. On each Principal Payment Date, following payment of principal of and interest on the Bonds, any excess amount on deposit in the Revenue Fund shall be returned to the City as an excess of Base Rental Payments.

(b) Interest Account. On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date.

No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(c) Principal Account. On or before each November 1, commencing November 1, 201_, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such November 1, into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such November 1.

No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such November 1 plus the aggregate amount of all sinking fund payments required to be made on such November 1 for all Outstanding Term Bonds.

The Trustee shall establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each Series and maturity, designated as the “___ Sinking Account” (the “Sinking Account”), inserting therein the Series and maturity (if more than one such account is established for such Series) designation of such Bonds. With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee shall apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in Article IV; provided that, at any time prior to selection of Bonds for redemption, the Trustee may, upon the Written Request of the Authority, apply moneys in such Sinking Account

to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the Authority, except that the purchase price (excluding accrued interest) shall not exceed the redemption price that would be payable for such Bonds upon redemption by application of such mandatory sinking account payment. If, during the twelve (12)-month period immediately preceding said mandatory sinking account payment date, the Trustee has purchased Term Bonds of such Series and maturity with moneys in such Sinking Account, such Bonds so purchased shall be applied, to the extent of the full principal amount thereof, to reduce said mandatory sinking account payment.

All money in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as it shall become due and payable, whether at maturity or redemption, except that any money in any Sinking Account shall be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

SECTION 5.04 Application of Insurance Proceeds. In the event of any damage to or destruction of any part of the Facilities covered by insurance, the Authority shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facilities, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds, to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facilities to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall invest said proceeds in Permitted Investments pursuant to the Request of the City, as agent for the Authority under the Facilities Sublease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the City, stating that the City has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facilities, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. The City shall file a Certificate of the City with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the City, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facilities. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be paid to the Trustee as Base Rental Payments and applied in the manner provided by Section 5.01. Alternatively, the City, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to prepay all, in case of damage or destruction in whole of the Facilities, or that portion, in the case of partial damage or destruction of the Facilities, of the Base Rental Payments and all other amounts relating to the damaged or destroyed portion of the Facilities, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facilities and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Section 4.01. The City shall not apply the proceeds of insurance as set forth in this Section 5.04 to redeem the Bonds in part due to damage or destruction of a portion of the Facilities unless the Base Rental Payments on the undamaged portion of the Facilities will be sufficient to pay the initially-scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.05 Deposit and Investments of Money in Accounts and Funds.

Subject to Section 6.03, all money held by the Trustee and the Treasurer in any of the accounts or funds established pursuant hereto shall be invested in Permitted Investments at the Written Request of the City or, if no instructions are received, in money market funds described in paragraph 4 of the definition of Permitted Investments; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the City specifying a specific money market fund and, if no such Written Request of the City is so received, the Trustee shall hold such moneys uninvested. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. For purposes of this restriction, Permitted Investments containing a withdrawal option, repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. Subject to Section 6.03, all interest or profits received on any money so invested shall be deposited in the Revenue Fund. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Trust Agreement.

Investments (except investment agreements or repurchase agreements) in Trust Agreement funds and accounts shall be valued at the market value thereof, exclusive of accrued interest.

Investments purchased with funds on deposit in the Revenue Fund shall mature not later than the payment date or redemption date, as appropriate, immediately succeeding the investment.

Subject to Section 6.03, investments in any and all funds and accounts may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Trust Agreement.

The Authority (and the City by its execution of the Facilities Sublease) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority, the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01 Punctual Payment and Performance.

The Authority will punctually pay out of the Revenues the interest on and principal of and redemption premiums, if

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

any, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Authority contained herein and in the Bonds.

SECTION 6.02 Against Encumbrances. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 3.05, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.05.

SECTION 6.03 Tax Covenants; Rebate Fund.

(a) In addition to the accounts created pursuant to Section 5.03, the Trustee shall establish and maintain a fund separate from any other fund or account established and maintained hereunder designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. The Trustee may rely conclusively upon the City's determinations, calculations and certifications required by this Section. The Trustee shall have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 5.01, 5.02, 5.05, 9.01 and 10.01 relating to the pledge of Revenues, the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon an Event of Default and the defeasance of Outstanding Bonds, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 6.03 and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

(b) Any funds remaining in the Rebate Fund with respect to a Series of Bonds after redemption and payment of all such Series of Bonds and all other amounts due hereunder or under the Facilities Sublease relating to such Series of Bonds, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees and expenses of the Trustee and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Trustee and remitted to or upon the direction of the Authority.

(c) The Authority shall not use or permit the use of any proceeds of the Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any of the Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Code, "private activity bond" within the meaning of Section 141(a) of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(c) of the Internal Revenue Code of 1954, as amended. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority shall comply with all requirements of

Sections 148 and 149(b) of the Code to the extent applicable to the Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.03(c) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Trust Agreement, the Authority shall so instruct the Trustee under this Trust Agreement in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(d) The Authority and the Trustee (as directed by the Authority) specifically covenant to comply with the provisions and procedures of the Tax Certificate; provided that the Trustee shall not be bound by this covenant if an Event of Default has occurred and is continuing.

(e) The Authority shall not use or permit the use of any proceeds of the Bonds or any funds of the Authority, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code.

(f) Notwithstanding any provisions of this Section 6.03, if the Authority shall provide to the Trustee an Opinion of Counsel that any specified action required under this Section 6.03 or the Tax Certificate is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX hereof, the covenants hereunder shall be deemed to be modified to that extent.

(g) The foregoing provisions of this Section 6.03 shall not be applicable to the Series 2015 Bonds, nor to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

SECTION 6.04 Accounting Records and Reports. The Authority will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions. Not more than seven months after the close of each Fiscal Year, the Authority shall furnish or cause to be furnished to the Trustee a complete financial statement (which may be unaudited) covering receipts, disbursements, allocation and application of Revenues for such Fiscal Year. The Authority shall also keep or cause to be kept such other information as required under the Tax Certificate.

SECTION 6.05 Prosecution and Defense of Suits. The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit, action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's

fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 6.06 Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Bondholder, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

SECTION 6.07 [Reserved].

SECTION 6.08 Amendments to Facilities Sublease or Facilities Lease. The Authority shall not supplement, amend, modify or terminate any of the terms of the Facilities Sublease or Facilities Lease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of increasing the amount of Base Rental Payments to provide for the payment of Additional Bonds as required by Section 3.04(d); or substitution, release or addition of real property pursuant to Section 2.04 of the Facilities Sublease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the City, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any increase in the amount of Base Rental Payments to provide for the payment of Base Rental Payments as required by Section 3.04(d); or any addition, substitution or release of property in accordance with Section 2.04 under the Facilities Sublease, (e) is to modify the legal description of the Facilities to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended to be included therein, or substituted for the Facilities pursuant to the provision of Section 2.04 of the Facilities Sublease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 Events of Default and Action on Default. The following events shall be “Events of Default”:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the Authority in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such default shall have continued for a period of thirty (30) days after the Authority shall have been given notice in writing of such default by the Trustee;

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under Section 6.01 of the Facilities Sublease.

In each and every case during the continuance of an Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding (subject to the provisions of Section 7.08 hereof) shall be entitled, upon notice in writing to the City and the Authority to exercise any of the remedies granted to the City under the Facilities Lease, to the Authority under the Facilities Sublease, and in addition, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights or to protect and enforce any of the rights vested in the Trustee or the Owners by this Trust Agreement or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in Section 7.02(a), (b) or (c) hereof.

Anything in this Trust Agreement to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, so long as the Bond Insurer is not in default under its Bond Insurance Policy, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under this Trust Agreement.

SECTION 7.02 Other Remedies of the Trustee. The Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City, the Authority or any director, officer or employee thereof, and to compel the City or the Authority or any such director, officer or employee to perform or carry

out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee; or

(c) by suit in equity upon the happening of any default hereunder to require the City and the Authority to account as the trustee of an express trust.

SECTION 7.03 Application of Funds After Default. Notwithstanding anything to the contrary contained herein, after a default by the City, all funds and accounts held by the Trustee and all payments received by the Trustee with respect to the rental of the Facilities after a default by the City pursuant to Section 6.01 of the Facility Sublease, and all damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under Section 6.01 of the Facility Sublease, shall be deposited into the Revenue Fund and as soon as practicable thereafter applied:

First, to the payment of the reasonable fees, costs and expenses of the Trustee in providing for the declaration of such event of default and carrying out its duties under this Agreement, including reasonable compensation to their accountants and counsel together with interest on any amounts advanced as provided herein and thereafter to the payment of the reasonable costs and expenses of the Bondholders, if any, in carrying out the provisions of this Article, including reasonable compensation to their accountants and counsel; and

Second, upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid or upon the surrender thereof if fully paid, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with (to the extent permitted by law) interest on the overdue interest and principal at the rate borne by such Bonds, and in case such money shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and (to the extent permitted by law) interest on overdue interest and principal without preference or priority among such interest, principal and interest on overdue interest and principal ratably to the aggregate of such interest, principal and interest on overdue interest and principal.

SECTION 7.04 Institution of Legal Proceedings by Trustee. If one or more of the Events of Default shall happen and be continuing, the Trustee may, and upon the written request of the Bondholders of a majority in principal amount of the Bonds then Outstanding, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Trust Agreement and under Article VI of the Facilities Sublease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

SECTION 7.05 Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the Authority, which is absolute

and unconditional, to pay the interest on and principal of and redemption premiums, if any, on the Bonds to the respective Bondholders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues as provided herein pledged for such payment, or shall affect or impair the right of such Bondholders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Bondholder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bondholders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bondholders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Bondholder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 7.06 Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Bondholder shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Bondholders, whether or not the Trustee is a Bondholder, and the Trustee is hereby appointed (and the successive Bondholders, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Bondholders for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Bondholders as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

SECTION 7.07 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.08 Limitation on Bondholders' Right to Sue. No Bondholder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an event of default as defined in Section 7.01; (b) the Bondholders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against

the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Bondholder of Bonds of any remedy hereunder; it being understood and intended that no one or more Bondholders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders of the Outstanding Bonds.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01 The Trustee. Wells Fargo Bank, National Association shall serve as the Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and redemption premiums, if any, on the Bonds presented for payment, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a principal office in California.

The Authority, unless there exists any Event of Default as defined in Section 7.01, may at any time remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a national banking association, bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state authority. If such national banking association, bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon,

after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall succeed to the rights and obligations of the Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds and a certificate of destruction shall be delivered to the Authority upon its request. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an event of default, and after the curing of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any event of default (that has not been cured), exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

SECTION 8.02 Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

The Trustee shall not be bound to recognize any person as the Bondholder of a Bond unless and until such Bond is submitted for inspection, if required, and such Bondholder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of not less than a majority (or any lesser amount that may direct the Trustee in accordance with this Agreement) in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of this Trust Agreement unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the reasonable costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Bondholders for the payment of the interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be deemed to have knowledge of any event of default (except payment defaults) unless and until a Responsible Officer shall have actual knowledge thereof or a Responsible Officer of the Trustee shall have received written notice thereof at its Principal Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, but shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver if such attorneys-in-fact, agents or receivers were selected by the Trustee with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Facilities Sublease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or City of the Facilities. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Facilities Sublease or this Trust Agreement for the existence, furnishing or use of the Facilities.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Authority or Written Request of the City), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult

with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay (“unavoidable delay”) in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee shall not be required to review or inspect, and shall not be deemed to have notice of, the contents of any financial statement delivered to the Trustee including but not limited to Section 6.04, it being expressly understood that the Trustee shall only receive and hold such documents as a repository for examination and copying by any Holder at such Holder’s expense during business hours on Business Days with reasonable prior notice.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee’s understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out

of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

The Trustee shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of these Bonds.

SECTION 8.03 Compensation and Indemnification of Trustee. The Authority covenants to pay (but solely from Additional Payments) to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by them in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee, in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the reasonable expenses and disbursements of their counsel (including the allocated reasonable fees and disbursements of in-house counsel) and of all persons not regularly in their employ) except any such expense, disbursement or advance as may arise from their negligence or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damage, liability or expense incurred without negligence or bad faith on the part of the Trustee arising out of or in connection with the acceptance or administration of the trusts created hereby, including reasonable costs and expenses (including reasonable attorneys' fees and disbursements) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.03 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

SECTION 8.04 Compliance with Continuing Disclosure Certificate. Pursuant to Section 8.09 of the Facilities Sublease, the City has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Holders of at least 25% aggregate principal amount in Outstanding Bonds, and upon receipt of indemnification satisfactory to it, shall) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under Section 8.09 of the Facilities Sublease or under this Section 8.04. For purposes of this

Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE IX

AMENDMENT OF THE TRUST AGREEMENT

SECTION 9.01 Amendment of the Trust Agreement. (a) This Trust Agreement and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.02, are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity or Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or principal of or redemption premium, if any, on any Bond without the express written consent of the Bondholder of such Bond, or (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (3) reduce the percentage of Bonds required for the written consent to any such amendment, or (4) modify any rights or obligations of the Trustee, the Authority, or the City without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

(b) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption without the consent of any Bondholders for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes --

(i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or conferred herein on the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in Article III (which shall be deemed not to adversely affect Bondholders); or

(iv) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939.

SECTION 9.02 Disqualified Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

SECTION 9.03 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Bondholder of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Bondholder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Bondholder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 9.04 Amendment by Mutual Consent. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all Outstanding Bonds the interest thereon and principal thereof and redemption premiums, if any, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facilities Sublease, then the Bondholders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable

to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds and for the payment of all other amounts due hereunder and under the Facilities Sublease. Notwithstanding anything herein to the contrary, in the event that the principal and/or interest of the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the City to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) of this Section if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with Section 4.05, (2) there shall have been deposited with the Trustee (A) money in an amount which shall be sufficient and/or (B) Government Securities, the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, and (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Bondholders of such Bonds that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds.

SECTION 10.02 Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall at the Written Request of the Authority be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee may, and at the request of the Authority shall, at the expense of the Authority, cause to be published once a week for two (2) successive weeks in a Financial Newspaper of general circulation in Los Angeles and in San Francisco, California, and in the same or a similar Financial Newspaper of general circulation in New York, New York, a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than thirty (30) days after the date of the first

publication of each such notice, the balance of such money then unclaimed will be returned to the Authority.

ARTICLE XI

PROVISIONS RELATED TO BOND INSURANCE POLICY; BOND INSURER AND RESERVE POLICY

[PROVISIONS TO COME]

ARTICLE XII

MISCELLANEOUS

SECTION 12.01 Liability of Authority Limited to Revenues.

Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source other than the Revenues as provided herein for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds or for the performance of any agreements or covenants herein contained. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein. The Bonds are not a debt of the City, the State or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

SECTION 12.02 Benefits of this Trust Agreement Limited to Parties; Bond Insurer as Third Party Beneficiary.

Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Trustee, the Bond Insurer and the Bondholders any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Authority or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Authority, the Trustee, the Bond Insurer and the Bondholders. To the extent that this Trust Agreement confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Trust Agreement, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

SECTION 12.03 Successor Is Deemed Included In All References To Predecessor. Whenever herein either the Authority or any member, officer or employee thereof or of the State is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to the Facilities that are presently vested in the Authority or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 12.04 Execution of Documents by Bondholders. Any declaration, request or other instrument which is permitted or required herein to be executed by Bondholders may be in one or more instruments of similar tenor and may be executed by Bondholders in person or by their attorneys appointed in writing. The fact and date of the execution by any Bondholder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Bondholder of any Bond shall bind all future Bondholders of such Bond with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

SECTION 12.05 Waiver of Personal Liability. No member, officer or employee of the Authority or the City shall be individually or personally liable for the payment of the interest on or principal of or redemption premiums, if any, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or any other applicable provisions of law or hereby.

SECTION 12.06 Acquisition of Bonds by Authority. All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

SECTION 12.07 Destruction of Cancelled Bonds. Whenever provision is made for the return to the Authority of any Bonds which have been cancelled pursuant to the provisions hereof, the Authority may, by a Written Request of the Authority, direct the Trustee to destroy such Bonds and furnish to the Authority a certificate of such destruction, at its request.

SECTION 12.08 Content of Certificates. Every Certificate of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the Authority, upon a representation by an officer or officers of the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 12.09 Publication for Successive Weeks. Any publication required to be made hereunder for successive weeks in a Financial Newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same Financial Newspaper for any subsequent publication, but may be made on different Business Days or in different Financial Newspapers, as the case may be.

SECTION 12.10 Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 12.11 Business Day. When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 12.12 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the Authority: Moreno Valley Public Financing Authority
c/o City of Moreno Valley-Dept. of Finance
14177 Frederick Street
Moreno Valley, CA 92552
Attention: Treasurer
Tel: (951) 413-3021

If to the Trustee: Wells Fargo Bank, National Association
707 Wilshire Boulevard, 17th Floor
Los Angeles, California 90017
Attention: Corporate Trust Department

If to the City: City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552
Attention: Chief Financial Officer
Tel: (951) 413-3021

SECTION 12.13 Notices to Rating Agencies. The Trustee shall give written notice to the Rating Agencies of the redemption or defeasance of any Bonds, the amendment of the Facilities Sublease or Trust Agreement, any change in the Trustee.

SECTION 12.14 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 12.15 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 12.16 Governing Law. This Trust Agreement shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 12.17 Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the MORENO VALLEY PUBLIC FINANCING AUTHORITY has caused this Trust Agreement to be signed in its name by its Executive Director, and Wells Fargo Bank, National Association, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

MORENO VALLEY PUBLIC FINANCING
AUTHORITY

By: _____
Executive Director

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

Acknowledged:

CITY OF MORENO VALLEY

By: _____
City Manager

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

EXHIBIT A

FORM OF SERIES 2015 BOND

No. _____

\$ _____

MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BOND, SERIES 2015 (TAXABLE)

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE CITY OF MORENO VALLEY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE CITY OF MORENO VALLEY.

Interest <u>Rate</u> ____%	Maturity <u>Date</u> November 1, _____	Dated <u>Date</u> _____, 2015	<u>CUSIP</u> _____
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

The MORENO VALLEY PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the first day of the month containing an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated prior to November 1, 2015, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on November 1, 2015, and semiannually thereafter on each May 1 and November 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee prior to the applicable

record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in lawful money of the United States of America upon presentation of this Bond at the principal office of Wells Fargo Bank, National Association, in San Francisco or Los Angeles, California.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Moreno Valley Public Financing Authority Lease Revenue Bonds” (the “Bonds”) and is one of a duly authorized series of such Bonds known as “Series 2015” (the “Series 2015 Bonds”) issued in an aggregate principal amount of \$XX,000,000, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a master trust agreement, dated as of [DATED DATE] (as amended from time to time, the “Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as trustee (together with any successor as trustee under the Trust Agreement, the “Trustee”) (copies of the Trust Agreement are on file at the principal office of the Trustee in San Francisco, California).

The Bonds are issued to provide funds to refund certain outstanding lease revenue bonds of the Authority. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the “Revenues”) derived from Base Rental Payments and other payments made by the City of Moreno Valley (the “City”), and all interest or other investment income thereon, pursuant to the Master Facilities Sublease, dated as of [DATED DATE] (as amended from time to time, the “Facilities Sublease”), by and between the Authority and the City, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the City are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal of the Bonds is a debt, liability or general obligation of the Authority, the City or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein

and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption by the Authority on the dates, and at the redemption prices, set forth in the Trust Agreement.

Notice of redemption of this Bond shall be given by first-class mail not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner of any Bond selected for redemption, subject to and in accordance with provisions of the Trust Agreement with respect thereto. If notice of redemption has been duly given as aforesaid and money for the payment of the above-described redemption price is held by the Trustee, then this Bond shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated, interest on this Bond shall cease to accrue and the registered owner of this Bond shall have no rights with respect hereto except to receive payment of the redemption price hereof.

If an Event of Default (as defined in the Trust Agreement) shall occur, the Trust Agreement provides that the Trustee may take certain actions and exercise certain remedies as provided in the Trust Agreement.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned corporate trust office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Moreno Valley Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Executive Director of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the original issue date specified above.

MORENO VALLEY PUBLIC FINANCING
AUTHORITY

By: _____
Executive Director

Countersigned:

Secretary

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

[FORM OF CERTIFICATE OF AUTHENTICATION
TO APPEAR ON SERIES 2015 BONDS]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on _____.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

[FORM OF ASSIGNMENT TO
APPEAR ON SERIES 2015 BONDS]

For value received the undersigned hereby sells, assigns and transfers unto (Taxpayer Identification Number: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTE: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Dated: _____

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

Signature Guaranteed:

NOTE: Signature must be guaranteed by an eligible guarantor institution.

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

[STATEMENT OF BOND INSURANCE, IF ANY, TO
APPEAR ON SERIES 2015 BONDS]

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

EXHIBIT B
DESCRIPTION OF 2015 PROJECT

Attachment: Master Trust Agreement (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC

\$ _____
**MORENO VALLEY PUBLIC FINANCING AUTHORITY
 LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

BOND PURCHASE CONTRACT

July __, 2015

Moreno Valley Public Financing Authority
 14177 Frederick Street
 Moreno Valley, California 92553
 Attention: Executive Director

City of Moreno Valley
 14177 Frederick Street
 Moreno Valley, California 92553
 Attention: Executive Director

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the Moreno Valley Public Financing Authority (the “Authority”) and the City of Moreno Valley (the “City”). This offer is made subject to the Authority’s and the City’s acceptance by execution of this Purchase Contract and delivery of the same to the Underwriter on or before 11:59 p.m. on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to such acceptance. Upon the Authority’s and the City’s acceptance hereof, the Purchase Contract will be binding upon the Authority, the City and the Underwriter. Capitalized terms used in this Purchase Contract and not otherwise defined herein shall have the respective meanings set forth for such terms in the Trust Agreement (defined below).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Contract, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$_____ Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable) (the “Bonds”) at a purchase price of \$_____ (being an amount equal to the principal amount of the Bonds, plus/less a net original issue premium/discount of \$_____ and less an Underwriter’s discount of \$_____). The obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be conditioned on the sale and delivery of all of the Bonds by the Authority to the Underwriter at Closing (as such term is defined herein).

Section 2. Bond Terms; Authorizing Instruments. (a) The Bonds shall be dated their date of delivery and shall mature and bear interest as shown on Exhibit A attached hereto. The Bonds shall be as described in, and shall be issued and secured under, a Master Trust Agreement (the “Trust Agreement”), dated as of August 1, 2015, between the Authority and Wells Fargo Bank,

National Association, as trustee (the “Trustee”). The Bonds are payable and subject to prepayment as provided in the Trust Agreement and as described in the Official Statement.

(b) The Bonds will be issued pursuant to Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584, and are payable from and secured by the Authority’s pledge of “Revenues” under and as defined in the Trust Agreement, consisting primarily of Base Rental Payments to be made by the City to the Authority pursuant to a Master Facilities Sublease, dated as of August 1, 2015 (the “Facilities Sublease”), by and between the Authority and the City.

(c) The net proceeds of the sale of the Bonds will be used: (i) to finance certain capital improvements of the City (the “Project”); (ii) to fund a reserve fund for the Bonds; and (iii) to pay the costs incurred in connection with the issuance of the Bonds.

Section 3. Public Offering. The Underwriter agrees to make an initial bona fide public offering of all of the Bonds, at not in excess of the initial public offering yields or prices set forth on Exhibit A attached hereto. Following the initial public offering of the Bonds, the offering prices may be changed from time to time by the Underwriter. The City and the Authority acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the City, Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as Municipal Advisor (as defined in Section 15B of The Securities Exchange Act of 1934, as amended) to the City or the Authority; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or Authority on other matters); (iv) the Underwriter has financial interests that may differ from and be adverse to those of the City or the Authority; and (v) the City and Authority have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

Section 4. Official Statement; Continuing Disclosure. (a) The Authority has delivered to the Underwriter the Preliminary Official Statement dated July __, 2015 (the “Preliminary Official Statement”) and will deliver to the Underwriter the final Official Statement dated the date of this Purchase Contract (as amended and supplemented from time to time pursuant to Section 5(i) of this Purchase Contract, the “Official Statement”).

(b) The Authority hereby authorizes the use of the Official Statement and the information contained therein by the Underwriter in connection with the public offering and the sale of the Bonds. The Authority consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Underwriter hereby agrees that it will not send any confirmation requesting payment for the purchase of any Bonds unless the confirmation is accompanied by or preceded by the delivery of a copy of the Official Statement. The Underwriter agrees: (1) to provide the Authority with final pricing information on the Bonds on a timely basis prior to the Closing; and (2) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and Municipal Securities Rulemaking Board (the “MSRB”) rules governing the offering, sale and delivery of the Bonds to ultimate purchasers.

(c) In connection with the issuance of the Bonds, and in order to assist the Underwriter in complying with the provisions of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), the City will execute a Continuing Disclosure Certificate (the “Continuing Disclosure Undertaking”) dated the date of the Closing, under which the City will undertake to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Undertaking is attached as an appendix to the Preliminary Official Statement.

Section 5. Representations, Warranties and Covenants of the Authority. The Authority hereby represents, warrants and agrees with the Underwriter that:

(a) The Board of Directors (the “Board”) of the Authority has taken official action by resolution (the “Authority Resolution”) adopted by a majority of the members of the Board at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the Trust Agreement, the Master Facilities Lease, dated as of August 1, 2015 (the “Facilities Lease”), by and between the City and the Authority, the Facilities Sublease and this Purchase Contract (collectively, the “Authority Agreements”) and the Official Statement, and the taking of any and all such action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby.

(b) The Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “State”) and has all necessary power and authority to adopt the Authority Resolution, and to enter into and perform its duties under the Authority Agreements.

(c) By all necessary official action, the Authority has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Bonds and the Authority Agreements, and the consummation by it of all other transactions contemplated by the Authority Resolution, the Authority Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered, the Authority Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Authority, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the Authority’s acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Official Statement under the heading “THE AUTHORITY” do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, except as described in the Preliminary Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against, and notice of which has been served on and received by, the Authority or, to the best knowledge of the Authority, threatened, wherein an unfavorable decision, ruling or finding would:

(i) affect the creation, organization, existence or powers of the Authority, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of Authority Agreements or the Bonds, or (iii) in any way question or affect the Purchase Contract or the transactions contemplated by the Purchase Contract, the Official Statement, or any other agreement or instrument to which the Authority is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the Authority required for the execution and delivery of this Purchase Contract and the other Authority Agreements or the consummation by the Authority of the other transactions contemplated by the Official Statement or the Authority Agreements.

(g) Any certificate signed by any official of the Authority authorized to do so shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(h) The Authority is not in default, and at no time has the Authority defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i) If any event occurs of which the Authority has knowledge between the date of this Purchase Contract and the date of the Closing that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Underwriter in causing the Official Statement to be amended or supplemented in a form and in a manner approved by the Underwriter. All expenses thereby incurred will be paid by the Authority, and the Underwriter will file, or cause to be filed, the amended or supplemented Official Statement with the MSRB's Electronic Municipal Market Access database ("EMMA").

(j) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions. The Authority will not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(k) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, trust agreement bond, note, resolution, agreement or other instrument to which the Authority is a party which breach or default has or may have an adverse effect on the ability of the Authority to perform its obligations under the Authority Agreements, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and

delivery of the Authority Agreements, if applicable, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the Authority is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Agreements.

(l) Except as set forth in the Official Statement under the caption "CONTINUING DISCLOSURE," the Authority has complied in all material respects with its continuing disclosure undertakings in the past five years.

Section 6. Representations, Warranties and Covenants of the City. The City hereby represents, warrants and agrees with the Underwriter that:

(a) The City Council (the "City Council") of the City has taken official action by Resolution (the "City Resolution") adopted by a majority of the members of the City Council at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the Facilities Lease, the Facilities Sublease, the Continuing Disclosure Undertaking and this Purchase Contract (collectively, the "City Agreements") and the Official Statement and the taking of any and all such action as may be required on the part of the City and carry out, give effect to and consummate the transactions contemplated hereby.

(b) The City is a municipal corporation and general law city duly organized and existing under the laws of the State and has all necessary power and authority to adopt the City Resolution and to enter into and perform its duties under the City Agreements.

(c) By all necessary official action, the City has duly adopted the City Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the City Agreements, and the consummation by it of all other transactions contemplated by the City Resolution, the City Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered, the City Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto, as applicable) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the City's acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Official Statement (other than under the caption "THE AUTHORITY") do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading

(except that no representation is made with respect to information relating to DTC (as such term is defined herein) or DTC's book-entry system).

(e) As of the date hereof, except as described in the Preliminary Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against, and notice of which has been served on and received by, the City or, to the best knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of City Agreements or the Bonds; or (iii) in any way question or affect the Purchase Contract or the transactions contemplated by the Purchase Contract, the Official Statement, or any other agreement or instrument to which the City is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the City required for the execution and delivery of this Purchase Contract and the City Agreements or the consummation by the City of the other transactions contemplated by the Official Statement or the City Agreements.

(g) Any certificate signed by any official of the City authorized to do so shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(h) The City is not in default, and at no time has the City defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i) If any event occurs of which the City has knowledge between the date of this Purchase Contract and the date of the Closing that might or would cause the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in causing the Official Statement to be amended or supplemented in a form and in a manner approved by the Underwriter. All expenses thereby incurred will be paid by the City, and the Underwriter will file, or cause to be filed, the amended or supplemented Official Statement with EMMA.

(j) Except as set forth in the Official Statement under the caption "CONTINUING DISCLOSURE," the City has complied in all material respects with its continuing disclosure undertakings in the past five years.

(k) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions. The City will not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(l) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have an adverse effect on the ability of the City to perform its obligations under the City Agreements, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the City Agreements, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the City Agreements.

(m) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2014 attached as an appendix to the Official Statement fairly represent the receipts, expenditures and cash balances of the City as of such date. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City or in its operations since June 30, 2014 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

Section 7. The Closing. (a) At 8:00 A.M., Pacific Standard Time, on August __, 2015, or on such earlier or later time or date as may be agreed upon by the Underwriter, the Authority and the City (the "Closing"), the Authority shall deliver or cause to be delivered to the Trustee, the Bonds in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York ("DTC") (so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC's FAST procedures). Prior to the Closing, the Authority shall deliver, at the offices of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") in Los Angeles, California, or such other place as is mutually agreed upon by the Underwriter and the Authority, the other documents described in this Purchase Contract. On the date of the Closing, the Underwriter shall pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Contract in immediately available funds to the order of the Trustee.

(b) The Bonds shall be issued in fully registered form and shall be prepared and delivered as one Bond for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Contract.

Section 8. Conditions to Underwriter's Obligations. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Authority and the City contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, and upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments to be delivered at

or prior to the date of the Closing. The Underwriter's obligations under this Purchase Contract are and shall also be subject to the following conditions:

(a) The representations and warranties of the Authority and the City contained in this Agreement shall be true and correct in all material respects on the date of this Purchase Contract and on and as of the date of the Closing as if made on the date of the Closing.

(b) As of the date of the Closing, the Official Statement shall not have been amended, modified or supplemented, except in any case as may have been agreed to by the Underwriter.

(c) (i) As of the date of the Closing, the Authority Resolution, the City Resolution, the Authority Agreements and the City Agreements shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to by the Authority, the City and the Underwriter; (ii) the Authority shall perform or have performed all of its obligations required under or specified in the Authority Resolution, the Authority Agreements and this Purchase Contract to be performed at or prior to the date of the Closing; and (iii) the City shall perform or have performed all of its obligations required under or specified in the City Resolution, the City Agreements and this Purchase Contract to be performed at or prior to the date of the Closing.

(d) As of the date of the Closing, all necessary official action of the Authority relating to the Authority Agreements, the Authority Resolution and the Official Statement, and all necessary official action of the City relating to the City Agreements, the City Resolution, and the Official Statement, shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(e) Subsequent to the date of this Purchase Contract, up to and including the date of the Closing, there shall not have occurred any change in the financial affairs of the Authority or the City, as described in the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds.

(f) As of or prior to the date of the Closing, the Underwriter shall have received each of the following documents:

(A) Certified copies of the Authority Resolution and the City Resolution.

(B) Duly executed copies of the Authority Agreements and the City Agreements.

(C) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the Authority and the City.

(D) An approving opinion of Bond Counsel, dated as of the Closing, as to the validity of the Bonds and the exclusion of interest on the Bonds from State income taxation, addressed to the Authority and the City substantially in the form attached as an appendix to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter.

(E) A supplemental opinion of Bond Counsel, addressed to the Underwriter, to the effect that:

(1) The Purchase Contract has been duly executed and delivered by the Authority and the City and is valid and binding upon the Authority and the City, subject to laws

relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(2) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(3) The statements contained in the Official Statement on the cover and under the captions "INTRODUCTION," "THE FINANCING PLAN," "THE SERIES 2015 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS" and "TAX MATTERS," and in Appendices A and C, insofar as such statements purport to describe certain provisions of the Bonds, or to state legal conclusions and the opinion of Bond Counsel regarding the tax exempt nature of the Bonds for State income tax purposes, present a fair and accurate summary of the provisions thereof.

(F) An opinion of the City Attorney, dated as of the Closing addressed to the Authority, the City and the Underwriter, substantially in the form attached hereto as Exhibit E.

(G) An executed Rule 15c2-12 certificate of the Authority and the City, dated as of the date of the Preliminary Official Statement, in the form attached hereto as Exhibit B.

(H) An executed closing certificate of the Authority, dated as of the Closing, in the form attached hereto as Exhibit C.

(I) An executed closing certificate of the City, dated as of the Closing, in the form attached hereto as Exhibit D.

(J) The opinion of counsel of the Trustee, dated as of the Closing, addressed to the Authority, the City and the Underwriter to the effect that:

(1) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America, having full powers and authority and being qualified to enter into, accept and administer the trust created under the Trust Agreement and to enter into the Trust Agreement; and

(2) The Trust Agreement has been duly authorized, executed and delivered by the Trustee, and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement constitutes a legal, valid and binding agreement of the Trustee enforceable in accordance with its terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought.

(K) A certificate or certificates, dated as of the Closing, in form and substance acceptable to the Underwriter, of an authorized officer of officers of the Trustee to the effect that the Trustee has accepted the duties imposed by the Trust Agreement and is authorized to carry out such duties.

(L) Evidence of required filings with the California Debt and Investment Advisory Commission.

(M) A copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book entry system.

(N) A title insurance policy (the “Title Policy”) insuring the Facilities (as such term is defined in the Facilities Sublease).

(O) A certificate of John Strickler: (1) certifying as to the accuracy of the estimated values of the Facilities set forth in the Official Statement; and (2) to the effect that such estimated values reflect the recorded exceptions to title set forth in the Title Policy.

(P) A certificate of the City with respect to the deed of trust recorded in the Official Records of Riverside County as Document No. 2011-0118463 in form and substance satisfactory to the Underwriter and counsel to the Underwriter.

(Q) Evidence that the City maintains property, casualty and rental interruption insurance for the Facilities meeting the requirements set forth in the Facilities Sublease.

(R) Evidence that the ratings assigned to the Bonds as of the date of the Closing are as set forth in the Official Statement.

(S) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Trust Agreement and the authentication and delivery of the Bonds by the Trustee.

(T) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, addressed to the Underwriter and in form and substance satisfactory to the Underwriter.

(U) A report of Digital Assurance Certification LLC as to compliance by the City and related entities with their respective continuing disclosure undertakings.

(V) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Authority and the City with legal requirements, the truth and accuracy, as of the date of the Closing, of the representations of the Authority and the City herein contained and of the Official Statement and the due performance or satisfaction by the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the City.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Underwriter. If the Authority and the City are unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter, the Authority nor the City shall be under further obligations hereunder, except that

the respective obligations of the Authority, the City and the Underwriter set forth in Section 12 of this Purchase Contract shall continue in full force and effect.

Section 9. Conditions to Authority's and City's Obligations. The performance by the Authority and the City of their respective obligations under this Purchase Contract are conditioned upon: (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the Authority and the City of opinions addressed to the Authority and the City, receipt by the Underwriter of opinions addressed to the Underwriter, and the delivery of certificates being delivered on the date of the Closing by persons and entities other than the Authority and the City.

Section 10. Termination Events. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(A) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the Governor of the State in an executive communication, affecting the tax status of the Authority or the City, their property or income, their debt or contractual obligations (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended;

(B) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(C) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York or State authorities;

(D) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(E) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or

other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the Bonds are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(F) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions not in force as of the date hereof are imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(G) the Office of the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increases materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(H) a general banking moratorium is established by federal, New York or State authorities;

(I) any legislation, ordinance, rule or regulation is introduced in or enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the reasonable opinion of the Underwriter, after consultation with the Authority and the City, materially adversely affects the market price of the Bonds;

(J) any federal or State court, authority or regulatory body takes action materially and adversely affecting the collection of Revenues under the Trust Agreement; or

(K) any rating of the Bonds is downgraded, suspended or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the marketability or market price of the Bonds;

(L) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the Authority or the City refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or renders the enforcement of the sale contracts of the Bonds impracticable;

(M) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental authority having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(N) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(O) the commencement of any action, suit or proceeding described in Section 5(e) or Section 6(e).

Section 11. Changes in Official Statement. After the Closing, neither the Authority nor the City will adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing unless the Authority or its counsel determines that such amendment or supplement is required under applicable law. Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as such term is defined below), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the Agency delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be the date of the Closing. Any notice delivered pursuant to this provision shall be written notice delivered to the Agency at or prior to the date of the Closing and shall specify a date (other than the date of the Closing) to be deemed the “end of the underwriting period.”

Section 12. Payment of Expenses. (a) The Underwriter shall be under no obligation to pay, and the City shall pay the following expenses incident to the performance of the Authority’s and the City’s obligations hereunder:

- (i) the fees and disbursements of Bond Counsel;
- (ii) the cost of printing and delivering the Bonds, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Section 11 of this Purchase Contract);
- (iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the Authority or the City, including the City Attorney; and
- (iv) any other expenses and costs of the Authority and the City incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Bonds, including out of pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to:

- (i) all advertising expenses in connection with the offering of the Bonds; and
- (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including without limitation the fees and expenses of its counsel and the MSRB, CUSIP Bureau, California Debt and Investment Advisory Commission and California Public Securities Association fees, if any), except as provided in clause (a) above or as otherwise agreed to by the Underwriter and the City.

Section 13. Notices. Any notice or other communication to be given to the Authority or the City under this Purchase Contract may be given by delivering the same in writing to the Authority and the City at the addresses set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to

Stifel, Nicolaus & Company Incorporated
515 South Figueroa Street, Suite 1800
Los Angeles, California 90071
Attention: John Kim

Section 14. Survival of Representations, Warranties, Agreements. All of the Authority's and the City's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Bonds pursuant to this Purchase Contract. The agreements contained in this Section and in Section 12 shall survive any termination of this Purchase Contract.

Section 15. Benefit; No Assignment. This Purchase Contract is made solely for the benefit of the Authority, the City and the Underwriter (including its successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Contract are not subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

Section 16. Severability. In the event that any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Purchase Contract.

Section 17. Counterparts. This Purchase Contract may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Contract by signing any such counterpart.

Section 18. Governing Law. This Purchase Contract shall be governed by the laws of the State.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 19. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the Authority and the City, and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY
INCORPORATED

By: _____
Title: Authorized Officer

Accepted:

CITY OF MORENO VALLEY

By: _____
City Manager

Time of Execution: _____ Pacific Time

MORENO VALLEY PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

Time of Execution: _____ Pacific Time

Attachment: Bond Purchase Agreement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

EXHIBIT A

**\$ _____
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

MATURITY SCHEDULE

<i>Principal Payment Date (November 1)</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>Price</i>
	\$	%	%	

* Term Bond.

EXHIBIT B

\$ _____ *

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Moreno Valley (the "City") and the Moreno Valley Public Financing Authority (the "Authority"), and is duly authorized to execute and deliver this Certificate on behalf of the City and the Authority, and further hereby certifies and reconfirms on behalf of the City and the Authority as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above captioned bonds (the "Bonds") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the Authority and the City (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule, and the information therein is accurate and complete except for the Permitted Omissions.

Dated: July __, 2015

CITY OF MORENO VALLEY

By: _____
City Manager

* Preliminary; subject to change.

MORENO VALLEY PUBLIC FINANCING
AUTHORITY

By: _____
Executive Director

Attachment: Bond Purchase Agreement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

EXHIBIT C

**\$ _____
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

CLOSING CERTIFICATE OF THE AUTHORITY

The undersigned hereby certifies and represents that he is the duly appointed and acting representative of the Moreno Valley Public Financing Authority (the "Authority"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Authority as follows:

(i) The representations, warranties and covenants of the Authority contained in the Bond Purchase Contract, dated July __, 2015 (the "Purchase Contract"), by and among the Authority, the City of Moreno Valley and Stifel, Nicolaus & Company, Incorporated, as underwriter, are true and correct and in all material respects on and as of the date of the Closing, with the same effect as if made on the date of the Closing.

(ii) The Authority Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented, except as agreed to by the Authority and the Underwriter.

(iii) The Authority has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) The statements and descriptions in the Official Statement pertaining to the Authority do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given to such terms in the Purchase Contract.

Dated: July __, 2015

**MORENO VALLEY PUBLIC FINANCING
AUTHORITY**

By: _____
Executive Director

Attachment: Bond Purchase Agreement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

EXHIBIT D

§ _____

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)****CLOSING CERTIFICATE OF THE CITY**

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Moreno Valley (the “City”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

(i) The representations, warranties and covenants of the City contained in the Bond Purchase Contract, dated as of July __, 2015 (the “Purchase Contract”), by and among the City, the Moreno Valley Public Financing Authority, and Stifel, Nicolaus & Company, Incorporated, as underwriter, are true and correct and in all material respects on and as of the date of the Closing, with the same effect as if made on the date of the Closing.

(ii) The City Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented, except as agreed to by the City and the Underwriter.

(iii) The City has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of this certificate, there has been no adverse change in the condition (financial or otherwise) of the City, whether or not arising in the ordinary course of operations, as described in the Official Statement that would materially and adversely affect the Bonds or the City’s performance under the City Agreements.

(v) The Official Statement (other than under the caption “THE AUTHORITY”) does not contain any untrue or misleading statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given to such terms in the Purchase Contract.

Dated: July __, 2015

CITY OF MORENO VALLEY

By: _____
City Manager

Attachment: Bond Purchase Agreement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

EXHIBIT E

July __, 2015

Moreno Valley Public Financing Authority
 14177 Frederick Street
 Moreno Valley, California 92553

Stifel, Nicolaus & Company, Incorporated
 515 South Figueroa Street, Suite 1800
 Los Angeles, California 90071

City of Moreno Valley
 14177 Frederick Street
 Moreno Valley, California 92553

Opinion of City Attorney and Authority Counsel

with reference to

\$_____

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
 LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

Ladies and Gentlemen:

In my capacity as the General Counsel to the Moreno Valley Public Financing Authority (the “Authority”) and the City Attorney of the City of Moreno Valley (the “City”), in connection with the issuance by the Authority of the above-referenced bonds (the “Bonds”), I have examined such documents, certificates and records as I have deemed relevant and necessary as the basis for the opinion set forth herein. Capitalized terms used and not otherwise defined herein shall have the same meanings as assigned to them in the Bond Purchase Contract, dated July __, 2015 (the “Purchase Contract”), by and among Stifel, Nicolaus & Company, Incorporated, as underwriter, the City and the Authority.

Relying on my examination described above and pertinent law and subject to the limitations and qualifications set forth hereinafter, I am of the following opinion:

1. The City is a municipal corporation and general law city organized and validly existing under the laws of the State of California.
2. Resolution No. __ of the City Council of the City (the “City Resolution”) has been duly adopted at a meeting of such City Council that was duly called and held on July 14, 2015 pursuant to law, with all required public notice and at which a quorum was present and acting throughout. The City Resolution is in full force and effect and has not been amended or repealed.
3. The City has duly authorized, executed and delivered the City Agreements. Assuming due authorization, execution and delivery by the other parties thereto, as necessary, the City Agreements constitute legal, valid and binding agreements of the City enforceable against the City in accordance with their terms, except as the enforceability thereof may be limited by applicable

bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other laws affecting the enforcement of creditors' rights generally and equitable remedies if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and limitations on remedies against public agencies.

4. Except as disclosed in the Official Statement, there is no action, suit or proceeding before or by any court, public board or body pending (with service of process having been accomplished on the City) or, to the best of my knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City or the titles of its officers to their respective offices; (b) in any way question or affect the validity or enforceability of the City Agreements or the Bonds; (c) find illegal, invalid or unenforceable the City Agreements or the transactions contemplated thereby, or any other agreement or instrument related to the issuance of the Bonds to which the City is a party; or (d) have a material adverse effect on the ability of the City to make Base Rental Payments when due.

5. The execution and delivery of the City Agreements and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, trust agreement, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound in a manner which would materially adversely affect the City's performance under the City Agreements.

6. The Authority is a joint exercise of powers authority organized and validly existing under the laws of the State of California.

7. Resolution No. ____ of the Authority (the "Authority Resolution") has been duly adopted at a regular meeting of the Board of Directors of the Authority that was duly called and held on July 14, 2015 pursuant to law, with all required public notice and at which a quorum was present and acting throughout. The Authority Resolution is in full force and effect and has not been amended or repealed.

8. The Authority has duly authorized, executed and delivered the Official Statement, and the Authority Agreements. Assuming due authorization, execution and delivery by the other parties thereto, as necessary, the Authority Agreements constitute legal, valid and binding agreements of the Authority enforceable against the Authority in accordance with their terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other laws affecting the enforcement of creditors' rights generally and equitable remedies if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and limitations on remedies against public agencies.

9. The execution and delivery by the Authority of the Authority Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the Authority is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the

State of California, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, trust agreement, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound in a manner which would materially adversely affect the Authority's performance under the Authority Agreements.

10. There is no action, suit or proceeding before or by any court, public board or body pending (with service of process having been accomplished on the Authority) or, to the best of my knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the Authority or the titles of its officers to their respective offices; (b) in any way question or affect the validity or enforceability of the Authority Agreements or the Bonds; or (c) find illegal, invalid or unenforceable the Authority Agreements or the transactions contemplated thereby, or any other agreement or instrument related to the issuance of the Bonds to which the Authority is a party.

The opinion is based on such examination of the laws of the State of California as I deemed relevant for the purposes of this opinion. I have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this opinion. I have assumed the genuineness of all documents and signatures, presented to me. I have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. I express no opinion as to the status of the Bonds or the interest thereon, the Authority Agreements or the City Agreements under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. Further, I express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Authority Agreements and the City Agreements. Without limiting any of the foregoing, I express no opinion as to any matter other than as expressly set forth above.

I am furnishing this opinion as General Counsel to the Authority and City Attorney to the City. Except for the Authority and the City, no attorney-client relationship has existed or exists between me and the addressees hereof in connection with the Bonds or by virtue of this opinion. This opinion is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. I disclaim any obligation to update this opinion. This opinion shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without my prior written consent.

Respectfully submitted,

PRELIMINARY OFFICIAL STATEMENT DATED JULY 15, 2015

RATINGS: Insured: S&P: “_”
Underlying: S&P: “_”
See the caption “RATINGS.”

NEW ISSUE – BOOK-ENTRY ONLY

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2015 Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series 2015 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015 Bonds. See “TAX MATTERS.”

\$_____*

MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)

Dated: Date of Delivery

Due: November 1, as shown on inside front cover page

The Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) are payable from base rental payments (the “Base Rental Payments”) to be made by the City of Moreno Valley (the “City”) to the Moreno Valley Public Financing Authority (the “Authority”) for the right to use certain real property (collectively, the “Property”) pursuant to a Master Facilities Sublease, dated as of August 1, 2015 (the “Facilities Sublease”), by and between the City, as sublessee, and the Authority, as sublessor. See the captions “THE PROPERTY” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS.”

The Series 2015 Bonds are being issued to provide funds: (i) to finance certain capital improvements of the City; (ii) to purchase a municipal bond insurance policy (the “Policy”) from ___ to guarantee the payment of principal of and interest on the Series 2015 Bonds; (iii) to purchase a municipal bond debt service reserve insurance policy (the “Reserve Policy”) from ___ for deposit in the Reserve Fund for the Series 2015 Bonds; and (iv) to pay the costs incurred in connection with the issuance of the Series 2015 Bonds. See the captions “THE FINANCING PLAN” and “SOURCES AND USES OF FUNDS.” The City has covenanted under the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments. The City’s obligation to make Base Rental Payments is subject to abatement during any period in which by reason of any material damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. See the caption “RISK FACTORS—Abatement.”

The Series 2015 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Series 2015 Bonds is payable semiannually on November 1, 2015 and each May 1 and November 1 thereafter. Purchasers will not receive certificates representing their interest in the Series 2015 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest and premium, if any, on the Series 2015 Bonds will be paid by Wells Fargo Bank, National Association, as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC Participants, who are obligated to remit such payments to the Beneficial Owners of the Series 2015 Bonds. See the caption “THE SERIES 2015 BONDS—Book-Entry Only System.”

The Series 2015 Bonds will be issued pursuant to an Indenture, dated as of August 1, 2015 (the “Indenture”), by and among the City, the Authority and the Trustee. The Series 2015 Bonds and any additional bonds issued pursuant to the Indenture (“Additional Bonds”) are collectively referred to as the “Bonds.”

The Series 2015 Bonds are subject to optional redemption prior to maturity and extraordinary redemption from insurance or condemnation proceeds as described herein. See the caption “THE SERIES 2015A BONDS—Redemption.”

The Series 2015 Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues described herein, and the Authority is not obligated to pay them except from the Revenues. All of the Series 2015 Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Series 2015 Bonds as provided herein.

The Series 2015 Bonds are not a debt of the City, the State of the California (the “State”) or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Series 2015 Bonds be payable out of any funds or properties other than those of the Authority as described herein. The Series 2015 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

The scheduled payment of principal of and interest on the Series 2015 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2015 Bonds by _____.

[INSURER LOGO]

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

* Preliminary; subject to change.

The Series 2015 Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by Quintanilla & Associates, A Professional Corporation, Interim City Attorney and interim counsel to the Authority, for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, and for the Trustee by its counsel. It is anticipated that the Series 2015 Bonds will be available for delivery through the facilities of DTC on or about August 6, 2015.

[STIFEL LOGO]

Dated: July __, 2015

Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

\$ _____*
**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

MATURITY SCHEDULE

BASE CUSIP^{®†}: _____

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[®]</i>
	\$	%	%		

* Preliminary; subject to change.

† CUSIP[®] is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2015 CUSIP Global Services. All rights reserved. CUSIP[®] data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP[®] numbers are provided for convenience of reference only. None of the City, the Authority or the Underwriter takes any responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Series 2015 Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2015 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Series 2015 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority or any other parties described herein since the date hereof. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Series 2015 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions “CITY FINANCIAL INFORMATION” and “RISK FACTORS.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 BONDS AT A LEVEL ABOVE THAT

WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2015 BONDS TO CERTAIN DEALERS, DEALER BANKS, BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2015 Bonds.

[INSURANCE DISCLOSURE TO COME]

CITY OF MORENO VALLEY

MAYOR AND MEMBERS OF THE CITY COUNCIL

Jesse L. Molina, Mayor
Dr. Yxstian Gutierrez, Mayor Pro Tem
Jeffrey J. Giba, Councilmember
George E. Price, Councilmember
D. LaDonna Jempson, Councilmember

MORENO VALLEY PUBLIC FINANCING AUTHORITY

Jesse L. Molina, Chair
Dr. Yxstian Gutierrez, Vice Chair
Jeffrey J. Giba, Boardmember
George E. Price, Boardmember
D. LaDonna Jempson, Boardmember

STAFF

Michelle Dawson, City Manager/Authority Executive Director
Richard Teichert, Chief Financial Officer/Authority Treasurer
Brooke McKinney, Treasury Operations Division Manager
Ahmad R. Ansari, City Public Works Director/City Engineer
Jane Halstead, City Clerk/Authority Secretary

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Interim City Attorney/Interim Authority Counsel

Quintanilla & Associates, A Professional Corporation
Rancho Mirage, California

Financial Advisor

Fieldman Rolapp & Associates, Inc.
Irvine, California

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

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\$ _____*

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE BONDS, SERIES 2015 (TAXABLE)**

INTRODUCTION

General

This Official Statement, which includes the cover page and the appendices hereto (the “Official Statement”), provides certain information concerning the sale and delivery of the \$ _____* aggregate principal amount of Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”). The Series 2015 Bonds are being issued by the Moreno Valley Public Financing Authority (the “Authority”) pursuant to a Master Trust Agreement, dated as of August 1, 2015 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

The net proceeds of the sale of the Series 2015 Bonds will be used: (i) to finance certain capital improvements of the City (the “Project”); (ii) to purchase a municipal bond insurance policy (the “Policy”) from _____ to guarantee the payment of principal of and interest on the Series 2015 Bonds; (iii) to purchase a municipal bond debt service reserve insurance policy (the “Reserve Policy”) from _____ for deposit in the Reserve Fund for the Series 2015 Bonds; and (iv) to pay the costs incurred in connection with the issuance of the Series 2015 Bonds. See the captions “THE FINANCING PLAN,” “BOND INSURANCE” and “SOURCES AND USES OF FUNDS.”

Security for the Series 2015 Bonds

Pursuant to a Master Facilities Lease, dated as of August 1, 2015 (the “Facilities Lease”), by and between the City of Moreno Valley (the “City”) and the Authority, the City has leased certain real property owned by the City (collectively, the “Property”) to the Authority in consideration for the Authority’s assistance in issuing the Series 2015 Bonds.

Pursuant to a Master Facilities Sublease, dated as of August 1, 2015 (the “Facilities Sublease”), by and between the City, as sublessee, and the Authority, as lessor, the Authority has subleased the Property back to the City in consideration for the payment of rental payments (the “Base Rental Payments”) to be made by the City for the right to use the Property.

The Series 2015 Bonds are equally and ratably payable from: (i) the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not including Additional Payments as described herein); and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Trust Agreement or the Facilities Sublease (collectively, the “Revenues”). The Authority has assigned its right, title and interest in the Base Rental Payments and its right to enforce remedies under the Facilities Sublease to the Trustee as security for the payment of the Series 2015 Bonds.

Pursuant to the Trust Agreement, the Authority may issue additional bonds (the “Additional Bonds”) payable from the Base Rental Payments on a parity with the Series 2015 Bonds (the Series 2015 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”). See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Additional Bonds.”

The City has covenanted in the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make

* Preliminary; subject to change.

necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement as described in this Official Statement.

Revenues of the City's electric utility (the "Electric Utility") are not pledged as security for the Series 2015 Bonds. However, net revenues of the Electric Utility (revenues remaining after payment of operation and maintenance costs thereof and debt service obligations with respect thereto) are available to pay Base Rental Payments, and the City currently expects to pay all or a portion of Base Rental Payments from such net revenues of the Electric Utility. Notwithstanding the foregoing, the City makes no assurances regarding the amount of net revenues of the Electric Utility or the availability of net revenues of the Electric Utility to pay Base Rental Payments.

The Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation, which is provided for in the Facilities Sublease) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. See the caption "RISK FACTORS—Abatement." Abatement of Base Rental Payments under the Facilities Sublease, to the extent that payment is not made from alternative sources as described in this Official Statement, would result in all Bond Owners receiving less than the full amount of principal of and interest on the Bonds. To the extent that proceeds of insurance are available, Base Rental Payments (or a portion thereof) may be made during periods of abatement.

THE SERIES 2015 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES DESCRIBED HEREIN, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL OF THE SERIES 2015 BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE SERIES 2015 BONDS AS PROVIDED HEREIN.

THE SERIES 2015 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF THE CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2015 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS DESCRIBED HEREIN. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

Book-Entry Only System

The Series 2015 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Interest on the Series 2015 Bonds is payable semiannually on November 1, 2015 and each May 1 and November 1 thereafter. Purchasers will not receive certificates representing their interest in the Series 2015 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest on the Series 2015 Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, which are obligated to remit such payments to the Beneficial Owners of the Series 2015 Bonds. See the caption "THE SERIES 2015 BONDS—Book-Entry Only System."

Redemption

The Series 2015 Bonds are subject to optional redemption prior to maturity and extraordinary redemption from insurance or condemnation proceeds as described herein. See the caption “THE SERIES 2015A BONDS—Redemption.”

Bond Insurance

Payment of the principal of and interest on the Series 2015 Bonds will be insured by the Policy to be issued by ___ concurrently with the issuance of the Series 2015 Bonds. See the caption “BOND INSURANCE.”

Reserve Fund

A Reserve Fund for the Series 2015 Bonds has been established pursuant to the Indenture. ___ has committed to issue, concurrently with the issuance of the Series 2015 Bonds, the Reserve Policy in the initial principal amount of \$_____,* which constitutes the Reserve Fund Requirement. The Reserve Policy will be deposited in the Reserve Fund. Neither the Authority nor the City are obligated: (i) to make any additional deposits into the Reserve Fund in the event that ___ defaults on its obligation to make payments under the Reserve Policy; or (ii) to replace the Reserve Policy in the event of a rating downgrade of ____. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Reserve Fund.”

Legal Matters

Wells Fargo Bank, National Association, Los Angeles, California, will act as Trustee with respect to the Series 2015 Bonds. The Series 2015 Bonds will be issued subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by Quintanilla & Associates, A Professional Corporation, Interim City Attorney and interim counsel to the Authority, for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, and for the Trustee by its counsel.

Miscellaneous

The City’s financial statements for the fiscal year of the City ended June 30, 2014 (each fiscal year of the City ended June 30, a “Fiscal Year”) included as Appendix B hereto have been audited by Lance, Soll & Lunghard, LLP, Certified Public Accountants, Brea, California (the “Auditor”). The City’s financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor. Accordingly, the Auditor has not performed any post-audit review of the financial condition of the City.

Certain events could affect the ability of the City to make the Base Rental Payments when due. See the caption “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2015 Bonds.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and, except for a budget discussion for Fiscal Year 2016, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

* Preliminary; subject to change.

The summaries or references to the Trust Agreement, the Facilities Lease, the Facilities Sublease and other documents, agreements and statutes referred to herein, and the description of the Series 2015 Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to each such document or statute. All capitalized terms used in this Official Statement and not otherwise defined have the meanings set forth in Appendix A.

THE SERIES 2015 BONDS

General

The Series 2015 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Series 2015 Bonds will be dated as of and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the dated date thereof at the rates set forth on the inside cover page hereof. Interest on the Series 2015 Bonds will be paid semiannually on November 1, 2015 and each May 1 and November 1 thereafter (each, an “Interest Payment Date”).

The Series 2015 Bonds will bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they will bear interest from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event they will bear interest from their dated date. Payment of interest on the Series 2015 Bonds due on or before the maturity or prior redemption thereof will be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Series 2015 Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to the Trust Agreement; provided, however, that interest on any Series 2015 Bonds will be paid by wire transfer or other means to provide immediately available funds to any Holder of at least \$1,000,000 in aggregate principal amount of such Series 2015 Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date.

Interest on any Series 2015 Bond will cease to accrue: (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Holder of such Series 2015 Bond is not entitled to any other payment, and such Series 2015 Bond will no longer be Outstanding and entitled to the benefits of the Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Series 2015 Bond, as appropriate, from moneys held by the Trustee for such payment.

The principal of the Series 2015 Bonds will be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal will be made on any Series 2015 Bond unless and until such Series 2015 Bond is surrendered to the Trustee for cancellation.

Redemption

Optional Redemption.* The Series 2015 Bonds maturing on or after November 1, 20__, are subject to optional redemption prior to maturity on or after November 1, 20__, at the option of the City, in whole, or in part, on any date, at a redemption price equal to the principal amount of the Series 2015 Bonds to be redeemed, plus accrued but unpaid interest to the redemption date.

* Preliminary; subject to change.

Extraordinary Redemption from Condemnation Award or Insurance Proceeds. The City will prepay on any date from insurance and eminent domain proceeds, to the extent provided in the Facilities Sublease (provided, however, that in the event of partial damage to or destruction of the Property caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Property, such proceeds will be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Property, pursuant to the procedure set forth in the Facilities Sublease for proceeds of insurance), all or any part (in an integral multiple of \$5,000 principal component) of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which are payable after such prepayment date will be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date, at a prepayment amount equal to the principal of and interest on the Series 2015 Bonds to the date of redemption of the Series 2015 Bonds.

The Series 2015 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments from insurance and eminent domain proceeds made by the City pursuant to the Facilities Sublease (as described in the preceding paragraph), at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which are payable after such Redemption Date will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

Selection of Bonds for Redemption. If less than all Outstanding Series 2015 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee will select the Series 2015 Bonds of such maturity date to be redeemed by lot and promptly notify the Authority in writing of the numbers of the Series 2015 Bonds so selected for redemption. For purposes of such selection, Series 2015 Bonds will be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event that Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption.

Notice of Redemption; Cancellation. Notice of redemption will be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the redemption date to: (i) the respective Bondholders of the Series 2015 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee; (ii) the Securities Depositories; and (iii) one or more Information Services. Notice of redemption to the Securities Depositories and the Information Services will be given by registered mail or overnight delivery or facsimile transmission or by such other method acceptable to such institutions. Each notice of redemption will state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2015 Bonds of such maturity, to be redeemed and, in the case of Series 2015 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2015 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2015 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice or any defect in such notice will not invalidate any of the proceedings taken in connection with such redemption.

The Authority may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee will mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

All Series 2015 Bonds redeemed pursuant to the provisions of the Trust Agreement will be cancelled by the Trustee and destroyed with a certificate of destruction furnished to the Authority upon its request and will not be reissued.

Effect of Notice of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2015 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Series 2015 Bonds so called for redemption become due and payable, and from and after the date so designated interest on such Series 2015 Bonds cease to accrue, and the Bondholders of such Series 2015 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

General. DTC will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2015 Bond will be issued for each maturity of the Series 2015 Bonds, each in the initial aggregate principal amount of such maturity, will be deposited with DTC and will be available to actual purchasers of the Series 2015 Bonds (the "Beneficial Owners") in denominations of \$5,000 or any integral multiple thereof. Beneficial Owners will not be entitled to receive physical delivery of the Series 2015 Bonds. See Appendix E for further information with respect to DTC and its book-entry only system.

Transfer and Exchange of Bonds. The following provisions regarding the exchange and transfer of the Series 2015 Bonds apply only during any period in which the Series 2015 Bonds are not subject to DTC's book-entry system. While the Series 2015 Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC.

Any Series 2015 Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of the Trust Agreement by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2015 Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Series 2015 Bond or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver to the transferee a new Series 2015 Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee will require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may, except as otherwise provided in the Trust Agreement, deem and treat the registered owner of any Series 2015 Bond as the absolute owner of such Series 2015 Bond for the purpose of receiving payment thereof and for all other purposes, whether such Series 2015 Bond is overdue or not, and neither the Authority nor the Trustee will be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Series 2015 Bond will be made only to such registered owner, which payments will be valid and effectual to satisfy and discharge liability on such Series 2015 Bond to the extent of the sum or sums so paid.

The Trustee is not required to register the transfer of or exchange any Series 2015 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2015 Bond selected for redemption in whole or in part as provided in the Trust Agreement or during the period established by the Trustee for selection of Series 2015 Bonds for redemption.

Series 2015 Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Series 2015 Bonds of the same Series and maturity of other authorized denominations. The Trustee will require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee is not required to exchange any Series 2015 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2015 Bond selected for redemption in whole or in part as provided in the Trust Agreement or during the period established by the Trustee for selection of Series 2015 Bonds for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS

Pledge of Revenues

The Series 2015 Bonds are equally and ratably payable from and secured by the Revenues, which consist of: (i) the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not including Additional Payments as described below); and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Trust Agreement or the Facilities Sublease.

Base Rental Payments will be paid by the City from any and all legally available funds. See the captions “THE CITY,” “CITY FINANCIAL INFORMATION” and “RISK FACTORS.” The City has covenanted in the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement as described in this Official Statement.

Revenues of the Electric Utility are not pledged as security for the Series 2015 Bonds. However, net revenues of the Electric Utility (revenues remaining after payment of operation and maintenance costs thereof and debt service obligations with respect thereto) are available to pay Base Rental Payments, and the City currently expects to pay all or a portion of Base Rental Payments from such net revenues of the Electric Utility. Notwithstanding the foregoing, the City makes no assurances regarding the amount of net revenues of the Electric Utility or the availability of net revenues of the Electric Utility to pay Base Rental Payments.

The Authority may issue Additional Bonds payable from the Base Rental Payments on a parity with the Series 2015 Bonds. See the caption “—Additional Bonds.”

All Revenues, any other amounts (including proceeds of the sale of the Series 2015 Bonds) held by the Trustee in any fund or account established under the Trust Agreement and any other amounts (excluding Additional Payments) received by the Authority in respect of the Property have been irrevocably pledged to the payment of the interest and premium, if any, on and principal of the Series 2015 Bonds as provided in the Trust Agreement, and the Revenues and other amounts pledged thereunder may not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted thereunder. Such pledges constitutes a pledge of and charge and first lien upon the Revenues, all other amounts pledged under the Trust Agreement and all other moneys on deposit in the funds and accounts established thereunder for the payment of the interest on and principal of the Series 2015 Bonds in accordance with the terms thereof.

Pursuant to the Trust Agreement, the Authority has assigned its right, title and interest in the Base Rental Payments and its right to enforce remedies under the Facilities Sublease to the Trustee as security for the payment of the Series 2015 Bonds. The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See the caption “—Base Rental Payments” below.

THE SERIES 2015 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES DESCRIBED HEREIN, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL OF THE SERIES 2015 BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE SERIES 2015 BONDS AS PROVIDED HEREIN.

THE SERIES 2015 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2015 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS DESCRIBED HEREIN. THE SERIES 2015 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

Base Rental Payments

Base Rental Payments, will be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Payment Period for which such Base Rental Payments are to be paid. The Base Rental Payments are due and payable on October 25 and April 25 in the amounts set forth in the Facilities Sublease and are for the use and occupancy of the Property during the one-year period ending on the 1st day of each November. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Revenue Fund established under the Trust Agreement.

Pursuant to the Trust Agreement, all money in the Revenue Fund will be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which has been created and each of which the Authority has covenanted and agreed to cause to be maintained) in the following order of priority: (1) Interest Account; and (2) Principal Account.

All money in each of such accounts will be held in trust by the Trustee and will be applied, used and withdrawn only for the purposes authorized in the Trust Agreement. On each Principal Payment Date, following payment of principal of and interest on the Series 2015 Bonds, any excess amount on deposit in the Revenue Fund will be returned to the City as an excess of Base Rental Payments.

Interest Account. On or before each Interest Payment Date, the Trustee will set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Series 2015 Bonds as it becomes due and payable (including accrued interest on any Series 2015 Bonds purchased or redeemed prior to maturity).

Principal Account. On or before each November 1, the Trustee will set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such November 1, into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such November 1. No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Series 2015 Bonds is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such November 1 plus the aggregate amount of all sinking fund payments required

to be made on such November 1 for all Outstanding Term Bonds. All money in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Series 2015 Bonds as it becomes due and payable, whether at maturity or redemption, except that any money in any Sinking Account created under the Trust Agreement will be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

Scheduled Base Rental Payments relating to the Series 2015 Bonds are set forth below under the caption "BASE RENTAL PAYMENT SCHEDULE."

Additional Payments

For the right to use and occupy the Property, the Facilities Sublease requires the City to pay, as Additional Payments thereunder, in addition to the Base Rental Payments, such amounts as are required for the payment all amounts, costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of the Facilities Sublease or any assignment thereof, the Trust Agreement, the Authority's interest in the Property and the lease of the Property to the City, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Series 2015 Bonds, the Property, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification payable by the Authority to the Trustee under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Series 2015 Bonds or of the Trust Agreement; but not including in such Additional Payments amounts required to pay the principal of or interest on the Series 2015 Bonds.

Such Additional Payments will be billed to the City by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. Amounts so billed will be paid by the City within 60 days after receipt of the bill by the City. The City reserves the right to audit billings for Additional Payments although exercise of such right will in no way affect the duty of the City to make full and timely payment for all Additional Payments.

The Authority may in the future issue bonds to finance facilities, and may in the future enter into leases with respect to other facilities. The administrative costs of the Authority will be allocated among such other facilities and the Property as provided below. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Property will be included in the Additional Payments payable under the Facilities Sublease. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Property, will not be included in the administrative costs of the Property, and will not be paid from the Additional Payments payable under the Facilities Sublease. Any expenses of the Authority not directly attributable to any particular project of the Authority will be equitably allocated among all such projects, including the Property in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, will be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the Mayor, Vice-Mayor, City Manager or Finance Director of the City or any such officer's duly authorized designee, or a duly authorized representative of the City, endorsed thereon, in making any determination that costs relating to the Authority are payable as Additional Payments under the Facilities Sublease, and is not required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Property.

Abatement

The Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation, which is provided for in the Facilities Sublease) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facilities Sublease will continue in full force and effect and the City waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and of Title 11 of the United States Code, Section 365(h) and any and all other rights to terminate the Facilities Sublease by virtue of any such damage or destruction or interference.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Base Rental Payments and Additional Payments in any of the funds and accounts established under the Trust Agreement (including as a result of the availability of insurance proceeds), such Base Rental Payments and Additional Payments will not be abated as provided above but, rather, will be payable by the City as a special obligation payable solely from said funds and accounts. See the caption “—Insurance” and Appendix A.

Substitution, Addition and Removal of Property

The City and the Authority may add, substitute or release real property for all or part of, or may release a part of, the Property for purposes of the Facilities Lease and the Facilities Sublease, but only after the City has filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(i) Executed copies of the Facilities Lease and the Facilities Sublease or amendments thereto containing the amended description of the Property, including the legal description of any real property component of the Property as modified, if necessary.

(ii) A Written Certificate of the City, certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of such facility to the City) of the Property that will constitute the Property after such addition, substitution or withdrawal will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current Fiscal Year or in any subsequent Fiscal Year. At the sole discretion of the City, in the alternative, in the event of a substitution only, the Written Certificate of the City will certify that the annual fair rental value of the new Property is at least equal to that of the substituted Property.

(iii) With respect to an addition or substitution of property, a leasehold owner’s title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies resulting in title insurance with respect to the Property after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding; each such insurance instrument, when issued, will name the Trustee as the insured, and insure the leasehold estate of the Authority in such property subject only to such exceptions as do not substantially interfere with the City’s right to use and occupy such property and as will not result in an abatement of Base Rental Payments payable by the City under the Facilities Sublease.

(iv) A Written Certificate of the City stating that such addition, substitution or withdrawal, as applicable, does not adversely affect the City’s use and occupancy of the Property.

(v) With respect to the substitution of property, a Written Certificate of the City stating that the useful life of the property to be substituted is at least equal to the useful life of the property being released.

(vi) An opinion of Bond Counsel stating that any amendment executed in connection with such addition, substitution or withdrawal, as the case may be: (i) is authorized or permitted under the Facilities Sublease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the City; and (iii) will not cause the interest on any tax-exempt Bonds to be included in gross income for federal income tax purposes.

The City and the Authority have agreed that the Property or portion thereof for which other real property is substituted, pursuant to the Facilities Sublease, will be released from the Facilities Lease and the Facilities Sublease, and will no longer be encumbered thereby and hereby or by the Trust Agreement at such time as the City has caused said substitution.

Additional Bonds

Conditions for the Issuance of Additional Bonds. The Authority may at any time, issue Additional Bonds pursuant to a Supplemental Trust Agreement, payable from the Revenues as provided in the Trust Agreement and secured by a pledge of and charge and lien upon the Revenues as provided therein equal to the pledge, charge and lien securing the Outstanding Series 2015 Bonds theretofore issued thereunder, but only subject to the following specific conditions, which have been made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority is in compliance with all agreements and covenants contained in the Trust Agreement and no Event of Default has occurred and is continuing.

(b) The Supplemental Trust Agreement requires that the proceeds of the sale of such Additional Bonds will be applied to finance or refinance Projects, or for the refunding or repayment of any Bonds then Outstanding, including the payment of costs and expenses of and incident to the authorization and sale of such Additional Bonds. The Supplemental Trust Agreement may also provide that a portion of such proceeds be applied to the payment of the interest due or to become due on said Additional Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding under the Trust Agreement does not exceed any limit imposed by law, by the Trust Agreement or by any Supplemental Trust Agreement.

(d) The Facilities Sublease has been amended, if necessary, so that the Base Rental Payments payable by the City thereunder in each Fiscal Year at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year, and if Base Rental Payments are being increased, a Certificate of the City will be delivered to the Trustee certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of any facility which is or will become part of the Property) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year.

(e) If additional facilities, if any, are to be leased and are not situated on property described in the Facilities Lease and Facilities Sublease: (1) the Facilities Lease has been amended so as to lease to the Authority such additional real property; and (2) the Facilities Sublease has been amended so as to lease to the City such additional real property.

Proceedings for Authorization of Additional Bonds. Whenever the Authority and the City determine to execute and deliver any Additional Bonds pursuant to the Trust Agreement, the Authority and the Trustee will enter into a Supplemental Trust Agreement providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Trust Agreement will prescribe the form or forms of such Additional Bonds and, subject to the provisions of the Trust Agreement, will provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates, interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds are issued, the City and the Authority will file or cause to be filed the following documents with the Trustee:

- (a) An Opinion of Counsel setting forth that: (1) such Counsel has examined the Supplemental Trust Agreement and the amendment to the Facilities Sublease and Facilities Lease required by the Trust Agreement; (2) the execution and delivery of the Additional Bonds have been duly authorized by the City and the Authority; and (3) said amendment to the Facilities Sublease and Facilities Lease, when duly executed by the City and the Authority, will be valid and binding obligations of the City and the Authority.
- (b) A Certificate of the Authority stating that the requirements of the Trust Agreement have been met.
- (c) A Certificate of the City stating that the insurance required by the Facilities Sublease is in effect.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the City and of the Authority stating that all applicable provisions of the Trust Agreement have been complied with (so as to permit the execution and delivery of the Additional Bonds in accordance with the Supplemental Trust Agreement then delivered to the Trustee), the Trustee will execute and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Trust Agreement to, or upon the Written Request of, the Authority.

The City has no current plans to issue Additional Bonds under the Trust Agreement. See the caption "RISK FACTORS—Substitution, Addition and Removal of Property; Additional Bonds."

Action on Default

Should the City default under the Facilities Sublease, the Trustee, as assignee of the Authority thereunder, may terminate the Facilities Sublease and recover certain damages from the City, or may retain the Facilities Sublease and hold the City liable for all Base Rental Payments thereunder on an annual basis, and the Trustee has the right to re-enter and re-let the Property. In the event that such re-letting occurs, the City would be liable for any resulting deficiency in Base Rental Payments. Base Rental Payments may not be accelerated upon a default under the Facilities Sublease. See the caption "RISK FACTORS—Limited Recourse on Default; No Acceleration of Base Rental."

For purposes of certain actions of Bond Owners under the Indenture and the Facilities Sublease, such as certain consents and amendments and the direction of remedies following default, Series 2015 Bond Owners do not act alone and may not control such matters to the extent that such matters are not supported by the requisite number of the Owners of all Series 2015 Bonds and Additional Bonds, if any.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Facilities Sublease and the Indenture, see Appendix A.

Reserve Fund

Establishment of Reserve Fund. The Trustee will establish and maintain a separate fund to be known as the "Reserve Fund." Moneys in the Reserve Fund will be used and withdrawn by the Trustee solely for the purposes set forth in the Trust Agreement. [There will be deposited in the Reserve Fund the Reserve Policy

pursuant to the Trust Agreement.] The City, upon notice to the rating agencies then rating the Series 2015 Bonds, reserves the right to substitute, at any time and from time to time, one or more Reserve Facilities from a financial institution, the long-term unsecured obligations of which are rated in the two highest rating categories of the rating agency in substitution for or in place of all or any portion of the Reserve Policy or the moneys, if any, on deposit in the Reserve Fund, which satisfy the Reserve Fund Requirement (as such term is defined below), under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes of the Trust Agreement. Upon deposit by the City with the Trustee of any such Reserve Facility(ies), the Trustee will, on or after the date of such deposit, transfer to the City such amounts as are on deposit in the Reserve Fund in excess of the Reserve Fund Requirement after application of the Reserve Facility(ies) thereto. The City will, subject to any investment instructions contained in the Tax Certificate, use any such amounts transferred from the Reserve Fund for any lawful purpose of the City which will not adversely affect any current or past exclusion from gross income for federal income tax purposes of the interest on the Bonds, if and to the extent such interest is currently or has in the past been so excluded. Any amounts paid pursuant to any Reserve Facility will be deposited in the Reserve Fund. The moneys in the Reserve Fund and any Reserve Facility shall be held in trust by the Trustee and shall be used and disbursed only for the purposes and uses herein authorized.

The term “Reserve Fund Requirement” means, with respect to the Bonds, an amount equal to an amount equal to the least of: (i) maximum prospective annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Facilities Sublease; (ii) 10% of the proceeds of the Bonds; or (iii) 125% of the average annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Facilities Sublease. The Reserve Fund Requirement may be satisfied by crediting to the account established within the Reserve Fund for the Bonds a Reserve Facility.

Application of Reserve Fund. Amounts on deposit in the Reserve Fund which were not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement may be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee will, as and to the extent necessary, liquidate any investments purchased with such amounts. If and to the extent that, more than one Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, drawings thereunder, and repayment of expenses with respect thereto, will be made on a pro-rata basis (calculated by reference to the policy limits available thereunder).

If, on any Interest Payment Date, the amount on deposit in any account within the Interest Account is insufficient to pay the interest due with respect to the corresponding Series of Bonds on such Interest Payment Date, the Trustee will transfer from the corresponding account within the Reserve Fund and deposit in such account within the Interest Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee will make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Interest Account.

If, on any Principal Payment Date or any Mandatory Sinking Account Payment Date, the amount on deposit in any account within the Principal Account is insufficient to pay the principal due with respect to the corresponding Series of Bonds on such Principal Payment Date or Mandatory Sinking Account Payment Date, the Trustee will transfer from the corresponding account within the Reserve Fund and deposit in such account within the Principal Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee will make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Principal Account.

In the event of any withdrawal or transfer from the Reserve Fund, the Trustee will, within 5 days thereafter, provide written notice to the City of the amount and the date of such transfer. If there are no amounts currently due under any Reserve Facility and the sum of the amount on deposit in the Reserve Fund, plus the amount available under any Reserve Facilities, is reduced below the Reserve Fund Requirement, the first of Base Rental Payments thereafter received from the City under the Facilities Sublease and not needed to pay the interest and principal of the Bonds on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date will be used, first, to reinstate the amounts available under the Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Fund, so that the amount available under the Reserve Facilities, when added to the amount on deposit in the Reserve Fund, equals the Reserve Fund Requirement. In the event there are insufficient funds to remedy any deficiencies in all such accounts, moneys shall be deposited pro rata in each such account.

If at any time the balance in any account within the Reserve Fund is in excess of the Reserve Fund Requirement for such fund, the Trustee will transfer such excess to any other account within the Reserve Fund with a balance less than the Reserve Fund Requirement for such fund to make up such deficiency, and thereafter to the Revenue Fund.

At the termination of the Facilities Sublease in accordance with its terms, any balance remaining in the Reserve Fund will be released and may be transferred to such other fund or account of the City, or otherwise used by the City for any other lawful purposes, as the City may direct. For purposes of determining the amount on deposit in the Reserve Fund, all investments will annually be valued at the cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). Except as provided in the Trust Agreement from Base Rental Payments not needed to pay the interest and principal of the Bonds, the City has no obligation to replenish the Reserve Fund.

Insurance

The Facilities Sublease requires the City to maintain or cause to be maintained fire, lightning and special extended coverage insurance (which includes coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property in an amount equal to the greater of 100% of the replacement cost of such improvements or 100% of the outstanding principal amount of the Bonds. As an alternative to providing such insurance or any portion thereof, the City may provide a self-insurance method or plan of protection if and to the extent that such self-insurance method or plan of protection affords reasonable protection to the Authority, the Bond Holders and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the City.

The Facilities Sublease requires the City to maintain rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Property as the result of any of the hazards covered by the insurance described in the preceding paragraph, in an amount sufficient to pay the maximum annual Base Rental Payments for any two year period, except that such insurance may be subject to a deductible clause of not to exceed \$25,000. Any proceeds of such insurance will be used by the Trustee to reimburse to the City any rental theretofore paid by the City under the Facilities Sublease attributable to such structure for a period of time during which the payment of rental under the Facilities Sublease is abated, and any proceeds of such insurance not so used will be applied as provided in the Facilities Sublease (to the extent required for the payment of Base Rental Payments and Additional Payments). See the caption “—Abatement.”

The Facilities Sublease requires the City to maintain or cause to be maintained, throughout the term thereof, a standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees and the Trustee, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event, and worker’s compensation insurance.

See the summary of the Facilities Sublease set forth in Appendix A for further information with respect to the insurance coverage required to be maintained by the City under the Facilities Sublease.

A description of insurance coverages maintained by the City is set forth under the caption “THE CITY—Risk Management.”

The Facilities Sublease also requires the City to provide, at its own expense, an ALTA leasehold owner’s title insurance policy or policies for the Property, in the aggregate amount of not less than the initial aggregate principal amount of the Bonds. Such insurance instrument, when issued, will name the Trustee as the insured, and will insure the leasehold estate of the Authority subject only to such exceptions as do not substantially interfere with the City’s right to use and occupy the Property and as will not result in an abatement of Base Rental Payments payable by the City under the Facilities Sublease.

BOND INSURANCE

The information under this caption has been prepared by ___ for inclusion in this Official Statement. None of the Authority, the City or the Underwriter has reviewed this information, nor do the Authority, the City or the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix G for a specimen of the Policy.

[TO COME]

SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Series 2015 Bonds are shown below.

<i>Sources</i> ⁽¹⁾	
Principal Amount of Series 2015 Bonds	\$ _____
Plus/Less Net Original Issue Premium/Discount	_____
Total Sources	\$ _____
<i>Uses</i> ⁽¹⁾	
Acquisition and Construction Fund	\$ _____
Reserve Fund ⁽²⁾	_____
Costs of Issuance ⁽³⁾	_____
Total Uses	\$ _____

⁽¹⁾ Rounded to the nearest dollar.
⁽²⁾ Reflects premium for the Reserve Policy.
⁽³⁾ Includes certain fees of Bond Counsel, the Financial Advisor, S&P and the Trustee, Underwriter’s discount, premium for the Policy, printing costs and other miscellaneous costs of issuance.

BASE RENTAL PAYMENT SCHEDULE

The annual schedule of Base Rental Payments due with respect to the Series 2015 Bonds is set forth below.

<i>Period Ending June 30</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$	\$	\$
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
Total	\$ _____	\$ _____	\$ _____

THE FINANCING PLAN

A portion of the proceeds of the Series 2015 Bonds is expected to be used to finance the Project, which consists of the following improvements to the Electric Utility: (i) installation of a new electrical substation at an estimated cost of approximately \$13,489,000; (ii) construction of two electrical interties at an estimated cost of approximately \$3,421,350; (iii) installation of automation, communication and protection for critical circuits within the Electric Utility system at an estimated cost of approximately \$2,000,000; (iv) acquisition of an additional transformer bank at the Moreno Valley electrical substation at an estimated cost of approximately \$1,925,000; and (v) cable and conduit installations and other miscellaneous improvements at an estimated cost of approximately \$4,276,000.

In addition to the improvement projects listed above, there are many other capital improvements listed in the City’s adopted capital improvement program for Fiscal Year 2015 (which lists potential improvements having an estimated cost of approximately \$57.8 million) that may be funded with Series 2015 Bond proceeds.

The City expects to comply with all governmental approval, public bidding and other permitting requirements for each component of the Project as required by law. The City presently expects to substantially complete all components of the Project by Fiscal Year 2019.

THE PROPERTY

The Property constitutes the subject matter of the Facilities Lease and the Facilities Sublease. As of the date of issuance of the Series 2015 Bonds, the City holds title to the Property. Upon the issuance of the Series 2015 Bonds, the City will lease the Property to the Authority pursuant to the Facilities Lease and the Authority will sublease the Property back to the City pursuant to the Facilities Sublease. Base Rental Payments under the Facilities Sublease secure the Series 2015 Bonds. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Base Rental Payments.”

The following properties collectively constitute the Property:

Bethune Park. Bethune Park, which is located at Lurin Avenue and Kitching Street, is a park and recreation complex containing athletic fields, tennis courts, picnic shelters, restrooms, a children’s play area and a water feature. Bethune Park was developed in 1999 and comprises approximately 5.81 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$1,058,000 to Bethune Park.



Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

Moreno Valley Community Park. Moreno Valley Community Park, which is located at Frederick Street and Cottonwood Avenue, is a park and recreation complex containing three full-size artificial turf soccer fields, playgrounds and shelters. Moreno Valley Community Park was developed in 1975 and comprises approximately 14.71 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$5,768,000 to Moreno Valley Community Park.



Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

Fire Station 6. Fire Station 6, which is located on Eucalyptus Avenue, is an approximately 9,490 square foot municipal fire station operated by the City’s Fire Department. Fire Station 6 was constructed in 1995 and comprises approximately 1.25 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$2,063,000 to Fire Station 6.



Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

Fire Station 58. Fire Station 58, which is located on Hickory Avenue at the Moreno Valley Auto Mall, is an approximately 10,320 square foot municipal fire station operated by the City’s Fire Department. Fire Station 58 was constructed in 2008 and comprises approximately 3.59 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$3,126,000 to Fire Station 58.



Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

Moreno Valley Public Library. Moreno Valley Public Library, which is located at Alessandro Boulevard and Kitching Street, is an approximately 16,000 square foot municipal library operated by the City. Moreno Valley Public Library was constructed in 1988 and comprises approximately 1.46 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$3,477,000 to Moreno Valley Public Library.



Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

Conference and Recreation Center. The Conference and Recreation Center, which is located on Alessandro Boulevard, is an approximately 42,413 square foot municipal conference and banquet facility operated by the City. The Conference and Recreation Center includes an 8,200 square foot ballroom, the Grand Valley Ballroom. The Grand Valley Ballroom can accommodate groups of up to 400 people and includes a full kitchen, a reception patio, an outdoor banquet patio, a stage with two dressing rooms and a video and movie screen. Other facilities at the Conference and Recreation Center include two smaller meeting rooms. The Conference and Recreation Center hosts private events, community programs and public meetings. The facility also includes space for a childcare/daycare area, a gymnasium, two activity rooms and the office space for the City’s Parks and Community Services Department staff. The Conference and Recreation Center was constructed in 2005 and comprises approximately 18.64 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$13,874,000 to the Conference and Recreation Center.



The City’s Parks and Community Services Department operates five facilities located at the various parks throughout the City, including Bethune Park, Moreno Valley Community Park and the Conference and Recreation Center, a senior center, and two community centers, which facilities provide 79 youth programs, 88 senior programs and 31 adult programs serving an estimated 417,180 City youths and adults annually for baseball, softball, and soccer play. The Parks and Community Services Department also hosts activities for 38 school sites and assists the City’s nonprofit sports organizations in hosting regional and national sports tournaments, resulting in a positive economic impact to City businesses. The value that the City’s parks and recreation facilities bring to the local community has been repeatedly recognized. The Press-Enterprise newspaper previously rated the City “Number One in Riverside County for Family Recreation.” The City was the recipient of the 2005 California Parks and Recreation Society Award for “Facility Design and Park Planning” for the Conference and Recreation Center, and in 1997 the City earned the Southern California Municipal Athletic Federation’s “Gold Shield Award” for providing outstanding leadership. The City remains committed to sustained community participation and use of facilities throughout the City’s park system.

In connection with the issuance of the Series 2015 Bonds, the City will certify that the annual fair rental value of the Property is at least equal to the annual Base Rental Payments. The City makes no assurances regarding the ability to relet any component of the Property or the amount of rental income to be received in the event that any component of the Property is relet.

The table below summarizes certain attributes of the Property. No portion of the Property is currently encumbered by debt obligations other than the Series 2015 Bonds.

**CITY OF MORENO VALLEY
DESCRIPTION OF LEASED ASSETS**

<i>Leased Asset</i>	<i>Description</i>	<i>Land Area</i> ⁽¹⁾	<i>Building Size</i> ⁽¹⁾	<i>Location</i>	<i>Asset Value</i> ⁽¹⁾
Bethune Park	Park and recreation complex containing athletic fields, tennis courts, picnic shelters, restrooms, children’s play area and water feature	5.81 acres	Limited (restrooms)	Lurin Avenue and Kitching Street	\$1,058,000
Moreno Valley Community Park	Park and recreation complex containing three full-size artificial turf soccer fields, playgrounds and shelters	14.71 acres	Limited	Frederick Street and Cottonwood Avenue	\$5,768,000
Fire Station 6	Municipal fire station	1.25 acres	9,490 square feet	Eucalyptus Avenue	\$2,063,000
Fire Station 58	Municipal fire station	3.59 acres	10,320 square feet	Hickory Avenue at the Moreno Valley Auto Mall	\$3,126,000
Moreno Valley Public Library	Municipal library	1.46 acres	16,000 square feet	Alessandro Boulevard and Kitching Street	\$3,477,000
Conference and Recreation Center	Municipal conference and banquet facility; includes 8,200 square foot ballroom with full kitchen, reception patio, outdoor banquet patio, stage with two dressing rooms and video and movie screen; meeting rooms; office space for City’s Parks and Recreation Department	18.64 acres	42,413 square feet	Alessandro Boulevard	\$13,874,000
TOTAL VALUE					\$29,366,000⁽²⁾

⁽¹⁾ Figures are approximate.

⁽²⁾ Such amount is greater than the principal amount of the Series 2015 Bonds.

The estimated market values of the components of the Property as set forth under are based upon existing conditions and reflect the opinion of the appraiser only. In connection with the issuance of the Series 2015 Bonds, the City will certify that the annual fair rental value of the Property is at least equal to the annual Base Rental Payments.

The City has the right to substitute or release all or a portion of the Property subject to certain conditions precedent. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Substitution, Addition and Removal of Property.”

THE AUTHORITY

The Authority is a public body duly organized and existing under the Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “JPA Agreement”), by and between the City and the Community Redevelopment Agency of the City of Moreno Valley (the “Agency”), and under the Constitution and laws of the State. The Authority was formed for the purpose of assisting the City in the financing and refinancing of public capital improvements by exercising the powers referred to in the JPA Agreement, including the power

to issue bonds to pay the costs of public improvements. Neither the City nor the Agency is responsible for repayment of the obligations of the other. The members of the Board of Directors of the Authority are the members of the City Council of the City. The Authority has no employees and all staff work is done by City staff or by consultants to the Authority. The Authority has acted as a conduit issuer for the City for a variety of financings.

THE CITY

General

The City is located in western Riverside County (the “County”), approximately 66 miles east of Los Angeles and 100 miles north of San Diego, California. The City has a population of approximately 200,670 as of January 1, 2015 and covers approximately 51.5 square miles. The City was incorporated on December 3, 1984 and is a general law city operating under a council/manager form of government. Further information concerning the City is set forth below and in Appendix F.

The City had approximately 354 full and part-time employees as of June 30, 2015. City employees are represented by two labor unions and associations, the Moreno Valley City Employees Association (the “MVCEA”), which represents approximately 181 employees as of June 30, 2015 and the Moreno Valley Management Association (the “MVMA”), which represents approximately 76 employees as of June 30, 2015. Relations between the City and the MVCEA and MVMA are governed by memoranda of understanding that expire on June 30, 2017. A total of approximately 25 management and confidential employees are exempt from collective bargaining. Salaries for exempt employees are set by the City Council. The City has never experienced a strike, slowdown or work stoppage.

The City provides or contracts for many municipal services for its residents, including libraries, parks, recreation, street and storm drain maintenance and electric utility services. The City contracts with the Riverside County Sheriff’s Department for police services and with the County for fire protection services, which services are provided by the California Department of Forestry and Fire Protection. See the caption “THE PROPERTY” for detailed information with respect to City parks and the City’s Parks and Community Services Department.

Largest Employers

The largest employer located in the City is the March Air Reserve Base, which currently employs approximately 8,600 employees, representing approximately 26.2% of the total City employment. March Air Reserve Base is the home to the Air Force Reserve Command’s 4th Air Force Headquarters and the 452nd Air Mobility Wing, the largest air mobility wing of the 4th Air Force. In addition to multiple units of the Air Force Reserve Command, the base supports the Air Mobility Command, Air Combat Command and Pacific Air Forces, and is home to units from the Army Reserve, Navy Reserve, Marine Corps Reserve, and the California Air National Guard.

Other large employers in the City include the Moreno Valley Unified School District, which currently employs approximately 3,442 employees, and the Riverside County Regional Medical Center, which currently employs approximately 2,987 employees. Based on its close proximity to the counties of Los Angeles, Orange and San Diego, the City serves as a regional logistics and major distribution hub for many large manufacturers and retail companies, including Skechers USA, Inc., Walgreen Company, Ross Dress for Less, Inc. and Harbor Freight Tools. Several large companies await completion of or have recently completed construction on distribution sites and fulfillment centers within the City limits, including e-retailer Amazon (NASDAQ symbol: AMZN), Deckers Outdoor Corporation (NASDAQ symbol: DECK), which designs, manufactures and markets Teva, UGG Australia, and other footwear brands, Procter & Gamble (NYSE symbol: PG), which manufactures and markets 23 brands of home and personal care products, including Tide detergent, Gillette

shaving products, and Crest dental products, and Aldi, Inc., a European discount grocery retailer chain that has over 8,000 stores worldwide (including over 1,000 stores in the United States).

The table below sets forth the largest employers within the City as of June 30, 2014, the latest date for which such information is available.

**CITY OF MORENO VALLEY
LARGEST EMPLOYERS AS OF JUNE 30, 2014**

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	March Air Reserve Base	8,600	Military Reserve Base
2.	Moreno Valley Unified School District	3,442	Public School
3.	Riverside County Regional Medical Center	2,987	County Hospital
4.	Ross Dress for Less/DD's Discounts	1,921	Retail Distribution
5.	Moreno Valley Mall	1,390	Retail Mall
6.	Kaiser Permanente Community Hospital	944	Hospital/Medical Services
7.	iHerb, Inc.	750	Natural Supplements Distribution
8.	City of Moreno Valley	684	Municipal Government
8.	Val Verde Unified School District	674	Public Schools
10.	Walgreen Company	600	Retail Distribution

Source: City of Moreno Valley Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2014.

Government and Administration

The City operates under a council-manager form of government. The City Manager, appointed by the City Council, serves as the City's chief administrative officer and is responsible for overseeing the daily operations of City departments and efficient management of all City business. Functions of the City Manager's Office include coordination of the implementation of City Council policies and programs; providing overall direction to the departments that administer City programs and services; coordinating intergovernmental relations and legislative advocacy; and administration of the City's communications, media relations, and public information programs.

Michelle Dawson is the City Manager. Ms. Dawson was appointed City Manager in May 2013. Ms. Dawson is responsible for the administration of all municipal affairs, including implementation of City Council policy, State laws and City ordinances. Ms. Dawson has over 23 years of local government experience. She has worked at the City for over 14 years in a variety of leadership positions, including Assistant City Manager, Assistant to the City Manager and Senior Management Analyst in the Public Works Department, Animal Services Division and City Manager's Office. Ms. Dawson obtained her master's degree in public administration and bachelor's degree from California State University, San Bernardino.

Other key personnel responsible for management of the City include the Chief Financial Officer, the Treasury Operations Division Manager and the Public Works Director/City Engineer. In addition, the City Attorney provides legal services to the City and the Authority.

Richard Teichert is the Chief Financial Officer of the City. Mr. Teichert was appointed Chief Financial Officer in August 2010. Mr. Teichert previously served as Director of Finance/City Treasurer for the City between 1992 and 1997. Mr. Teichert has over 30 years of experience in municipal government and has held a wide variety of leadership positions in the area of municipal finance, operations, and administration. During his professional tenure, Mr. Teichert has served as Deputy Executive Director/Treasurer for the Sacramento Public Library Authority, which is a joint powers authority that oversees a 27-branch library system. He has also served as Chief Operations Officer for the Children and Families Commission of Orange County and served for over eight years as Deputy Director of Finance/Operations Director for the Orange

County Transportation Authority. Mr. Teichert holds a bachelor's degree in business administration and accounting from California State University, Fullerton, and is a Certified Internal Auditor.

Brooke McKinney is the Treasury Operations Division Manager of the City. Mr. McKinney was appointed Treasury Operations Division Manager in April 2002. Mr. McKinney has over 30 years of experience in municipal government and has held a variety of management positions in finance and administration of city and county government. Mr. McKinney has worked in a variety of management positions in the City's Finance Department over the past 13 years, including revenue officer, assistant treasurer and treasury operations manager. Prior to his tenure at the City, Mr. McKinney worked for over 17 years as the Hospital Fiscal Officer at the Riverside County Regional Medical Center. Mr. McKinney holds a bachelor's degree in business administration from The Master's College in Santa Clarita, California.

Ahmad R. Ansari is the Public Works Director of the City and City Engineer. Mr. Ansari was appointed Public Works Director and City Engineer in December 2011. Mr. Ansari has over 11 years of executive level experience, including 6 years as Public Works Director for the cities of Rialto and Perris. He also served the cities of Pomona and Burbank as Deputy Public Works Director and Senior Civil Engineer respectively. Mr. Ansari has a bachelor's degree in civil engineering with graduate studies in structural engineering from the University of Southern California. He has been a registered Civil Engineer in the State since 1994.

Steven Quintanilla, Esquire, a partner at Quintanilla & Associates, A Professional Corporation, is the Interim City Attorney. Mr. Quintanilla currently serves as City Attorney for the city of Desert Hot Springs. Prior to establishing his current law firm, Mr. Quintanilla was a partner at Green, deBortnowsky and Quintanilla, where he specialized in the practice of municipal law. Mr. Quintanilla has a bachelor's degree and juris doctorate from the University of California, Los Angeles.

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has established two self-insurance funds to finance uninsured risks of loss up to a maximum of \$300,000 for each workers' compensation claim and \$250,000 for each general liability claim. For workers' compensation, the City participates in the CSAC Excess Insurance Authority, a joint powers authority, for claims in excess of coverage provided by its internal funds up to the statutory requirements. For general liability, the City participates in the Public Entity Risk Management Authority ("PERMA"), a joint powers authority, for claims in excess of coverage provided by its internal funds up to \$50,000,000. Claims have not exceeded the City's insurance coverage in any of the last three years.

The City purchases all-risk, replacement cost value property insurance coverage through PERMA up to a maximum amount of \$100,000,000. All property and improvements at the Property are insured under the City's property insurance coverage. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Insurance." The City does not carry earthquake coverage.

CITY FINANCIAL INFORMATION

Accounting and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles and the standards established by the Governmental Accounting Standards Board ("GASB"). On a quarterly basis, a report is prepared for the City Council and City staff which reviews fiscal performance to date against the budget. Combined financial statements of the City and its component units are produced following the close of each Fiscal Year.

The City Council employs an independent certified public accountant who examines at least annually the financial statements of the City in accordance with generally accepted auditing standards, including tests of the accounting records and other auditing procedures as such accountant considers necessary. As soon as practicable, after the end of the Fiscal Year, a final audit and report is submitted by the independent accountant to the City Council.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. It is expected that the Base Rental Payments will be paid for from amounts in the General Fund. Tables 1 through 4 below set forth certain historical and current Fiscal Year budget information for the General Fund. Information on the remaining governmental funds of the City as of June 30, 2014 is set forth in Appendix B.

General Economic Condition and Outlook of the City

As of June 30, 2014, the General Fund had a year-end surplus (revenues in excess of expenditures) of \$7.7 million. This surplus was primarily due to actual revenues exceeding budgeted revenues and actual expenditures being below budgeted expenditures, in each case by approximately \$3.1 million. In particular, actual Fiscal Year 2014 property taxes, the General Fund's fourth largest revenue source, increased by approximately \$1.2 million (10.6%) over the Fiscal Year 2014 budgeted amount.

For Fiscal Year 2015, the amended General Fund operating budget projected revenues of \$85,067,979, which is approximately \$3 million (3.7%) above Fiscal Year 2014 actual revenues, and expenditures of \$81,065,684, an increase of approximately \$7.8 million (10.6%) over Fiscal Year 2014 actual expenditures. The City projects that sales taxes and utility users taxes will continue to grow in Fiscal Year 2015, increasing by approximately 3.8% and 11.0%, respectively, over the Fiscal Year 2014 amount.

See the caption “—Budget Procedure, Current Budget and Historical Budget Information” for a discussion of the adopted budget for Fiscal Year 2016.

Budget Procedure, Current Budget and Historical Budget Information

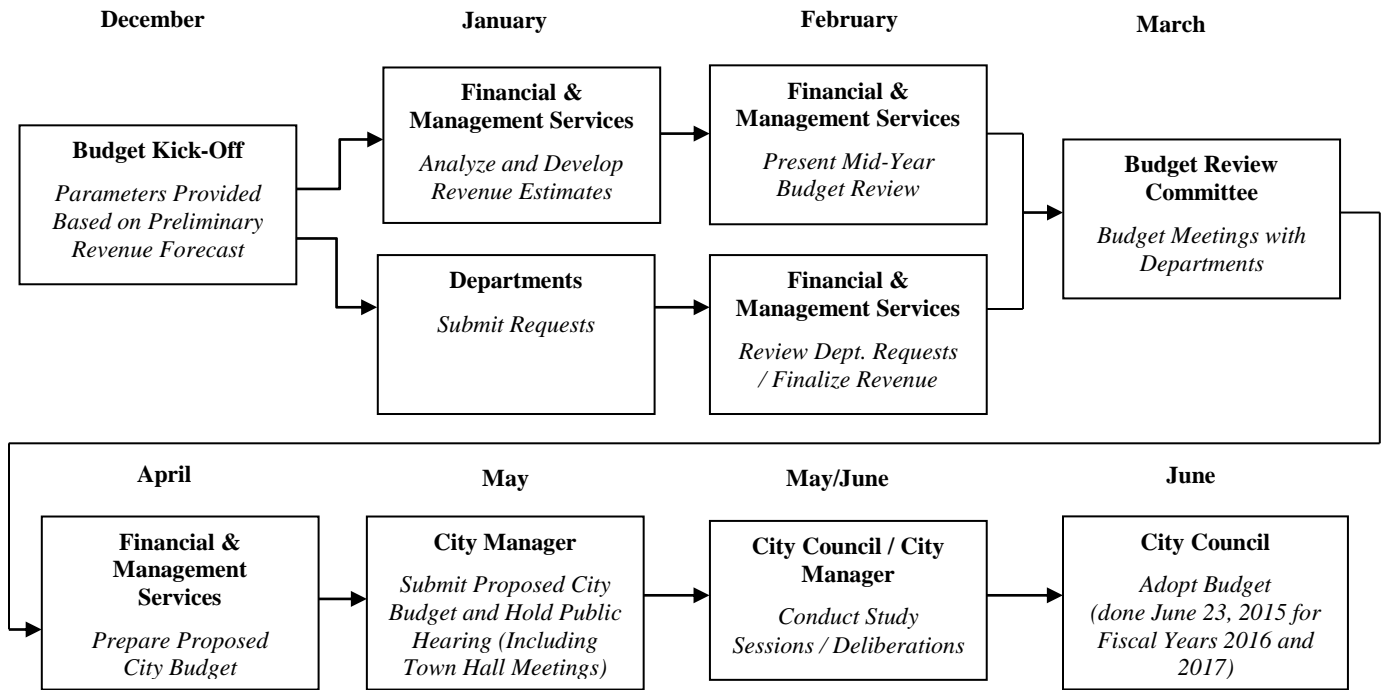
The City currently operates on a two-year operating budget cycle. The current budget was approved on June 23, 2015 and will govern the period beginning on July 1, 2015 for Fiscal Years 2016 and 2017. The budget includes all funding sources of the City, including the General Fund, Community Services District and the Successor Agency of the former Redevelopment Agency. At such time as the City Manager determines, each department head must furnish to the City Manager an estimate of revenues and expenditures for the applicable department for the ensuing two Fiscal Years, detailed in such manner as may be prescribed by the City Manager. In preparing the proposed budget, the City Manager reviews the estimates, holds conferences regarding the estimates with the respective department heads, and revises the estimates as the City Manager deems advisable. In Fiscal Year 2014, the City Council provided direction to create a balanced budget beginning with the Fiscal Year 2014 and 2015 budget cycle and for all future years.

Prior to June 30 of every second Fiscal Year, the City Manager submits to the City Council a proposed budget for the two year period commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Prior to June 30 of the applicable Fiscal Year, public hearings are conducted to obtain public comments and the budget is legally enacted through the passage of a resolution. The budget is subject to amended throughout the two year period to reflect actual financial performance.

From the effective date of the budget, the amounts stated as proposed expenditures become appropriated to the several departments, offices and agencies for the objects and purposes named. The City Manager is authorized to transfer budgeted amounts between line items within a department or activity, and between departments and programs within the same fund, provided that the total appropriation does not exceed the budgeted amount. All other transfers or amendments require City Council approval. The City Manager and affected department heads are mutually responsible for controlling expenditures within budgeted appropriations. All appropriations lapse at the end of the Fiscal Year to the extent that they have not been expended or lawfully encumbered. At a public meeting after the adoption of the budget the City Council may amend or supplement the budget by motion adopted by three affirmative votes of members of the City Council. Following the end of the first Fiscal Year of the two-year budget cycle, the City Manager proposes interim changes, if any, to the City Council in July of such Fiscal Year.

A summary of the actions taken during the year-long budgetary process is set forth below:

**CITY OF MORENO VALLEY
BUDGET PROCESS**



Source: City.

The City conducts its annual financial audit between August and November each year, and such audit is typically approved by the City Council by December of such year. In recognition of its financial reporting excellence, the Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for 16 consecutive years.

The City Council adopted a balanced budget for Fiscal Years 2016 and 2017 on June 23, 2015. The budget for all funds totals approximately \$183,481,000 for Fiscal Year 2016 and \$184,365,000 for Fiscal Year 2017 and the General Fund operating budget totals approximately \$91,885,401 for Fiscal Year 2016 and \$95,429,178 for Fiscal Year 2017. The Fiscal Year 2016 and 2017 General Fund operating budgets project an increase in revenues of approximately \$6.8 million (8.6%) and \$10.3 million (12.2%), respectively, over the Fiscal Year 2015 amended General Fund operating budget. Such increases are derived principally from

increases in property tax revenues resulting from increased assessed valuations, increases in sales tax revenues and increased development activity within the City.

Based on unaudited actual Fiscal Year 2015 results, the City reports that the General Fund is on track to meet budgeted revenues and expenditures for Fiscal Year 2015.

Set forth in Table 1 are the General Fund budgets for Fiscal Years 2013, 2014 and 2015 and the audited General Fund results for Fiscal Years 2013 and 2014. During the course of each Fiscal Year, the budget is amended and revised as necessary by the City Council.

**TABLE 1
CITY OF MORENO VALLEY
GENERAL FUND BUDGETS AND RESULTS**

	<i>Amended Fiscal Year 2013 Budget</i>	<i>Fiscal Year 2013 Results</i>	<i>Adopted Fiscal Year 2014 Budget</i>	<i>Fiscal Year 2014 Results</i>	<i>Amended Fiscal Year 2015 Budget</i>
Revenues					
Property Taxes	\$ 9,900,000	\$ 9,765,007	\$ 9,647,100	\$ 10,668,782	\$ 11,083,551
Property Taxes in lieu	13,300,000	13,414,446	13,640,000	13,871,754	14,912,136
Utility Taxes ⁽¹⁾	16,060,000	15,683,931	16,114,000	15,595,141	15,912,000
Sales Taxes	13,800,000	14,043,560	15,570,000	15,887,129	17,638,770
Other Taxes	7,740,000	7,825,138	7,965,000	8,576,926	8,266,100
Licenses & Permits	1,531,800	1,585,312	1,514,000	2,164,753	1,519,200
Intergovernmental	235,000	260,691	265,000	311,509	260,000
Charges for Services	7,299,160	8,258,733	8,869,395	9,895,991	9,285,333
Use of Money & Property	3,296,300	1,071,418 ⁽²⁾	2,688,000	2,836,595	3,516,825
Fines & Forfeitures	566,000	610,171	601,500	577,962	606,500
Miscellaneous	<u>153,500</u>	<u>485,160</u>	<u>51,400</u>	<u>642,855⁽³⁾</u>	<u>654,904</u>
Total Revenues	\$ 73,881,760	\$ 73,003,567	\$ 76,925,395	\$ 81,029,397	\$ 83,655,319
Expenditures					
Personnel Services	\$ 14,104,173	\$ 11,370,282	\$ 13,382,123	\$ 13,943,077	\$ 15,645,774
Contractual Services	55,626,376	57,356,187	53,132,865	50,349,793	56,372,259
Materials & Supplies	886,128	1,450,276	1,152,571	923,151	2,710,797
Fixed Charges	6,447,496	8,099,428	6,791,974	7,955,737	5,219,274
Fixed Assets	<u>150,897</u>	<u>38,573</u>	<u>125,000</u>	<u>114,137</u>	<u>48,200</u>
Total Expenditures	\$ 77,215,070	\$ 78,314,746	\$ 74,583,533	\$ 73,285,895	\$ 79,996,304
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,333,310)	\$ (5,311,179)	\$ 2,340,862	\$ 7,743,502	\$ 3,659,015

⁽¹⁾ See the caption “—Utility Taxes.”

⁽²⁾ Difference from Fiscal Year 2013 budgeted amount reflects a reduction in investment income of approximately \$1.1 million resulting from a mark-to-market entry required by GASB Statement No. 31 (“GASB 31”) and \$600,000 in interest on certain obligations payable by the former Community Redevelopment Agency of the City of Moreno Valley that was suspended as a result of the dissolution of redevelopment agencies. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION—Redevelopment Dissolution.”

⁽³⁾ Includes \$150,000 contribution from the Successor Agency. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION—Redevelopment Dissolution.”

Sources: Adopted budgets of the City for Fiscal Years 2013, 2014 and 2015; audited financial statements of the City for Fiscal Years 2013 and 2014.

Change in Fund Balance of the City General Fund

Set forth in Table 2 are the City's audited General Fund statements of revenues, expenditures and changes in fund balance for Fiscal Years 2011 through 2014 and the unaudited General Fund statement of revenues, expenditures and changes in fund balance for Fiscal Year 2015.

TABLE 2
CITY OF MORENO VALLEY
GENERAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	<i>Fiscal Year Ending June 30,</i>				
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015⁽²⁾</i>
Revenues					
Taxes					
Property Taxes	\$ 9,430,846	\$ 9,397,373	\$ 9,765,007	\$ 10,668,782	\$ 11,436,568
Property Taxes in lieu	13,055,796	13,170,964	13,414,446	13,871,754	15,137,754
Utility Taxes	15,317,439	15,591,386	15,683,931	15,595,141	16,422,100
Sales Taxes	11,283,435	14,003,993	14,043,560	15,887,129	16,657,808
Other Taxes	7,209,262	7,533,532	7,825,138	8,576,926	9,794,318
Licenses & Permits	1,532,514	1,523,800	1,585,312	2,164,753	2,215,930
Intergovernmental	895,366	398,193	260,691	311,509	380,508
Charges for Services	7,408,607	8,574,131	8,258,733	9,895,991	10,115,420
Use of Money & Property	3,886,420	4,004,511	1,071,418	2,836,595	933,455
Fines & Forfeitures	791,497	603,065	610,171	577,962	544,528
Miscellaneous ⁽¹⁾	<u>682,959</u>	<u>138,346</u>	<u>485,160</u>	<u>642,855</u>	<u>690,875</u>
Total Revenues	<u>\$71,494,141</u>	<u>\$74,939,294</u>	<u>\$73,003,567</u>	<u>\$81,029,397</u>	<u>\$84,329,264</u>
Expenditures					
Current					
General government	\$ 9,592,027	\$ 13,482,192	\$ 11,370,282	\$ 11,249,491	\$ 12,912,076
Public Safety	57,288,473	53,600,412	57,356,187	52,565,026	54,778,146
Community Development	4,235,300	6,482,658	7,143,586	5,344,292	5,134,710
Community & Cultural	-	-	-	-	-
Public Works	3,413,488	2,109,287	2,271,319	3,974,839	4,229,205
Capital Outlay	56,406	673,934	173,372	152,247	138,596
Debt Service					
Principal Retirements	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>\$74,585,694</u>	<u>\$76,348,483</u>	<u>\$78,314,746</u>	<u>\$73,285,895</u>	<u>\$77,192,733</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>\$ (3,091,553)</u>	<u>\$ (1,409,189)</u>	<u>\$ (5,311,179)</u>	<u>\$ 7,743,502</u>	<u>\$ 7,136,530</u>
Other Financing Sources (Uses)					
Transfers In	\$ 773,051	\$ 539,656	\$ 588,370	\$ 1,013,421	\$ 1,816,054
Transfers Out	(2,605,518)	(4,028,932)	(2,370,220)	(2,575,373)	(3,662,770)
Refunding Bonds Issued	-	-	-	-	-
Refunding Bonds Issuance Cost	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (1,832,467)</u>	<u>\$ (3,489,276)</u>	<u>\$ (1,781,850)</u>	<u>\$ (1,561,952)</u>	<u>\$ (1,846,716)</u>
Net Change in Fund Balances	<u>\$ (4,924,020)</u>	<u>\$ (4,898,465)</u>	<u>\$ (7,093,029)</u>	<u>\$ 6,181,550</u>	<u>\$ 5,289,814</u>
Fund Balances, Beginning of Year, as previously reported	51,289,539	-	-	\$34,374,025	-
Restatements	-	-	-	-	-
Fund Balances, Beginning of Year, as restated	<u>51,289,539</u>	<u>46,365,519</u>	<u>41,467,054</u>	<u>-</u>	<u>40,555,575</u>
Fund Balances, End of Year	<u>\$46,365,519</u>	<u>\$41,467,054</u>	<u>\$34,374,025</u>	<u>\$40,555,575</u>	<u>\$45,845,389</u>

⁽¹⁾ Includes \$150,000 contribution from the Successor Agency. See the caption "STATE OF CALIFORNIA BUDGET INFORMATION—Redevelopment Dissolution."

⁽²⁾ Reflects unaudited actual Fiscal Year 2015 results. Such amounts are subject to change.

Sources: Audited financial statements for Fiscal Years 2011 through 2014; City for Fiscal Year 2015.

General Fund Balance Sheets of the City

Set forth in Table 3 are the City's audited General Fund balance sheets for Fiscal Years for Fiscal Years 2011 through 2014 and the unaudited General Fund balance sheet for Fiscal Year 2015.

TABLE 3
CITY OF MORENO VALLEY
GENERAL FUND BALANCE SHEETS

	<i>Fiscal Year Ending June 30,</i>				
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015⁽¹⁾</i>
Assets					
Pooled Cash and Investments	\$ 43,017,864	\$ 38,670,375	\$ 31,229,246	\$ 40,659,739	\$ 45,618,232
Receivables					
Accounts	4,309,476	3,159,916	2,278,299	2,427,060	2,640,545
Notes and Loans	-	-	-	-	-
Notes to Successor Agency	-	16,304,121	16,723,574	16,998,503	15,568,341
Interest	1,207,259	1,001,495	697,176	560,730	364,837
Prepaid Costs	12,060	56,017	-	-	-
Due from Other Governments	2,930,165	2,734,436	3,128,071	3,021,893	4,357,275
Due from Other Funds	6,729,900	3,585,358	7,647,285	2,807,492	9,316
Advances to Other Funds	34,272,786	51,700	-	3,772,000	3,707,000
Land Held for Resale	-	-	-	-	-
Restricted Assets					
Cash with Fiscal Agents	-	-	-	-	-
Total Assets	<u>\$ 92,479,510</u>	<u>\$ 65,563,418</u>	<u>\$ 61,703,651</u>	<u>\$ 70,247,417</u>	<u>\$ 72,265,546</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts Payable	\$ 16,203,594	\$ 12,296,380	\$ 15,021,137	\$ 16,485,502	\$ 13,382,665
Accrued Liabilities	775,946	488,097	815,571	933,348	900,000
Deferred Revenues	28,833,723	10,973,533	-	-	-
Unearned Revenues	290,072	333,158	262,966	628,786	621,470
Deposits Payable	-	-	-	-	-
Due to Other Governments	10,656	5,196	4,032	6,119	50,000
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>\$ 46,113,991</u>	<u>\$ 24,096,364</u>	<u>\$ 16,103,706</u>	<u>\$ 18,053,755</u>	<u>\$ 14,954,135</u>
Deferred Inflows of Resources					
Unavailable Revenues	-	-	11,225,920	11,638,087	11,465,932
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>11,225,920</u>	<u>11,638,087</u>	<u>11,465,932</u>
Fund Balances					
Nonspendable					
Prepaid Costs	\$ 12,060	\$ 56,017	\$ -	\$ -	\$ -
Land Held for Resale	-	-	-	-	-
Notes and Loans	-	5,330,589	5,497,653	-	9,067,415
Notes to Successor Agency	-	-	-	5,360,415	-
Advances to Other Funds	5,703,948	51,700	-	3,772,000	3,707,000
Permanent Fund Principal	-	-	-	-	-
Committed to					
Revolving Line of Credit	2,600,000	2,600,000	2,600,000	2,600,000	2,240,722
Maintenance of Pedestrian Bridge	-	-	-	129,722	-
Scholarship Program	-	-	-	-	-
Outside Legal Services	-	-	101,000	-	-
Assigned to					
Capital Projects	-	-	61,641	-	-
Debt Service	-	1,000,000	-	-	-
Continuing Appropriations	68,700	458,283	17,770	534,245	1,400,000
GASB 31	346,160	2,155,654	567,187	622,748	622,748
Future Debt Service	1,000,000	-	-	-	-
Unassigned	<u>36,634,651</u>	<u>29,814,811</u>	<u>25,528,774</u>	<u>27,536,445</u>	<u>28,807,504</u>
Total Fund Balances	<u>\$ 46,365,519</u>	<u>\$ 41,467,054</u>	<u>\$ 34,374,025</u>	<u>\$ 40,555,575</u>	<u>\$ 45,845,389</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 92,479,510</u>	<u>\$ 65,563,418</u>	<u>\$ 61,703,651</u>	<u>\$ 70,247,417</u>	<u>\$ 72,265,546</u>

⁽¹⁾ Reflects unaudited actual Fiscal Year 2015 results. Such amounts are subject to change.

Sources: Audited financial statements for Fiscal Years 2011 through 2014; City for Fiscal Year 2015.

Property Taxes

Property tax receipts of \$10,668,782 provided the fourth largest tax revenue source of the City in Fiscal Year 2014, contributing approximately 16.5% of General Fund tax revenues and approximately 13.2% of total General Fund revenues during Fiscal Year 2014. Property in the State which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens, arising pursuant to State law, on the secured property, regardless of the time of the creation of other liens. The valuation of property is determined as of January 1 each year, and installments of taxes levied upon secured property become delinquent on the following December 10th and April 10th of the subsequent calendar year. Taxes on unsecured property are due July 1 and become delinquent August 31.

Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The exclusive means of forcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes of the State for the amount of taxes that are delinquent. The taxing authority has four methods of collecting unsecured personal property taxes: (1) filing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recording in the county recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements or possessory interests belonging or taxable to the assessee.

A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, beginning on the July 1 following a delinquency, interest begins accruing at the rate of 1.5% per month on the amount delinquent. Such property may thereafter be redeemed by the payment of the delinquent taxes and the 10% penalty, plus interest at the rate of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to the delinquent taxes or property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on the varying dates related to the tax billing date.

Legislation enacted in 1984 (Section 25 *et seq.* of the California Revenue and Taxation Code), provides for the supplemental assignment and taxation of property as of the occurrence of a change in ownership or completion of new construction. Previously, statutes enabled the assessment of such changes only as of the next tax lien date following the change and thus delayed the realization of increased property taxes from the new assessment for up to 14 months. Collection of taxes based on supplemental assessments occurs throughout the year. Taxes due are prorated according to the amount of time remaining in the tax year, with the exception of tax bills dated January 1 through May 31, which are calculated on the basis of the remainder of the current Fiscal Year and the full 12 months of the next Fiscal Year.

For a number of years, the State Legislature has shifted property taxes from cities, counties and special districts to the Educational Revenue Augmentation Fund (“ERAF”). In Fiscal Years 1993 and 1994, in response to serious budgetary shortfalls, the State Legislature and administration permanently redirected over \$3 billion of property taxes from cities, counties, and special districts to schools and community college districts pursuant to ERAF shifts. The Fiscal Year 2005 State Budget included an additional \$1.3 billion shift of property taxes from certain local agencies, including the City, in Fiscal Years 2005 and 2006.

On November 2, 2004, State voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State’s authority over major local government revenue sources. Under Proposition 1A, the State may not: (i) reduce local sales tax rates or alter the method of allocating the revenue generated by

such taxes; (ii) shift property taxes from local governments to schools or community colleges; (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature; or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in Fiscal Year 2009, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State; and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

On July 27, 2009, the Governor signed a revised Fiscal Year 2010 State budget that included an ERAF shift of approximately 8% of 1% *ad valorem* property tax revenues from certain local agencies, including the City. The City participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and, as a result, received the shifted funds in the amount of \$1,307,713, without interest, in two installments in 2010 from the California Statewide Communities Development Authority.

Set forth in Table 4 are the secured and unsecured assessed valuations for property in the City for the Fiscal Years 2011 through 2015.

**TABLE 4
CITY OF MORENO VALLEY
ASSESSED VALUATION HISTORY⁽¹⁾**

<i>Fiscal Year</i>	<i>Secured Value</i>	<i>Unsecured Value</i>	<i>Total Assessed Value</i>	<i>Less Exemptions</i>	<i>Taxable Assessed Value</i>	<i>Direct Tax Rate</i>
2011	\$10,516,338,000	\$238,786,000	\$10,755,124,000	\$(227,178,000)	\$10,527,946,000	0.00164
2012	10,561,585,000	271,336,000	10,832,921,000	(236,235,000)	10,596,686,000	0.00258
2013	10,646,415,000	342,094,000	10,988,509,000	(249,331,000)	10,739,178,000	0.00183
2014	11,042,637,000	352,337,000	11,394,974,000	(264,161,000)	11,130,813,000	0.00185
2015	12,102,252,000	366,400,000	12,468,652,000	(262,713,000)	12,205,939,000	0.00180

⁽¹⁾ Figures have been rounded to the nearest thousand dollars.

Sources: Audited financial statements for Fiscal Year 2014; County Assessor's Office.

Set forth in Table 5 are property tax collections and delinquencies in the City as of June 30 for Fiscal Years 2010 through 2014, the latest period for which such information is available. Although the County has not formally adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the Teeter Plan), as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State, under a longstanding County policy, the County Auditor-Controller distributes 100% of tax increment revenues allocated to each city in the County without regard to delinquencies in the payment of property taxes. As a result of this allocation method, the City receives no adjustments for redemption payments on delinquent collections. The City does receive supplemental taxes. There can be no assurance that the County Auditor-Controller will not change its policies with respect to delinquencies in property tax payments in the future.

TABLE 5
CITY OF MORENO VALLEY
PROPERTY TAX LEVIES AND COLLECTIONS

<i>Fiscal Year</i>	<i>Total Tax Levy</i>	<i>Collections within the Fiscal Year of Levy</i>	<i>Percent of Levy Collected within the Fiscal Year of Levy</i>	<i>Collections in Subsequent Years</i>	<i>Percent of Levy Collected to Date</i>
2010	\$35,573,656	\$35,492,693	99.77%	\$80,963	100.00%
2011	33,713,334	33,658,226	99.84	55,108	100.00
2012	33,226,437	33,172,713	99.84	53,724	100.00
2013	25,630,602	25,580,901	99.81	49,701	100.00
2014	26,906,254	26,862,040	99.84	44,214	100.00

Source: City.

The ten largest taxpayers in the City as shown on the Fiscal Year 2015 tax roll, the assessed valuation and the percentage of the City's total property tax revenues attributable to each are set forth in Table 6.

TABLE 6
CITY OF MORENO VALLEY
TEN LARGEST TAXPAYERS

	<i>Property Owner</i>	<i>Fiscal Year 2015 Assessed Valuation</i>	<i>% of Total⁽¹⁾</i>
1.	HF Logistics SKX T1 (Sketchers)	\$ 206,076,264	1.69%
2.	Ross Dress for Less, Inc.	136,318,771	1.12
3.	Walgreen Company	118,966,213	0.97
4.	IIT Inland Empire Logistics Center	118,635,616	0.97
5.	Stonegate 552	82,989,303	0.68
6.	First Industrial LP	82,073,217	0.67
7.	Kaiser Foundation	80,446,780	0.66
8.	2250 Town Circle Holdings	73,374,738	0.60
9.	I215 Logistics	56,220,375	0.46
10.	FR Cal Indian Avenue	50,583,234	0.41
	TOTAL	\$1,005,684,511	8.24%

⁽¹⁾ Fiscal Year 2015 Taxable Assessed Value: \$12,205,962,112.

Source: City.

Sales Taxes

Sales tax receipts of \$15,887,129 provided the largest tax revenue source for the City in Fiscal Year 2014, contributing approximately 24.6% of General Fund tax revenues and approximately 19.6% of total

General Fund revenues during Fiscal Year 2014. Automobile sales at the Moreno Valley Auto Mall and retail sales at the Moreno Valley Mall at Towngate contribute significantly to such receipts.

A sales tax is imposed on retail sales or consumption of personal property and collected and distributed by the State Board of Equalization. The basic sales tax rate is established by the State Legislature, and local overrides may be approved by voters. The current sales tax rate in the City is 8%.

On March 2, 2004, voters approved a bond initiative formally known as the “California Economic Recovery Act.” This act authorized the issuance of \$15 billion of Economic Recovery Bonds to finance ongoing State budget deficits, which are payable from a fund established by the redirection of tax revenues known as the “Triple Flip.” The State issued \$11.3 billion of Economic Recovery Bonds prior to June 30, 2004. Under the “Triple Flip,” one-quarter of local governments’ 1% share of the sales tax imposed on taxable transactions within their jurisdiction is being redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, State legislation provides for certain property taxes to be redirected to local government. Because these property tax moneys were previously earmarked for schools, the legislation provides for schools to receive other State general fund revenues. It is expected that the swap of sales taxes for property taxes will terminate once the Economic Recovery Bonds are repaid, which is currently expected to occur in the first quarter of Fiscal Year 2016. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION.”

Additional information relating to sales tax receipts by the City is set forth in Appendix F.

Utility Taxes

Utility taxes of \$15,595,141 provided the second largest tax revenue source for the City in Fiscal Year 2014, contributing approximately 24.1% of General Fund tax revenues and approximately 19.2% of total General Fund revenues during Fiscal Year 2014. The utility tax is imposed upon utility users in the City, including users of electricity, gas, telephone, mobile telephone and water services, at the rate of 5.75%. Exemptions are available for low-income residents. Proceeds of the utility tax are used to fund police, fire, library, school crossing guard, animal control, code enforcement and street maintenance programs and other activities funded by the General Fund.

Other Taxes

Other taxes of \$8,576,926 collected by the City in Fiscal Year 2014, including but not limited to transient occupancy taxes, business licenses, franchise fees and property transfer taxes, provided approximately 13.3% of General Fund tax revenues and 10.6% of total General Fund revenues during Fiscal Year 2014.

Services

Fees of \$9,895,991 collected for services provided by the City in Fiscal Year 2014, including but not limited to fees for plan checks and other planning services, issuance of building permits, police services, paramedic services, public works projects and parks and recreation programs, provided approximately 12.2% of General Fund revenues during Fiscal Year 2014.

State of California Motor Vehicle In-Lieu Payments

The State imposes a Vehicle License Fee (the “VLF”), which is the portion of the fees paid in lieu of personal property taxes on a vehicle. The VLF is based on vehicle value and declines as the vehicle ages. Prior to the adoption of the Fiscal Year 2005 State Budget, the VLF was 2% of the value of a vehicle. Through legislation in prior Fiscal Years, the State enacted VLF reductions under which the State was required to “backfill” local governments for their revenue losses resulting from the lowered fee. The Fiscal Year 2005

State Budget permanently reduced the VLF from 2% to 0.65% of the value of a vehicle and deleted the requirement for backfill payments, providing instead that the amount of the backfill requirement will be met by an increase in the property tax allocation to cities and counties. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION.”

As set forth in Table 7 below, for Fiscal Year 2014, the City received \$13,871,754 in total VLF revenues, all of which was distributed from property tax receipts.

**TABLE 7
CITY OF MORENO VALLEY
STATE OF CALIFORNIA MOTOR VEHICLE IN-LIEU PAYMENTS**

<i>Source</i>	<i>Fiscal Year</i>				
	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Motor Vehicle In-Lieu Payments	\$13,703,197	\$13,055,796	\$13,170,964	\$13,414,446	\$13,871,754

Source: City.

Indebtedness

General Fund-Supported Debt.

2007 Bonds. In 2007, the Moreno Valley Public Financing Authority (the “Authority”) issued its 2007 Taxable Lease Revenue Bonds (the “2007 Bonds”) to finance certain capital improvements of the City and the Electric Utility. The 2007 Bonds mature on May 1, 2038 and bear interest at rates varying from 5.084% to 5.75% per annum. The 2007 Bonds are payable from rental payments payable from the City to the Authority under a Lease Agreement, dated as of April 1, 2007 (the “2007 Lease”), by and between the City and the Authority. The leased assets under the 2007 Lease consist of an electrical substation and electric distribution infrastructure (including conduit, wiring, meters, capacitors, transformers, switches, electrical meters, high and low voltage cable, streetlights, interconnection cabinets and other miscellaneous structures and improvements). As of June 30, 2014, the 2007 Bonds were outstanding in the aggregate principal amount of \$23,615,000.

The City has covenanted in the 2007 Lease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Series 2015 Bonds.

2011 Private Placement Obligation – City Hall Refunding. In 2011, the City and the Authority entered into a lease arrangement (the “2011 Private Placement Obligation – City Hall Refunding”) pursuant to which: (i) the City leased a corporate yard and a senior center to the Authority in exchange for a lump sum payment; and (ii) the Authority subleased such property back to the City in exchange for lease payments payable through November 1, 2016. Proceeds of the 2011 Private Placement Obligation – City Hall Refunding were applied to refund certain prior obligations of the City entered into in 1997. The lease payments bear interest at the rate of 2.92%. As of June 30, 2014, the 2011 Private Placement Obligation – City Hall Refunding was outstanding in the principal amount of \$2,261,500.

The City has covenanted in the 2011 Private Placement Obligation – City Hall Refunding to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Series 2015 Bonds.

2011 Private Placement Obligation – Lease Revenue Refunding. In 2011, the City and the Authority entered into a lease arrangement (the “2011 Private Placement Obligation – Lease Revenue

Refunding”) pursuant to which: (i) the City leased Fire Station No. 65 and the City Hall Annex to the Authority in exchange for a lump sum payment; and (ii) the Authority subleased such property back to the City in exchange for lease payments payable through November 1, 2022. Proceeds of the 2011 Private Placement Obligation – Lease Revenue Refunding were applied to refund certain prior obligations of the City entered into in 1997. The lease payments bear interest at the rates ranging from 5.2% to 5.5%. As of June 30, 2014, the 2011 Private Placement Obligation – Lease Revenue Refunding was outstanding in the principal amount of \$2,555,000.

The City has covenanted in the 2011 Private Placement Obligation – Lease Revenue Refunding to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Series 2015 Bonds.

2013 Bonds. In 2013, the Authority issued its Lease Revenue Refunding Bonds Series 2013 (the “2013 Bonds”) to refinance certain capital improvements of the City and the Electric Utility. The 2013 Bonds mature on November 1, 2022 and bear interest at rates varying from 1% to 5% per annum. The 2013 Bonds are payable from rental payments payable from the City to the Authority under a Master Facilities Sublease, dated as of December 1, 2013 (the “2013 Sublease”), by and between the City and the Authority. The leased assets under the 2013 Sublease include City Hall, the City’s Public Safety Building/Emergency Operations Center, Morrison Park Fire Station No. 99, Sunnymead Park, Woodland Park and John F. Kennedy Veterans Memorial Park. As of June 30, 2014, the 2013 Bonds were outstanding in the aggregate principal amount of \$11,695,000.

The City has covenanted in the 2013 Sublease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Series 2015 Bonds.

2014 Bonds. In November 2014, the Authority issued its Lease Revenue Refunding Bonds Series 2014 (the “2014 Bonds”) to refinance certain capital improvements of the City and the Electric Utility. The 2014 Bonds mature on November 1, 2035 and bear interest at rates varying from 2% to 5% per annum. The 2014 Bonds are payable from rental payments by the City to the Authority under the 2013 Sublease. The leased assets under the 2013 Sublease include City Hall, the City’s Public Safety Building/Emergency Operations Center, Morrison Park Fire Station No. 99, Sunnymead Park, Woodland Park and John F. Kennedy Veterans Memorial Park. As of their date of issuance, the 2014 Bonds were outstanding in the aggregate principal amount of \$25,325,000.

The City has covenanted in the 2013 Sublease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Series 2015 Bonds.

Other Long Term Debt. As of June 30, 2014, the City had \$20,000,000 aggregate principal amount of obligations under a 2013 Installment Sale Agreement, dated as of August 1, 2013 (the “2013 ISA”), by and between the City and the California Statewide Communities Development Authority. The 2013 ISA is payable from proceeds of a retail transactions and use tax imposed by the County.

Short-Term Debt. The City currently has no short-term debt outstanding.

Estimated Direct and Overlapping Bonded Debt. The estimated direct and overlapping bonded debt of the City as of June 30, 2015 is set forth in Table 8. The information in Table 8 has been derived from data assembled and reported to the City by California Municipal Statistics, Inc. None of the City, the Authority or the Underwriter has independently verified the information in Table 8 and the City, the Authority and the Underwriter do not guarantee its accuracy.

TABLE 8
CITY OF MORENO VALLEY
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT AS OF JUNE 30, 2015

Fiscal Year 2014-15 Assessed Valuation: \$12,199,658,731

	<i>Total Debt</i> <i>6/30/15</i>	<i>% Applicable</i> ⁽¹⁾	<i>City's Share of</i> <i>Debt 6/30/15</i>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 110,420,000	0.526%	\$ 580,809
Eastern Municipal Water District, I.D. No. U-22	2,624,000	100.000	2,624,000
Riverside City Community College District	227,097,323	14.576	33,101,706
Mount San Jacinto Community College District	70,000,000	0.014	9,800
Moreno Valley Unified School District	136,588,521	84.244	115,067,634
San Jacinto Unified School District	42,604,103	0.424	180,641
Val Verde Unified School District	109,531,488	37.704	41,297,752
Moreno Valley Unified School District Community Facilities District No. 2002-1	7,535,000	100.000	7,535,000
Moreno Valley Unified School District Community Facilities District No. 2003-1 & 2	11,070,000	100.000	11,070,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	2,960,000	100.000	2,960,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,225,000	100.000	5,225,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,820,000	100.000	3,820,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,770,000	100.000	4,770,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	26,220,000	100.000	26,220,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,570,000	100.000	23,570,000
Moreno Valley Unified School District Community Facilities District No. 2007-1	5,195,000	100.000	5,195,000
Val Verde Unified School District Community Facilities District No. 98-1	18,845,000	100.000	18,845,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,910,000	100.000	2,910,000
Eastern Municipal Water District Community Facilities Districts	12,725,000	100.000	12,725,000
City of Moreno Valley Community Facilities District No. 5	5,670,000	100.000	5,670,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	2,605,000	100.000	2,605,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 325,982,342
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$ 961,952,082	5.404%	\$ 51,983,891
Riverside County Pension Obligations	320,470,000	5.404	17,318,199
Riverside County Board of Education Certificates of Participation	1,835,000	5.404	99,163
Moreno Valley Unified School District Certificates of Participation	12,475,000	84.244	10,509,439
San Jacinto Unified School District Certificates of Participation	40,270,000	0.424	170,745
Val Verde Unified School District Certificates of Participation	71,445,000	37.704	26,937,623
City of Moreno Valley General Fund Obligations	63,288,500	100.000	63,288,500
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 170,307,560
Less: Riverside County self-supporting obligations			408,813
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 169,898,747
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	\$ 79,130,000	31.234-100.000%	\$ 57,503,093
TOTAL DIRECT DEBT			\$ 63,288,500
TOTAL GROSS OVERLAPPING DEBT			\$ 490,504,495
TOTAL NET OVERLAPPING DEBT			\$ 490,095,682
GROSS COMBINED TOTAL DEBT			\$ 553,792,995⁽²⁾
NET COMBINED TOTAL DEBT			\$ 553,384,182
Ratios to Fiscal Year 2014-15 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt.....	2.67%		
Total Direct Debt (\$63,288,500).....	0.52%		
Gross Combined Total Debt.....	4.54%		
Net Combined Total Debt.....	4.54%		
Ratios to Redevelopment Successor Agencies Incremental Valuation (\$2,319,499,377):			
Total Overlapping Tax Increment Debt.....	2.48%		

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of each overlapping district's assessed value that is within the boundaries of the City divided by such district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

Retirement Contributions

This caption contains certain information relating to the California Public Employees Retirement System (“CalPERS”). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City and the Authority have not independently verified the information provided by CalPERS and make no representations nor express any opinion as to the accuracy of the information provided by CalPERS.

The comprehensive annual financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS’ most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference herein. Neither the City nor the Authority can guarantee the accuracy of such information. Actuarial assessments are forward-looking statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Summary of Plans. The City contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan, on behalf of 331 total City employees who participate in the City’s Miscellaneous Plan. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the City.

Required employer and employee contributions are determined from rates established by CalPERS based upon various actuarial assumptions which are revised annually. The City currently funds the normal pension costs, which are determined by CalPERS using the Entry Age Normal Actuarial Cost Method, as well as an amortization of the City’s unfunded actuarial liability. For Fiscal Years 2014 and 2015, the City’s contributions to the CalPERS plan were \$4,267,872 and \$4,638,567 (estimated), respectively, which were equal to the respective annual required contributions (each, an “ARC”) of the City. The contribution rates for Fiscal Year 2016 have been established at 24.859% of annual covered payroll.

Participants in the City’s CalPERS plan are required to contribute 8% of their annual covered salary for employee member contributions. The City pays the employee member contributions required of Miscellaneous Plan participants hired prior to July 1, 2009 on their behalf and for their account. The City does not pay any portion of the contributions required of Miscellaneous Plan participants hired on or after July 1, 2009 on their behalf; such employees are required to make 100% of their required Miscellaneous Plan contribution of: (i) 8% (for employees hired between July 1, 2009 and December 22, 2011); (ii) 7% (for employees hired between December 23, 2011 and December 31, 2012); or (iii) 6.25% (for employees hired on or after January 1, 2013).

Employees hired on or after January 1, 2013 who meet the definition of a “New CalPERS Member” are subject to the California Public Employees’ Pension Reform Act of 2013 (“AB 340”), which was signed by the State Governor on September 12, 2012. AB 340 established a new pension tier (2% at 62 formula) with a maximum benefit formula of 2.5% at age 67. Benefits for such participants are calculated on the highest average annual compensation over a consecutive 36 month period. Employees are required to pay at least 50% of the total normal cost rate. Such participants are currently required to contribute 6.25% of their annual covered salary under the CalPERS plan. The City does not pay any portion of such contributions. See the caption “—AB 340” below.

The City had an unfunded accrued liability of \$52,992,224 for its CalPERS plan as of June 30, 2013 based on a market value of assets of \$97,111,799, as set forth in the most recent actuarial report prepared by CalPERS, and an estimated unfunded accrued liability of \$54,279,911 for the Miscellaneous Plan for Fiscal Year 2014.

Under Government Accounting Standards Board (“GASB”) Statement No. 27, an employer reports an annual pension cost equal to the ARC plus an adjustment for the cumulative difference between the annual pension cost and the employer’s actual plan contributions for the year. The cumulative difference is called the net pension obligation and may be positive or negative. The ARC for Fiscal Year 2014 was determined by an actuarial valuation of the plan as of June 30, 2012 and the ARC for Fiscal Year 2015 has been determined by an actuarial valuation of the plan as of June 30, 2013.

The following table summarizes the City’s annual required contributions for its CalPERS plan for the last five Fiscal Years:

<i>Fiscal Year</i>	<i>Employer Contribution</i>	<i>City-Funded Employee Contribution</i>	<i>Employee Contribution</i>	<i>Annual Pension Cost</i>	<i>Percentage of Annual Pension Cost Contributed</i>
2010	\$5,233,518	\$1,698,565	\$ 85,906	\$6,932,083	100.0%
2011	5,214,878	1,596,396	149,685	6,811,274	100.0
2012	5,402,864	1,434,567	185,742	6,837,431	100.0
2013	4,793,228	1,064,397	152,919	5,857,625	100.0
2014	4,267,872	1,234,304	274,755	5,502,176	100.0

The following table sets forth the schedule of funding for the City’s CalPERS plan. The employer contribution rate for Fiscal Year 2016 is 24.859% of annual covered payroll.

<i>Valuation Date</i>	<i>Entry Age Normal Accrued Liability</i>	<i>Actuarial Value of Assets</i>	<i>Unfunded Actuarial Accrued Liability</i>	<i>Funded Ratio⁽¹⁾</i>	<i>Annual Covered Payroll</i>	<i>Unfunded Actuarial Accrued Liability as Percentage of Payroll</i>
06/30/09	\$109,758,482	\$78,175,287	\$31,583,195	71.2%	\$26,384,952	119.7%
06/30/10	120,692,084	85,693,181	34,998,903	71.0	23,670,851	147.9
06/30/11	132,322,141	92,912,456	39,409,685	70.2	24,148,281	163.2
06/30/12	140,092,781	99,774,860	40,317,921	71.2	22,103,213	182.4
06/30/13	150,104,023	97,111,799 ⁽²⁾	52,992,224	64.7	22,600,050	234.5

⁽¹⁾ Based on the actuarial value of assets.

⁽²⁾ Beginning with the 6/30/2013 actual valuation, the actuarial value of assets equals the market value of assets.

Source: CalPERS Actuarial Report Dated October 2014.

CalPERS reported significant investment losses in 2009. CalPERS earnings reports for Fiscal Years 2010, 2011, 2012, 2013 and 2014 reported an investment gain of 13.0%, 21.7%, 1%, 12.5% and 18.4%, respectively. Future earnings performance may increase or decrease future contribution rates for plan participants, including the City. The CalPERS pension trust pays all retiree benefit payments associated with the City’s plan.

Actuarial Methods. The staff actuaries at CalPERS annually prepare an actuarial valuation which covers a Fiscal Year ending approximately 15 months before the actuarial valuation is delivered (thus, the actuarial valuations delivered to the City in October 2014 covered the City’s Fiscal Year ended June 30, 2013). The actuarial valuations express the City’s required contribution rates in percentages of covered payroll, which percentages the City must contribute in the Fiscal Year immediately following the Fiscal Year in which the actuarial valuation is prepared (thus, the City’s contribution rate derived from the actuarial valuation as of June 30, 2012, which was delivered in October 2013, affects the City’s Fiscal Year 2015 required contribution rate). CalPERS rules require the City to implement the actuary’s recommended rates. CalPERS provides a lump

sum payment option that the City may opt to pay in July of each year, rather than having payment transmitted as a percentage of each reported biweekly payroll.

In calculating the annual actuarially recommended contribution rates, the CalPERS actuary calculates on the basis of certain assumptions the actuarial present value of benefits that CalPERS will fund under the CalPERS plans, which includes two components, the normal cost and the unfunded actuarial accrued liability (the "UAAL"). The normal cost represents the actuarial present value of benefits that CalPERS will fund under the CalPERS plans that are attributed to the current year, and the actuarial accrued liability represents the actuarial present value of benefits that CalPERS will fund that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between actuarial value of assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS plans to retirees and active employees upon their retirement. The UAAL is based on several assumptions such as, among others, the rate of investment return, average life expectancy, average age of retirement, inflation, salary increases and occurrences of disabilities. In addition, the UAAL includes certain actuarial adjustments such as, among others, the actuarial practice of smoothing losses and gains over multiple years (which is described in more detail below). As a result, the UAAL may be considered an estimate of the unfunded actuarial present value of the benefits that CalPERS will fund under the CalPERS plans to retirees and active employees upon their retirement and not as a fixed expression of the liability that the City owes to CalPERS under its CalPERS plans.

In each actuarial valuation, the CalPERS actuary estimates the actuarial value of the assets (the "Actuarial Value") of the CalPERS plans at the end of the Fiscal Year (which assumes, among other things, that the rate of return during that Fiscal Year equaled the assumed rate of return, currently 7.5%). As described below, these policies and actuarial assumptions have changed significantly in recent years and are expected to change or be modified further by CalPERS in the future. The CalPERS actuary uses a smoothing technique to determine Actuarial Value that is calculated based on certain policies. Certain significant recent changes in assumptions include the following:

1. On April 17, 2013, the CalPERS Board approved a plan: (i) to replace the current 15 year asset-smoothing policy with a 5-year direct-rate smoothing process; and (ii) to replace the current 30 year rolling amortization of unfunded liabilities with a 30-year fixed amortization period. CalPERS' Chief Actuary has stated that the revised approach provides a single measure of funded status and unfunded liabilities, less rate volatility in extreme years, a faster path to full funding and more transparency to employers such as the City about future contribution rates. These changes are expected to accelerate the repayment of unfunded liabilities (including CalPERS' fiscal year 2009 market losses described below) of the City's CalPERS plan in the near term; the exact magnitude of the potential contribution rate increases is not known at this time, but may be significant. These changes will be reflected beginning with the June 30, 2014 actuarial valuation affecting contribution rates for Fiscal Year 2016 and thereafter. As a preliminary estimate, the City has currently budgeted for increases in its annual pension contributions of approximately \$249,553 per year for its CalPERS plan.

2. On March 14, 2012, the CalPERS Board approved a change in the inflation assumption used in the actuarial assumptions used to determine employer contribution rates. This reduced the assumed investment return from 7.75% to 7.5%, reduced the long-term payroll growth assumption from 3.25% to 3.0%, and adjusted the inflation component of individual salary scales from 3.25% to a merit scale varying by duration of employment, an assumed annual inflation component of 3% and an annual production growth of 0.25%. Although the full impact of such changes is not yet clear, CalPERS has estimated that they could result in net increases in future contribution levels of approximately 1% to 2%; however, the reduction in the inflation assumption could partially mitigate increases, if any, in the City's required annual contributions resulting from the reduction in the assumed investment rate of return, as described above.

In addition, in February 2010, the CalPERS Board adopted a resolution requiring additional contributions for any plan or pool if the cash flows hamper adequate funding progress by preventing the expected funded status on a market value of assets basis of the plan to either:

- Increase by at least 15% by June 30, 2043; or
- Reach a level of 75% funded by June 30, 2043.

Such contributions have been factored into the City's contribution rates set by CalPERS.

Changes in Pension Accounting Standards. Reporting obligations under GASB Statement No. 68 ("GASB 68") will commence with financial statements for Fiscal Year 2015. Under GASB 68, there are new standards for measuring and recognizing pension liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute such present value to periods of employee service.

AB 340. On September 12, 2012, the State Governor signed AB 340, which implements pension reform in California. Effective January 1, 2013, AB 340: (i) requires public retirement systems and their participating employers to share equally with employees the normal cost rate for such retirement systems; (ii) prohibits employers from paying employer paid member contributions to such retirement systems for employees hired after January 1, 2013; (iii) establishes a compulsory maximum non-safety benefit formula of 2.5% at age 67; (iv) defines final compensation as the highest average annual pensionable compensation earned during a 36 month period; and (v) caps pensionable income at \$110,100 (\$132,120 for employees not enrolled in Social Security) subject to Consumer Price Index increases.

Other provisions reduce the risk of the City incurring additional unfunded liabilities, including prohibiting retroactive benefits increases, generally prohibiting contribution holidays, and prohibiting purchases of additional non-qualified service credit. If AB 340 is implemented fully, CalPERS estimates savings for local agency plans of approximately \$1.653 billion to \$2.355 billion over the next 30 years due primarily to increased employee contributions and, as the workforce turns over, lower benefit formulas that will gradually reduce normal costs. Savings specific to the City have not been quantified.

Provisions in AB 340 will not likely have a material effect on City's contributions in the short term. However, additional employee contributions, limits on pensionable compensation and higher retirement ages for new members will reduce the City's UAAL and potentially reduce City contribution levels in the long term.

Change in Pensionable Compensation. On August 21, 2014, the CalPERS Board approved changes to clarify the types of compensation upon which pension benefits are based, primarily for employees hired after January 1, 2013. Under the changes, the CalPERS Board identified several dozen specific types of compensation which will count toward pension benefit calculations, including temporary and special assignment payments and certain categories of tasks, and identified types of compensation that will not be included in pension benefit calculations. Although the changes could result in an increase in the City's future CalPERS contributions, it is not currently possible to quantify the magnitude of such increases. The City believes that any such changes would be immaterial to its CalPERS contributions.

For additional information relating to the City's plan, see Note 8 to the City's audited financial statements for Fiscal Year 2014 attached hereto as Appendix B.

No assurance can be provided that the City's CalPERS plan expenses will not increase significantly in the future.

Other Post-Employment Benefits

The City provides post-employment health care benefits to qualified retired employees. Employees are eligible for such benefits if they were hired prior to September 30, 2011 and retire directly from the City at or after age 50 with at least five years of CalPERS membership. Employees hired after September 30, 2011 are not eligible for such benefits; the City no longer offers such benefits to employees hired after September 30, 2011. The City's plan is an agent multiple-employer defined benefit other post-employment benefits ("OPEB") plan. The OPEB plan contributes an amount for the retiree and dependents, as applicable, for certain healthcare services.

The contribution requirements for OPEB plan participants and the City are established and may be amended by the City Council. The annual required contribution (the "OPEB ARC") is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The OPEB ARC is equal to the normal cost each year plus a closed 30 year period amortization (ending in 2028) of the unfunded actuarial liability. Based on the actuarial valuation of the City's OPEB plan as of June 30, 2013, the OPEB ARC for Fiscal Year 2015 was approximately \$902,000 and the OPEB ARC for Fiscal Year 2016 is expected to be \$904,000. The OPEB valuation that was prepared as of June 30, 2013, in accordance with GASB Statement No. 45, was used for reporting OPEB information in the City's financial statements for Fiscal Year 2014.

The City is not required to fund the amortization of the unfunded actuarial liability. Prior to June 2009, the City's policy was to pay for OPEB plan costs as they are incurred. In June 2009, the City Council approved the establishment of an irrevocable OPEB trust (the "OPEB Trust") and approved and authorized an agreement with CalPERS to administer the OPEB Trust on its behalf. The City estimates that the establishment of the OPEB Trust and pre-funding of the City's OPEB liability will significantly reduce the City's unfunded OPEB obligation. Based on the June 30, 2013 actuarial valuation, the actuarial unfunded liability of the City's OPEB plan was estimated to be approximately \$6,391,000 as of June 30, 2015.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last five Fiscal Years was as follows:

<i>Fiscal Year</i>	<i>Annual OPEB Cost</i> ⁽¹⁾	<i>Percentage of Annual OPEB Cost Contributed</i>	<i>Net OPEB Obligation</i> ⁽²⁾
2010	\$1,425,000	100%	\$ -
2011	1,564,000	100	-
2012	1,615,000	72	450,000
2013	1,018,000	56	900,000
2014	1,066,000	58	1,347,000

⁽¹⁾ Equal to the OPEB ARC.

⁽²⁾ See Note 9 in Appendix B for a description of the calculation of the net OPEB obligation.

Historical information with respect to the funded status of the City's OPEB plan is set forth below

<i>Valuation Date</i>	<i>Actuarial Accrued Liability</i>	<i>Actuarial Value of Assets</i>	<i>Unfunded Actuarial Accrued Liability</i>	<i>Funded Ratio⁽¹⁾</i>	<i>Annual Covered Payroll</i>	<i>Unfunded Actuarial Accrued Liability as Percentage of Payroll</i>
01/01/10	\$13,600,000	\$2,386,000	\$11,214,000	17.5%	\$22,465,000	49.9%
06/30/11	11,670,000	4,428,000	7,242,000	37.9	23,195,000	31.2
06/30/13	12,531,000	6,186,000	6,345,000	49.4	21,589,000	29.4

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the City's financial statements set forth in Appendix B, presents multi-year trend information about whether the actuarial value of OPEB plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits are based on the substantive plan and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are described in detail in Note 9 to Appendix B.

City Investment Policy

The City invests its funds in accordance with the City's investment policy (the "Investment Policy"), which was most recently amended in June 2015. In accordance with Section 53600 *et seq.* of the California Government Code, idle cash management and investment transactions are the responsibility of the City Treasurer. The City's Investment Policy sets forth the policies and procedures applicable to the investment of City funds and designates eligible investments. The Investment Policy sets forth a stated objective, among others, of insuring the safety of invested funds by limiting credit and market risks. Eligible investments are generally limited to the Local Agency Investment Fund which is operated by the California State Treasurer, the County investment pool for local agencies, local agency bonds, U.S. Treasury Bills, Notes and Bonds, obligations issued by United States Government agencies, FDIC-insured or negotiable certificates of deposit, repurchase agreements, banker's acceptances and commercial paper rated A1/P1, as applicable, or better, and money market funds rated in the highest category by Moody's Investor's Service, Inc. ("Moody's") or Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") or administered by a domestic bank with long-term debt rated in one of the top two categories of Moody's and S&P. Funds are invested in the following order of priority:

- Safety of Principal;
- Liquidity; and
- Return on Investment.

The City Treasurer is required to provide a quarterly report to the City Manager and the City Council showing the type of investment, date of maturity, amount invested, current market value, rate of interest, and other such information as may be required by the City Council.

A summary of the City's investments as of June 30, 2014 is set forth in the below table. Approximately \$32.5 million (21%) of the total investment portfolio as of June 30, 2014 was attributed to the General Fund.

**CITY OF MORENO VALLEY
INVESTMENTS AS OF JUNE 30, 2014**

<i>Investment Type</i>	<i>Investment Maturity</i>				<i>Total</i>
	<i>6 Months or Less</i>	<i>6 Months to 1 Year</i>	<i>1 to 3 Years</i>	<i>3 to 5 Years</i>	
Local Agency Investment Fund	\$28,883,670	\$ -	\$ -	\$ -	\$ 28,883,670
Money Market Fund	36,335	-	-	-	36,335
Commercial Paper	665,000	-	-	-	665,000
Medium Term Notes	1,653,493	20,543,581	4,946,776	23,087,925	50,231,775
US Treasury Notes	-	-	6,196,292	23,166,960	29,363,252
Federal Farm Credit Bank	-	-	5,233,923	1,633,615	6,867,538
Federal Farm Loan Bank	-	-	10,765,543	919,484	11,685,027
Federal Home Loan Mortgage Corp.	-	-	12,167,695	3,271,661	15,439,356
Federal National Mortgage Assn.	2,031,571	-	3,314,860	14,041,151	19,387,582
Held by Bond Trustee:					
Money Market Funds	<u>26,192,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,192,756</u>
Totals	<u>\$59,462,825</u>	<u>\$ 20,543,581</u>	<u>\$42,625,089</u>	<u>\$66,120,796</u>	<u>\$188,752,291</u>

Source: Fiscal Year 2014 audited financial statements.

See Note 3 in Appendix B for further information with respect to City investments.

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2015 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2015 Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General Considerations – Security for the Series 2015 Bonds

The Series 2015 Bonds are special obligations of the Authority, payable solely from Base Rental Payments and the other assets pledged under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the City, the State, or any political subdivision thereof, is pledged to the payment of the Series 2015 Bonds. The Authority has no taxing power.

The obligation of the City to make the Base Rental Payments does not constitute a debt of the City, the County or the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State is obligated to levy or pledge any form of taxation or for which the City, the County or the State has levied or pledged any form of taxation.

Although the Facilities Sublease does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Facilities Sublease to pay the Base Rental Payments and Additional Payments from any source of legally available funds, and the City has covenanted in the Facilities Sublease to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement. The City is currently liable and may become liable on other obligations payable from general revenues. See the caption “CITY FINANCIAL INFORMATION—Indebtedness—General Fund-Supported Debt.”

The City has the capacity to enter into other obligations which may constitute additional charges against its revenues, including pension obligations and essential services. To the extent that additional

obligations are incurred by the City, the funds available to make Base Rental Payments may be decreased. In the event that the City's revenue sources are less than its total obligations, the City could choose to fund other activities before making Base Rental Payments and other payments due under the Facilities Sublease. The same result could occur if, because of State Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. However, the City's appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution. See the caption "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Article XIII B of the State Constitution."

Abatement

In the event of substantial interference with the City's right to use and occupy any portion of the Property by reason of damage to or destruction or condemnation of the Property, or any defects in title to the Property, Base Rental Payments will be subject to abatement. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Abatement." In the event that such portion of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the City's rental interruption insurance will be available in lieu of Base Rental Payments, plus the period in which funds are available from the funds and accounts established under the Indenture, or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Property or redemption of the Series 2015 Bonds, there could be insufficient funds to make payments to Owners in full.

It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, the value of the Property could be substantially higher or lower than its value at the time of the issuance of the Series 2015 Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Series 2015 Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Property results in abatement of the Base Rental Payments related to such Property and if such abated Base Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Series 2015 Bonds during the period that the Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Under the Facilities Sublease and the Indenture, no remedy is available to the Series 2015 Bond Owners for nonpayment under such circumstances.

Natural Disasters

The occurrence of any natural disaster in the City, including, without limitation, fire, windstorm, drought, earthquake or flood, could have an adverse material impact on the economy within the City, its General Fund and the revenues available for the payment of the Base Rental Payments. The City does not maintain earthquake insurance for the Property.

Earthquakes are considered a threat to the City due to the highly active seismic region and the proximity of fault zones, which could influence the entire southern coastal portion of the State. However, no major earthquake has caused substantial damage to the City.

An earthquake along one of the faults in the vicinity of the City, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake could

easily exceed the resources of the City and would require a high level of self-help, coordination and cooperation.

The occurrence of natural disasters in the City could result in substantial damage to the City which, in turn, could substantially reduce General Fund revenues and affect the ability of the City to make the Base Rental Payments. Reduced ability to make the Base Rental Payments could affect the payment of the principal of and interest on the Series 2015 Bonds. The City maintains liability insurance and property casualty insurance (for losses other than from seismic events) for the Property. See the caption “THE CITY—Risk Management.” However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property, and therefore property tax revenue available to make Base Rental Payments, would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the City. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but State laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the City be affected by a hazardous substance, could be to reduce the marketability and value of such property by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The City has not independently verified, but is not aware of, the presence of any hazardous substances on the Property. Hazardous substance liabilities may arise in the future with respect to any of the property in the City resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Additionally, such liabilities may arise from the method of handling such substance. These possibilities could significantly affect the value of a parcel and could result in substantial delays in completing planned development on parcels that are currently undeveloped.

Other Financial Matters

Due to weakness in the economy of the State and the United States, it is possible that the general revenues of the City will decline. Such financial matters may have a detrimental impact on the City’s General Fund, and, accordingly, may reduce the City’s ability to make Base Rental Payments. See the caption “CITY FINANCIAL INFORMATION.”

In addition, City expenses could also rise as a result of unforeseen events, including but not limited to increases in pension obligations or a determination that the Successor Agency’s payment obligations under various agreements with the City are not enforceable obligations. Such a determination could require the City to make payments that were expected to come from Successor Agency funds from General Fund moneys or cause moneys received from the Successor Agency to be lower than budgeted. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION—Redevelopment Dissolution.”

Substitution, Addition and Removal of Property; Additional Bonds

The Authority and the City may amend the Facilities Sublease: (a) to substitute alternate real property for any portion of the Property; (b) to add additional real property to the Property; or (c) to release a portion of the Property from the Facilities Sublease, upon compliance with all of the conditions set forth in the Facilities Sublease. After a substitution or release, the portion of the Property for which the substitution or release has been effected will be released from the leasehold encumbrance of the Facilities Sublease. Moreover, the Authority may issue Additional Bonds secured by Base Rental Payments which are increased from current levels. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Substitution, Addition and Removal of Property” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Additional Bonds.”

Although the Facilities Sublease requires, among other things, that the Property, as constituted after such substitution or release, have an annual fair rental value at least equal to the maximum Base Rental Payments becoming due in the then current Fiscal Year or in any subsequent Fiscal Year, it does not require that such Property have an annual fair rental value equal to the annual fair rental value of the Property at the time of substitution or release. Thus, a portion of the Property could be replaced with less valuable real property, or could be released altogether. Such a replacement or release could have an adverse impact on the security for the Series 2015 Bonds, particularly if an event requiring abatement of Base Rental Payments were to occur subsequent to such substitution or release. See Appendix A.

The Indenture requires, among other things, that upon the issuance of Additional Bonds, the Facilities Lease and the Facilities Sublease will be amended, to the extent necessary, so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds; provided, however, that no such amendment will be made such that the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of such amendment, plus Additional Payments, in any Fiscal Year is in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Additional Bonds” for a full description of the requirements that must be met in order for the Authority to issue Additional Bonds.

Limited Recourse on Default; No Acceleration of Base Rental

Failure by the City to make Base Rental Payments or other payments required to be made under the Facilities Sublease, or failure to observe and perform any other terms, covenants or conditions contained in the Facilities Sublease or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute events of default under the Facilities Sublease and permit the Trustee or the Authority to pursue any and all remedies available. In the event of a default, notwithstanding anything in the Facilities Sublease or in the Indenture to the contrary, there is no right under any circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable, nor do the Authority or the Trustee have any right to re-enter or re-let the Property except as described in the Facilities Sublease.

The enforcement of any remedies provided in the Facilities Sublease and the Indenture could prove both expensive and time consuming. If the City defaults on its obligation to make Base Rental Payments with respect to the Property, the Trustee, as assignee of the Authority, may retain the Facilities Sublease and hold the City liable for all Base Rental Payments thereunder on an annual basis and enforce any other terms or provisions of the Facilities Sublease to be kept or performed by the City.

Alternatively, the Authority or the Trustee may terminate the Facilities Sublease, retake possession of the Property and proceed against the City to recover damages pursuant to the Facilities Sublease. Due to the specialized and limited nature of the Property, existing Permitted Encumbrances (as such term is defined in Appendix A) on the Property, and the restrictions on its use, it is unlikely that the Trustee would be able to

re-let the Property so as to provide rental income sufficient to make all payments of principal of, interest and premium, if any, on the Series 2015 Bonds when due. Similar limitations and constraints would apply to any property substituted for the Property pursuant to the Facilities Sublease. Moreover, the Trustee is not empowered to sell the Property for the benefit of the Owners of the Series 2015 Bonds. Any suit for money damages would be subject to limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS” and “THE PROPERTY” and Appendix A.

Possible Insufficiency of Insurance Proceeds

The Facilities Sublease obligates the City to keep in force various forms of insurance, subject to deductibles, for repair or replacement of the Property in the event of damage, destruction or title defects, subject to certain exceptions. The Authority and the City make no representation as to the ability of any insurer to fulfill its obligations under any insurance policy obtained pursuant to the Facilities Sublease and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to pay principal of and interest on the Series 2015 Bonds when due. In addition, certain risks, such as earthquakes and floods, are not required to be covered under the Facilities Sublease, and therefore, are not carried by the City. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS—Insurance” and “THE CITY—Risk Management.”

Limitations on Remedies

The rights of the Owners of the Series 2015 Bonds are subject to the limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Furthermore, the remedies available to the Owners of the Series 2015 Bonds upon the occurrence of an event of default under the Indenture or the Facilities Sublease are in many respects dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

Additionally, enforceability of the rights and remedies of the Owners of the Series 2015 Bonds, and the obligations incurred by the City, may become subject to the provisions of Title 11 of the United States Code (the “Bankruptcy Code”) and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or later in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Series 2015 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights. Under Chapter 9 of the Bankruptcy Code, which governs the bankruptcy proceedings for public agencies such as the City, involuntary petitions are not permitted. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Series 2015 Bonds, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Facilities Sublease, and from taking any steps to collect amounts due from the City under the Facilities Sublease.

The opinion to be delivered by Bond Counsel concurrently with the execution and delivery of the Series 2015 Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Series 2015 Bonds will be similarly qualified. See Appendix C. In the event that the City fails to comply with its covenants under the Facilities Sublease or fails to pay Base Rental Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Series 2015 Bonds.

No Liability of Authority to the Owners

Except as expressly provided in the Indenture, the Authority has no obligation or liability to the Owners of the Series 2015 Bonds with respect to: (a) the payment when due of the Base Rental Payments by the City; (b) the performance by the City of other agreements and covenants required to be performed by it contained in the Facilities Sublease or the Indenture; or (c) the performance by the Trustee of any right or obligation required to be performed by it contained in the Indenture.

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2015 Bonds or, if a secondary market exists, that the Series 2015 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

STATE OF CALIFORNIA BUDGET INFORMATION

State Budget

Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance (the “DOF”), <http://www.dof.ca.gov>, under the heading “California Budget.” An impartial analysis of the budget is posted by the Legislative Analyst’s Office (the “LAO”) at <http://www.lao.ca.gov>. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and the City can take no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Budget for State Fiscal Year 2015-16

In recent years, when there have been anticipated State budget shortfalls, the State Governor has proposed, and the State Legislature has approved, the shift of property tax revenues from cities, counties and special districts to schools. See the caption “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS—Proposition 1A.”

2015-16 Budget. On June 24, 2015, the Governor signed into law the State budget for fiscal year 2015-16 (the “2015-16 Budget”). The following information is drawn from the DOF’s summary of the 2015-16 Budget, as well as a summary prepared by the LAO. The City can take no responsibility for the accuracy, completeness or timeliness of information in such summaries.

For fiscal year 2014-15, the 2015-16 Budget projects total State general fund revenues of approximately \$111.3 billion and total State general fund expenditures of approximately \$114.5 billion. The 2015-16 Budget projects that the State will end fiscal year 2014-15 with a general fund ending balance of approximately \$2.4 billion and total reserves of approximately \$3 billion (including approximately \$1.5 billion in the traditional general reserve and approximately \$1.6 billion in the Budget Stabilization Account (the “BSA”), the State’s basic reserve fund). For fiscal year 2015-16, the 2015-16 Budget projects total State general fund revenues of approximately \$115 billion and total expenditures of approximately \$115.4 billion, leaving the State with a year-end general fund balance of approximately \$2 billion. The 2015-16 Budget

projects total year-end reserves of approximately \$4.6 billion, including approximately \$1.1 billion in the traditional general fund reserve and approximately \$3.5 billion in the BSA.

As a result of higher than anticipated State revenues, the 2015-16 Budget includes revised estimates to the Proposition 98 minimum funding guarantees for schools for fiscal years 2013-14 and 2014-15. The fiscal year 2013-14 minimum guarantee is revised upward to approximately \$58.9 billion, an increase of approximately \$612 million over the estimate included in the fiscal year 2014-15 State budget. For fiscal year 2014-15, the 2015-16 Budget revises the minimum guarantee upward to approximately \$66.3 billion, an increase of approximately \$5.4 billion over the estimate included in the fiscal year 2014-15 State budget.

The 2015-16 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2015-16 at approximately \$68.4 billion, including approximately \$49.4 billion of support from the State general fund. This represents a year-to-year increase of approximately \$2.1 billion over the revised level for fiscal year 2014-15. For K-12 education, the 2015-16 Budget provides total Proposition 98 funding of approximately \$59.5 billion, including approximately \$43.2 billion from the State general fund. Under the 2015-16 Budget, K-12 per-pupil spending in fiscal year 2015-16 is \$9,942, an increase of \$1,011 (or approximately 11%) from the prior year.

Significant proposals or adjustments set forth in the 2015-16 Budget affecting public agencies in the State include the following:

- Law Enforcement. The 2015-16 Budget continues a \$40 million general fund allocation to “front line” law enforcement activities. The Board of State and Community Corrections allocates funds to individual cities acting as the fiduciary agent within each county receiving the funds.
- Transportation. The 2015-16 Budget includes total funding of approximately \$15.9 billion (approximately \$261 million from the general fund and \$15.7 billion from other funds) for all programs administered within the State Transportation Agency. In addition, the shared revenues budget allocates over \$1.4 billion in fuel excise tax to cities and counties for local streets and roads.
- Elimination of Redevelopment Agencies. The Proposed 2014-15 Budget anticipates that in State fiscal years 2014-15 and 2015-16 combined, cities will receive approximately \$580 million, approximately \$660 million, and special districts approximately \$200 million.
- Property Taxes. The 2015-16 Budget anticipates ongoing property tax revenues of more than \$900 million annually to be distributed to cities, counties, and special districts that can be used by local governments to fund police, fire, and other critical public services.
- State Mandate Reimbursements. The 2015-16 Budget continues the suspension of most mandates not related to law enforcement or property taxes. After satisfying the State Constitutional funding guarantee, additional revenues of up to \$800 million are proposed to pay down the remainder of the State’s pre-2004 mandate debt. The 2015-16 Budget estimates that a trigger mechanism will result in a \$533 million payment toward this mandate debt. These funds will provide counties, cities, and special districts with general purpose revenue.
- Deferred Maintenance. The 2015-16 Budget includes approximately \$478 million (approximately \$125 million from the general fund) for critical deferred maintenance at universities, community colleges and in State parks, prisons, State hospitals and other State facilities.
- Education. The 2015-16 Budget provides over \$1.2 billion in funding to support a coordinated framework for adult education, career technical education, workforce investment, and apprenticeships intended to provide training and education to workers in California.

- **Drought Response.** The State has experienced four consecutive years of below-average rain and snow, and is currently facing severe drought conditions in all 58 counties. The 2015-16 Budget includes the amount of approximately \$1.8 billion (in addition to approximately \$1.9 billion that was previously appropriated) of one-time resources to continue the State's response to drought impacts. The funds will protect and expand local water supplies, conserve water and respond to emergency conditions.

The Governor's Budget Summary for the Proposed Budget (the "2015-16 Proposed Budget Summary"), which was released in January 2015, cautioned that, since 2000, the State's short periods of balanced budgets have been followed by massive budget shortfalls. The 2015-16 Proposed Budget Summary also noted that commitments made by the State in the past two years are already straining the State's finances. Under a projection of current policies, the 2015-16 Proposed Budget Summary anticipated that the State would begin to spend more than it receives in annual revenues by State fiscal year 2018-19, by an amount of approximately \$1 billion. The City cannot predict whether the State will take steps, in response to a future budget shortfall, which would reduce the amount of tax revenue available to the City. The State budget will be affected by national and State economic conditions and other factors over which the City will have no control. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the City.

The 2015-16 Budget also includes an update of the trigger mechanism payment discussed in the bullet point "State Mandate Reimbursements." The 2015-16 Budget estimates that the trigger mechanism calculation will result in a \$765 million payment toward pre-2004 mandate debt (an increase of approximately \$232 million from the proposed fiscal year 2015-16 budget) owed by the State to cities, counties and special districts.

For additional information regarding the 2015-16 Budget, see the DOF website at www.dof.ca.gov. The information presented on such website is not incorporated herein by reference.

Other Proposals. With respect to redevelopment, the Governor proposed the following amendments to the dissolution legislation discussed under the caption "—Redevelopment Dissolution" when the fiscal year 2015-16 budget was proposed: (1) redevelopment successor agencies that enter into a written agreement with the DOF to remit unencumbered cash to the county auditor-controller will receive a finding of completion, which provides successor agencies with additional fiscal tools and reduced State oversight; (2) successor agencies that receive a finding of completion may expend a portion of proceeds of bonds issued in 2011, which proceeds are currently frozen; (3) pension or State Water Project override revenues that are not pledged to or not needed for redevelopment bond debt service will be returned to the entity that levies the override; (4) agreements relating to State highway improvements and money loaned to successor agencies to pay costs associated with redevelopment dissolution litigation will be considered enforceable obligations; and (5) reentered agreements entered into after the passage of AB 1484 (as described under the caption "—Redevelopment Dissolution—General") are unenforceable unless entered into for the purpose of providing administrative support. Such proposals are subject to approval by the State Legislature and there can be no assurance that any of such proposals will be adopted.

Potential Impact of State Financial Condition on the City

The State has experienced significant financial stress in recent years, with budget shortfalls in the several billions of dollars. There can be no assurance that, as a result of such State financial stress, the State will not significantly reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of its efforts to address the State financial difficulties. Although the State is not a significant source of City revenues, no prediction can be made by the City as to what measures the State will adopt to respond to the current or potential future financial difficulties. There can be no assurance that State actions to respond to State financial difficulties will not adversely affect the financial condition of the City.

Redevelopment Dissolution

General. On December 29, 2011, the State Supreme Court upheld Assembly Bill 1x26 (“AB 1x26”), which dissolved redevelopment agencies in the State. The effect of AB 1x26 upon the City is the termination of the redevelopment functions of the Community Redevelopment Agency of the City of Moreno Valley (the “Former Agency”) and the transfer of such functions to a successor agency (the City, referred to in the capacity of a successor agency, and being referred to in this context as the “Successor Agency”) tasked with winding down the Former Agency’s redevelopment activities. Under AB 1x26, the Successor Agency cannot enter into new redevelopment projects or obligations and its assets can be used only to pay enforceable obligations, which enforceable obligations are generally limited to obligations in existence in mid-2011, when AB 1x26 was signed by the Governor. In addition, the Successor Agency will receive tax increment revenues in amounts that are sufficient to pay 100% (but no greater amount) of such enforceable obligations until such obligations (including accrued interest, as applicable) are paid in full, at which time the Successor Agency will be dissolved. Certain tax revenues formerly allocable to the Former Agency will continue to be available to the Successor Agency to pay certain obligations, and a portion of such revenues may be redirected to other taxing agencies, such as the County, school districts and the City. The Successor Agency’s activities are subject to review by an oversight board established under AB 1x26. Under AB 1x26, liabilities of the Successor Agency are not liabilities of the City.

On June 27, 2012, the Governor signed Assembly Bill 1484 (“AB 1484”), which made certain amendments to AB 1x26. Under AB 1484, the County Auditor-Controller, the DOF and the State Controller may require the return of funds improperly spent or transferred to a public entity in conflict with the provisions of the Community Redevelopment Law, as amended by AB 1x26 and AB 1484, and if such funds are not returned within 60 days, they may be recovered through an offset of sales and use tax or property tax allocations to the local agency, which, in the case of the Successor Agency, is the City.

Impact on the City. Significant provisions of AB 1x26 and AB 1484 and implementing actions of affected parties, including the Successor Agency, the oversight board, the County and the DOF, may be subject to legal challenge, statutory or administrative changes and other clarifications which could affect the impact of the dissolution of redevelopment on the City and its General Fund. The DOF has proposed additional legislation which would modify statutes affecting redevelopment dissolution; it is not known whether such proposed legislation will be enacted in the form proposed as of May 14, 2015 or in any form. The full extent of the impact of the implementation of AB 1x26 and AB 1484 or potential future legislation on the City’s General Fund is unknown at this time. While certain administrative costs previously charged to the Former Agency by the General Fund will no longer be supported by the Successor Agency, certain property tax revenues formerly allocated to the Former Agency will now be received by the City’s General Fund.

The City does not believe that it has received material amounts from the Former Agency or the Successor Agency which may be asserted to be in violation of AB 1x26 or AB 1484.

There can be no assurance that the City and the Successor Agency will not enter into additional loan agreements in the future to enable the Successor Agency to meet its payment obligations in future years.

Successor Agency Obligations to the General Fund. Although AB 1x26 generally invalidates agreements between host cities and their former redevelopment agencies, provision is made for the enforcement of agreements entered into with respect to obligations which meet certain specified criteria. The City believes that the Successor Agency’s payment obligations under a note relating to the Moreno Valley Mall at Towngate (the “Towngate Regional Mall Note”) and miscellaneous other advances (the “Other Advances”) to the Former Agency, each as described below, constitute enforceable obligations of the Successor Agency. The City expects that the Successor Agency will continue to be able to apply tax increment revenues to the payment of such obligations. The City has listed the Towngate Regional Mall Note and the Other Advances in its Recognized Obligation Payment Schedules (the “ROPS”), which are required to be submitted to the oversight board and the DOF in accordance with AB 1x26, and such obligations have been

approved as enforceable obligations by the Successor Agency's oversight board and the DOF. However, there can be no assurance that such entities, the State Controller, other State or County bodies implementing the dissolution of redevelopment or a court will not disagree with the City's interpretation and seek to prohibit the Successor Agency from making the payments on the Towngate Regional Mall Note and the Other Advances in the future or that additional legislation could be enacted which will not be consistent with the City's interpretation.

As of June 30, 2014, the Towngate Regional Mall Note was outstanding in the principal of \$13,000,000. The Towngate Regional Mall Note originated from a participation agreement (as amended) whereby the Former Agency acquired certain parcels within the Moreno Valley Mall at Towngate for subsequent transfer to anchor tenants. The Towngate Regional Mall Note bears interest at the rate of 7.25% per annum and is payable from the property tax increment and up to 50% of the sales tax revenues generated from the acquired parcels. In Fiscal Year 2004, the City purchased the rights to the Towngate Regional Mall Note from the holder thereof and, thereafter, has received the associated interest and principal payments related thereto. Through negotiations with the DOF, the City has reached an agreement which amends the terms of the Towngate Regional Mall Note such that \$1,400,000 will now be paid annually to the City from revenues in the Redevelopment Property Tax Trust Fund maintained by the County Auditor-Controller with respect to the former redevelopment project areas within the City through December 2035. On September 23, 2014 and September 24, 2014, respectively, the Successor Agency and the Successor Agency's oversight board approved resolutions that incorporate terms of the agreement reached between the City and the DOF. Such resolutions provided for the restructuring of the Towngate Regional Mall Note payment schedule for submission to the DOF. The restructured payment schedule was approved as part of the 2014/15B ROPS on November 15, 2014.

As of June 30, 2014, the Other Advances were outstanding in the principal amount of \$652,248. The Other Advances were used by the Former Agency for various redevelopment purposes and are payable from available Successor Agency moneys. The Other Advances bear interest at the rate of 12% but do not have a specific maturity date.

There can be no assurances that AB 1x26, AB 1484 and/or subsequent implementing statutes will not interfere with the receipt by the City from the Successor Agency of the amounts contemplated to be received by the City pursuant to the Towngate Regional Mall Note, the Other Advances or otherwise.

To the extent that the Successor Agency's assets are liquidated for distribution of proceeds to the affected taxing entities, the City currently expects that the City's General Fund will receive approximately 11% of such assets.

Future State Budgets

No prediction can be made by the City as to whether the State will continue to encounter budgetary problems in future years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

There are a number of provisions in the State Constitution that limit the ability of the City to raise and expend tax revenues.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the State Constitution. The amendment, which added Article XIII A to the State Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean “the county assessor’s valuation of real property as shown on the 1975/76 tax bill under ‘full cash value’, or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment.” The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any *ad valorem* tax on real property to 1% of the full cash value, except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to December 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after December 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition (55% in the case of certain school facilities). Property taxes subject to Proposition 13 are a significant source of the City’s General Fund revenues. See the caption “CITY FINANCIAL INFORMATION.”

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other limited circumstances.

Article XIII B of the State Constitution

At the Statewide special election on November 6, 1979, the voters approved an initiative entitled “Limitation on Government Appropriations,” which added Article XIII B to the State Constitution. Under Article XIII B, State and local government entities have an annual “appropriations limit” which limits the ability to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues and investment proceeds thereof, certain State subventions and regulatory license fees, user charges and user fees to the extent that the proceeds thereof exceed the costs of providing such services, together called “proceeds of taxes,” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of October 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in the consumer price index, population and services provided by these entities. Among other provisions of Article XIII B, if those entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution.

Proposition 62

A statutory initiative (“Proposition 62”) was adopted by the voters of the State at the November 4, 1986 general election which: (a) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency’s legislative body and by a majority of the electorate of the governmental entity; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within the jurisdiction; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed; (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988. The requirements imposed by Proposition 62 were upheld by the State Supreme Court in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal.4th 220 (1995).

Proposition 62 applies to the imposition of any taxes or the implementation of any tax increases after its enactment in 1986, but the requirements of Proposition 62 are largely subsumed by the requirements of Proposition 218 for the imposition of any taxes or the effecting of any tax increases after November 5, 1996. See the caption “—Proposition 218” below.

Proposition 218

On November 5, 1996, State voters approved Proposition 218, an initiative measure entitled the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments are deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge may be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (a) the *ad valorem* property tax imposed pursuant to Articles XIII and XIII A of the State Constitution; (b) any special tax receiving a two-thirds vote pursuant to the State Constitution; and (c) assessments, fees and charges for property related services as provided in Proposition 218. Proposition 218 then goes on to add voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such new provisions will presumably be to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 “shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the

risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights” protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges that currently are deposited into the City’s General Fund.

Although a portion of the City’s General Fund revenues are derived from general taxes purported to be governed by Proposition 218 as discussed under the caption “CITY FINANCIAL INFORMATION—Other Taxes,” all of such taxes were imposed in accordance with the requirements of Proposition 218. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges which support the City’s General Fund.

Unitary Property

Some amount of property tax revenue of the City is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (the “SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the City) according to statutory formula generally based on the distribution of taxes in the prior year.

Proposition 22

On November 2, 2010, voters in the State approved Proposition 22, which eliminates the State’s ability to borrow or shift local revenues and certain State revenues that fund transportation programs. It restricts the State’s authority over a broad range of tax revenues, including property taxes allocated to cities (including the City), counties and special districts, the VLF, State excise taxes on gasoline and diesel fuel, the State sales tax on diesel fuel, and the former State sales tax on gasoline. It also makes a number of significant other changes, including restricting the State’s ability to use motor vehicle fuel tax revenues to pay debt service on voter-approved transportation bonds.

Proposition 1A

As part of former Governor Schwarzenegger’s agreement with local jurisdictions, Senate Constitutional Amendment No. 4 was enacted by the State Legislature and subsequently approved by the voters as Proposition 1A (“Proposition 1A”) at the November 2, 2004 general election. Proposition 1A amended the State Constitution to, among other things, reduce the State Legislature’s authority over local government revenue sources by placing restrictions on the State’s access to local governments’ property, sales, and vehicle license fee revenues as of November 3, 2004. Beginning with Fiscal Year 2009, the State may borrow up to 8% of local property tax revenues, but only if the Governor proclaims that such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. The amount borrowed is required to be paid back within three years. The State also will not be able to borrow from local property tax revenues for more than two Fiscal Years within a period of ten Fiscal Years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the Statewide local sales tax.

The Fiscal Year 2010 State budget included a Proposition 1A diversion of \$1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State general fund spending. Such diverted revenues were required to be repaid, with interest, by no later than June 30, 2013. The amount of the Proposition 1A diversion from the City was \$1,307,713. The City participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and, as a result, received the shifted funds in the amount of \$1,307,713, without interest, in two installments in 2010 from the

California Statewide Communities Development Authority. See the caption “CITY FINANCIAL INFORMATION—Property Taxes.”

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity. The City does not believe that Proposition 26 will adversely affect its General Fund revenues.

Future Initiatives

Articles XIII A and XIII B and Propositions 62, 218, 22, 1A and 26 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting the City’s current revenues or its ability to raise and expend revenues.

TAX MATTERS

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2015 Bonds that acquire their Series 2015 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2015 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose “functional currency” is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2015 Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2015 Bonds pursuant to this offering for the issue price that is applicable to such Series 2015 Bonds (i.e., the price at

which a substantial amount of the Series 2015 Bonds are sold to the public) and who will hold their Series 2015 Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Series 2015 Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Series 2015 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2015 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2015 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2015 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2015 Bonds in light of their particular circumstances. For a description of certain California personal income tax matters, see the information set forth on the cover page of this Official Statement.

U.S. Holders

Interest. Interest on the Series 2015 Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2015 Bonds is less than the amount to be paid at maturity of such Series 2015 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2015 Bonds), the difference may constitute original issue discount (“OID”). U.S. Holders of Series 2015 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2015 Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2015 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2015 Bond.

Sale or Other Taxable Disposition of the Series 2015 Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or other disposition of a Series 2015 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2015 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2015 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Series 2015 Bond (generally, the purchase price paid by the U.S. Holder for the Series 2015 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such

Series 2015 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2015 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2015 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. Payments on the Series 2015 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued there under, a non-corporate U.S. Holder of the Series 2015 Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Series 2015 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2015 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," payments of principal of, and interest on, any Series 2015 Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Series 2015 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2015 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Series 2015 Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition of a Series 2015 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2015 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Series 2015 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Series 2015 Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2015 Bond or a financial institution holding the Series 2015

Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 28%.

FATCA—U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2015 Bonds and sales proceeds of Series 2015 Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (iii) certain “pass-thru” payments no earlier than January 1, 2017. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2015 Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2015 Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

The form of Bond Counsel’s proposed opinion with respect to the Series 2015 Bonds is attached hereto in Appendix C.

FINANCIAL ADVISOR

The City has retained Fieldman Rolapp & Associates, Inc., Irvine, California (the “Financial Advisor”) as financial advisor in connection with the sale of the Series 2015 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

CERTAIN LEGAL MATTERS

The validity of the Series 2015 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C. Bond Counsel and counsel to the Underwriter will receive compensation from the City contingent upon the sale and delivery of the Series 2015 Bonds. Certain legal matters will be passed upon for the City and the Authority by Quintanilla & Associates, a Professional

Corporation, Interim City Attorney and interim counsel to the Authority, for the Underwriter by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, and for the Trustee by its counsel.

ABSENCE OF LITIGATION

To the best knowledge of the City and the Authority, there is no action, suit or proceeding pending or threatened either restraining or enjoining the execution or delivery of the Series 2015 Bonds, the Facilities Lease, the Facilities Sublease or the Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority or the City taken with respect to any of the foregoing. There are a number of lawsuits and claims from time to time pending against the City. In the opinion of the City Attorney, and taking into account likely insurance coverage and litigation reserves, there are no lawsuits or claims pending against the City that will materially affect the City's finances so as to impair its ability to pay Base Rental Payments when due.

UNDERWRITING

The Series 2015 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter will purchase the Series 2015 Bonds from the Authority at an aggregate purchase price of \$____, representing the principal amount of the Series 2015 Bonds, plus/less \$____ of net original issue premium/discount and less \$____ of Underwriter's discount.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2015 Bonds to certain dealers (including dealers depositing Series 2015 Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

RATINGS

S&P is expected to assign the Series 2015 Bonds the rating of "___" based upon the delivery of the Policy by ___ at the time of issuance of the Series 2015 Bonds and the rating of "___" notwithstanding the delivery of the Policy. There is no assurance that any credit rating given to the Series 2015 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2015 Bonds. The ratings reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own.

None of the Authority, the City or the Underwriter makes any representation as to ___'s creditworthiness and no representation that ___'s credit rating will be maintained in the future. S&P has previously taken action to downgrade the ratings of certain municipal bond insurers and has published various releases outlining the processes that S&P intends to follow in evaluating the ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a rating affirmation, a change in rating outlook, a review for downgrade or a downgrade. Potential investors are directed to S&P for additional information on S&P's evaluations of the financial guaranty industry and individual financial guarantors, including ___. See the caption "BOND INSURANCE" for further information relating to ___.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate of the City, dated as of the date of issuance of the Series 2015 Bonds (the "Disclosure Certificate"), the City has covenanted for the benefit of the holders and Beneficial Owners of the Series 2015 Bonds to provide certain financial information and operating data

relating to the District by 270 days following the end of the City Fiscal Year (currently its Fiscal Year ends on June 30) (the “Annual Report”), commencing with the report for the Fiscal Year ended June 30, 2015, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system, maintained on the Internet at <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in Appendix D. These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission (“Rule 15c2-12”).

The requirement that the City file its audited financial statements as a part of the Annual Report has been included in the Disclosure Certificate solely to satisfy the provisions of Rule 15c2-12. The inclusion of such information does not mean that the Series 2015 Bonds are secured by any resources or property of the City or any entity other than Base Rental Payments. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2015 BONDS” and “RISK FACTORS—General Considerations – Security for the Series 2015 Bonds.”

The City and its related entities have previously entered into continuing disclosure undertakings under Rule 15c2-12 in connection with the issuance of municipal obligations. In the past five years, the City and its related entities failed to file certain event notices required by their respective continuing disclosure undertakings on a timely basis relating to bond insurer rating downgrades of which the City was unaware. The City has filed a corrective notice regarding such bond insurer rating downgrades.

In order to promote compliance by the City and its related entities, including the Authority and the Former Agency, with their respective continuing disclosure undertakings, the City has retained Willdan Financial Services (“Willdan”) to serve as dissemination agent and assist such entities in complying with their continuing disclosure obligations. Willdan will also perform these duties for the land-secured financings involving the City’s community facilities districts. Additionally the City has taken the steps to amend its existing debt policy, which has been approved by the City Council, to ensure future compliance with Rule 15c2-12.

[TO BE UPDATED] [Except as disclosed above, the City has not in the past five years failed to comply with such continuing disclosure undertakings in any material respect.]

FINANCIAL STATEMENTS OF THE CITY

Included as Appendix B are the audited financial statements of the City as of and for the Fiscal Year ended June 30, 2014, together with the report of the Auditor thereon dated November 24, 2014. Such audited financial statements have been included herein in reliance upon the report of the Auditor. The Auditor has not undertaken to update the audited financial statements of the City or its report, or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report dated November 24, 2014.

MISCELLANEOUS

Summaries of certain documents and reports do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Indenture, the Facilities Lease, the Facilities Sublease and other documents are available, upon request, and upon payment to the City of a charge for copying, mailing and handling, from the Chief Financial Officer of the City at 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the City and the purchasers or Owners of any of the Series 2015 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

**MORENO VALLEY PUBLIC FINANCING
AUTHORITY**

By: _____
Executive Director

CITY OF MORENO VALLEY

By: _____
City Manager

Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

APPENDIX A**SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS**

The following is a summary of certain provisions of the Master Trust Agreement, the Facilities Lease and the Facilities Sublease which are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the respective document for a full and complete statement of the provisions thereof.

[TO COME FROM BOND COUNSEL]

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE YEAR ENDED JUNE 30, 2014

Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION

Upon issuance of the Series 2015 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to render its final approving opinion with respect to the Series 2015 Bonds in substantially the following form:

[Date of Delivery]

Moreno Valley Public Financing Authority
Moreno Valley, California

Moreno Valley Public Financing Authority
Lease Revenue Bonds, Series 2015 (Taxable)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Moreno Valley Public Financing Authority (the “Authority”) in connection with the issuance of \$_____ aggregate principal amount of Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”), issued pursuant to a Master Trust Agreement, dated as of August 1, 2015 (the “Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed a Master Facilities Lease, dated as of August 1, 2015 (the “Facilities Lease”), between the City of Moreno Valley (the “City”), as lessor, and the Authority, as lessee; Master Facilities Sublease, dated as of August 1, 2015 (the “Facilities Sublease”), between the Authority, as lessor, and the City, as lessee; the Trust Agreement; opinions of counsel to the Authority, the City and the Trustee; certificates of the Authority, the City, the Trustee and others; and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2015 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority and the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Facilities Lease, the Facilities Sublease and the Trust Agreement. We call attention to the fact that the rights and obligations under the Series 2015 Bonds, the Facilities Lease, the Facilities Sublease and the Trust Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal

remedies against joint powers authorities and cities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Facilities Lease, the Facilities Sublease or the Trust Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2015 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2015 Bonds constitute the valid and binding limited obligations of the Authority.
2. The Trust Agreement has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Authority. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Series 2015 Bonds, of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Trust Agreement, except the Rebate Fund, subject to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement.
3. The Facilities Lease and the Facilities Sublease have been duly executed and delivered by, and constitute the valid and binding obligations of, the Authority and the City.
4. Interest on the Series 2015 Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2015 Bonds.

Faithfully yours,

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the Series 2015 Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Moreno Valley (the “City”) in connection with the issuance by the Moreno Valley Public Financing Authority (the “Authority”) of its \$_____ Lease Revenue Bonds, Series 2015 (Taxable) (the “Bonds”). The Bonds are being issued pursuant to a Master Trust Agreement, dated as of August 1, 2015 (the “Indenture”), by and between Wells Fargo Bank, National Association, as trustee and the Authority. The City covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement dated July __, 2015 relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The City shall provide not later than 270 days following the end of its Fiscal Year (commencing with Fiscal Year 2015) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the City is unable to provide to EMMA an Annual Report by the date required in subsection (a), the City shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the City and the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain the following information:

(i) revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year;

(ii) property tax levies and collections for the most recently completed Fiscal Year; and

(iii) outstanding debt of the City for the most recently completed Fiscal Year, including revenue and lease indebtedness.

The items described above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the City shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes; and
9. bankruptcy, insolvency, receivership or similar proceedings.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bond holders;
3. optional, unscheduled or contingent Bond redemptions;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
7. appointment of a successor or additional trustee or the change of the name of a trustee.

(c) If the City determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the City shall provide to any person financial information and operating data regarding the City which is customarily prepared by the City and is publicly available.

7. Termination of Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of at least 50% aggregate principal amount of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: August __, 2015

CITY OF MORENO VALLEY

By: _____
Its: City Manager

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the City and the Underwriter believe to be reliable, but none of the Authority, the City or the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2015 Bonds, payment of principal, premium, if any, accreted value and interest on the Series 2015 Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2015 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Series 2015 Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2015 Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Series 2015 Bond Owner shall give notice to elect to have its Series 2015 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2015 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2015 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2015 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2015 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2015 Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE SERIES 2015 BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE SERIES 2015 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX F

GENERAL INFORMATION REGARDING THE CITY OF MORENO VALLEY AND THE REGION

The following information is presented as general background data. The Series 2015 Bonds are payable solely from the Base Rental Payments under the Facilities Sublease as described in the Official Statement. The taxing power of the City, the State or any political subdivision thereof is not pledged to the payment of the Base Rental Payments or the Series 2015 Bonds.

Location

The City of Moreno Valley (the “City”) is centrally located in Southern California, 66 miles east of Los Angeles and 100 miles north of San Diego. The City encompasses approximately 51 square miles of land area in western Riverside County. Geographically, the City is bordered by three low-lying mountain ranges, March Air Reserve Force Base and Lake Perris State Park. The City is situated at the junction of two major highways, California State Highway 60 (the Moreno Valley Freeway) and Interstate 215.

Population

The City is the second largest city in Riverside County with an estimated population of 200,670 as of January 1, 2015. Table F-1 sets forth the total population of the City, the County of Riverside (the “County”) and the State of California (the “State”).

Table F-1
City of Moreno Valley, County of Riverside and State of California
Population

Table with 6 columns: Location, 2011, 2012, 2013, 2014, 2015. Rows include Moreno Valley, Riverside County, and California.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2011–2015, with 2010 Benchmark. Sacramento, California, May 2015.

Employment

Table F-2 summarizes the labor force, employment and unemployment figures over the period 2010 through 2014 for the City, the County, the State and United States.

Table F-2
City of Moreno Valley, County of Riverside, State of California and United States
Labor Force, Employment and Unemployment Yearly Average

<i>Calendar Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2010				
Moreno Valley	87,800	74,900	12,900	14.7%
Riverside County	976,200	841,100	135,200	13.8
California	18,336,300	16,091,900	2,244,300	12.2
United States	153,889,000	139,064,000	14,825,000	9.6
2011				
Moreno Valley	87,900	75,600	12,300	14.0%
Riverside County	978,200	849,400	128,800	13.2
California	18,419,500	16,260,100	2,159,400	11.7
United States	153,617,000	139,869,000	13,747,000	8.9
2012				
Moreno Valley	88,800	77,800	11,000	12.4%
Riverside County	989,100	873,900	115,200	11.6
California	18,554,800	16,630,100	1,924,700	10.4
United States ⁽⁴⁾	154,975,000	142,469,000	12,506,000	8.1
2013				
Moreno Valley	89,500	80,100	9,400	10.5%
Riverside County	998,600	899,800	98,800	9.9
California	18,671,600	17,002,900	1,668,700	8.9
United States ⁽⁴⁾	155,389,000	143,929,000	11,460,000	7.4
2014				
Moreno Valley	90,500	82,600	8,000	8.8%
Riverside County	1,010,700	927,300	83,400	8.2
California	18,811,400	17,397,100	1,414,300	7.5
United States ⁽⁴⁾	155,922,000	146,305,000	9,617,000	6.2

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

⁽⁴⁾ Not strictly comparable with data for prior years.

Source: California Employment Development Department, based on March 2014 benchmark and U.S. Department of Labor, Bureau of Labor Statistics

Table F-3 summarizes employment by Industry in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (“MSA”) from 2010 to 2014. Manufacturing, Retail Trade, Services and Government are the largest employment sectors in the Riverside-San Bernardino-Ontario MSA.

Table F-3
Riverside-San Bernardino-Ontario Metropolitan Statistical Area
Annual Average Industry Employment 2010-2014

	<i>Calendar Year</i>				
	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Civilian Labor Force	1,802,100	1,800,000	1,812,800	1,818,300	1,922,900
Civilian Employment	1,543,700	1,556,100	1,594,900	1,633,400	1,766,300
Civilian Unemployment	258,400	243,900	217,900	184,900	156,600
Civilian Unemployment Rate	14.3%	13.6%	12.0%	10.2%	8.1%
Total Farm	15,000	14,900	15,000	14,500	14,300
Total Nonfarm	1,144,700	1,148,000	1,180,300	1,231,900	1,299,500
Total Private	910,400	920,600	955,700	1,006,700	1,056,400
Goods Producing	145,900	145,200	150,500	158,600	168,500
Natural Resources and Mining	1,000	1,000	1,200	1,200	1,300
Construction	59,700	59,100	62,600	70,000	77,000
Manufacturing	85,200	85,100	86,700	87,300	90,200
Service Providing	998,900	1,002,800	1,029,800	1,073,300	1,116,700
Trade, Transportation and Utilities	270,900	276,500	288,500	300,600	315,000
Wholesale Trade	48,700	49,200	52,200	56,400	59,000
Retail Trade	155,500	158,500	162,400	164,800	168,700
Transportation, Warehousing and Utilities	66,600	68,800	73,900	79,400	87,300
Information	14,000	12,200	11,700	11,500	11,200
Financial Activities	41,000	39,900	40,900	42,200	42,700
Professional and Business Services	123,600	126,000	127,500	132,400	137,800
Educational and Health Services	154,100	157,600	167,200	184,500	193,600
Leisure and Hospitality	122,800	124,000	129,400	135,900	144,300
Other Services	38,200	39,100	40,100	41,100	43,200
Government	<u>234,300</u>	<u>227,500</u>	<u>224,600</u>	<u>225,200</u>	<u>228,800</u>
Total, All Industries	<u>1,159,700</u>	<u>1,162,900</u>	<u>1,195,300</u>	<u>1,246,400</u>	<u>1,299,500</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2014 Benchmark.

Commercial Activity

Trade outlet and retail sales activity are summarized in Tables F-4 and F-5 based on reports of the State Board of Equalization.

Table F-4
City of Moreno Valley
Total Taxable Transactions and Number of Sales Permits
2010 through 2014⁽¹⁾
(Dollars in Thousands)

<i>Calendar Year</i>	<i>Total Retail Stores</i>	<i>Total Retail Stores Permits</i>	<i>Total Taxable Transactions</i>	<i>Total Issued Permits</i>
2010	\$ 994,464	1,652	\$1,067,546	2,154
2011	1,092,691	1,693	1,172,223	2,198
2012	1,185,877	1,732	1,275,922	2,231
2013	1,240,243	1,616	1,349,129	2,116
2014 ⁽¹⁾	309,369	1,641	347,141	2,138

⁽¹⁾ Through first quarter.

Source: California State Board of Equalization.

Table F-5
City of Moreno Valley
Retail Sales
2010 through 2014⁽¹⁾
(Dollars in Thousands)

<i>Type of Business</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014⁽¹⁾</i>
Apparel Stores	\$ 72,118	\$ 74,107	\$ 87,871	\$ 98,978	\$ 23,915
General Merchandise Stores	239,866	250,607	255,502	258,862	58,107
Food Stores	81,341	82,516	84,447	84,981	20,834
Eating/Drinking Places	150,713	161,054	174,706	186,885	50,592
Home Furnishing	22,901	23,044	16,927	12,361	3,210
Building Materials	78,985	79,177	85,822	91,247	24,674
Auto Dealers	126,172	150,504	205,299	230,751	59,189
Service Stations	163,294	197,564	199,696	197,899	49,289
Other Retail Stores	59,075	74,118	75,607	78,280	19,559
Retail Stores Totals	\$ 994,464	\$ 1,092,691	\$ 1,185,877	\$ 1,240,243	\$ 309,369
All Other Outlets	73,082	79,532	90,045	108,886	37,772
Total All Outlets	\$ 1,067,546	\$ 1,172,223	\$ 1,275,922	\$ 1,349,129	\$ 347,141

⁽¹⁾ Through first quarter.

Source: California State Board of Equalization.

Assessed Valuation

Table F-6 sets forth the City's assessed valuation of property for Fiscal Years 2010 through 2014.

Table F-6
City of Moreno Valley
Assessed Valuation of Taxable Property
Fiscal Years 2010 to 2014
(Dollars in Thousands)

<i>Fiscal Year Ended June 30</i>	<i>Secured Value</i>	<i>Unsecured Value</i>	<i>Total Assessed and Estimated Full Value</i>
2010	\$10,625,910	\$236,904	\$10,862,814
2011	10,516,338	238,786	10,755,124
2012	10,561,585	271,336	10,832,921
2013	10,646,415	342,094	10,988,509
2014	11,042,637	352,337	11,394,974

Source: City of Moreno Valley Comprehensive Annual Financial Report for the year ending June 30, 2014.

Table F-7 is a summary of the property tax levies and total collections for Fiscal Years 2010 through 2014.

Table F-7
City of Moreno Valley
Property Tax Levies and Collections
Fiscal Years Ending June 30, 2010 to June 30, 2014

<i>Fiscal Year Ended June 30</i>	<i>Collected within the Fiscal Year of Levy</i>			<i>Collections in Subsequent Years</i>	<i>Total Collections to Date</i>	
	<i>Taxes Levied</i>	<i>Amount</i>	<i>Percent of Levy</i>		<i>Amount</i>	<i>Percent of Levy</i>
2010	\$35,573,656	\$35,492,693	99.77%	\$ 80,963	\$35,573,656	100.00%
2011	33,713,334	33,658,226	99.84	55,108	33,713,334	100.00
2012	33,226,437	33,172,713	99.84	53,724	33,226,437	100.00
2013	25,630,602	25,580,901	99.81 ⁽¹⁾	49,701	25,630,602	100.00
2014	26,906,254	26,862,040	99.84	44,214	26,906,254	100.00

⁽¹⁾ Beginning in Fiscal Year 2013, redevelopment tax increment was no longer included in the calculation for the levy and the collections.

Source: City of Moreno Valley Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

Building Activity

Table F-8 summarizes building activity in the City of Moreno Valley since 2010.

Table F-8
City of Moreno Valley
Building Permit Valuations
2010-2014
(Dollars in Thousands)

	2010	2011	2012	2013	2014
<u>Residential</u>					
Single Family	\$ 27,663.2	\$ 6,606.1	\$ 2,064.4	\$ 42,615.9	\$ 12,681.2
Multi-Family	6,812.7	0.0	13,268.3	4,970.0	0.0
Alteration/Additions	<u>1,713.2</u>	<u>1,573.3</u>	<u>1,313.1</u>	<u>2,093.1</u>	<u>2,548.0</u>
Total	\$ 36,189.2	\$ 8,179.4	\$ 16,645.8	\$ 49,679.0	\$ 15,229.2
<u>Non-Residential</u>					
New Commercial	\$ 63,044.8	\$ 58,430.5	\$ 2,076.0	\$ 1,007.3	\$ 20,308.1
New Industry	0.0	0.0	0.0	71,432.6	89,400.0
Other ⁽¹⁾	3,474.6	3,627.9	1,913.0	2,569.4	22,244.6
Alteration/Additions	<u>7,955.0</u>	<u>15,032.4</u>	<u>8,781.6</u>	<u>34,559.0</u>	<u>28,413.3</u>
Total	\$ 73,900.6	\$ 77,090.8	\$ 12,776.6	\$ 109,568.3	\$ 160,366.0
<u>Total</u>	\$ 110,089.7	\$ 85,270.2	\$ 29,422.4	\$ 159,247.3	\$ 175,595.2
Single Family Units ⁽²⁾	91	23	12	133	46
Multi-Family Units ⁽²⁾	<u>70</u>	<u>0</u>	<u>54</u>	<u>60</u>	<u>0</u>
Total	161	23	66	193	46

⁽¹⁾ Includes churches and religious buildings, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.

⁽²⁾ Not in thousands.

Source: Construction Industry Research Board.

Utilities

The City receives water service from the Eastern Municipal Water District, Sunnymead Mutual Water Company, Moreno Valley Mutual Valley Mutual Water Company and Edgemont Gardens Mutual Company. The City is also serviced by Verizon and Southern California Gas Company. Electrical service for most of the City's developed areas is provided by Southern California Edison. The City has established an electric utility that is providing service for the remainder of the City.

Transportation

The City is centrally located within the Inland Empire. Highways passing through the City include California State Highway 60 and Interstate 215. California State Highway 60 connects in Riverside to California State Highway 91, which connects to Orange County and Long Beach. California State Highway 60 and Interstate 215 provide access Interstate 10 within 15 miles of the City. Rail service in the City includes the Burlington Northern Santa Fe branch line. There is one local freight daily, which services the Edgemont area of Moreno Valley and areas on the west side of Interstate 215. The main line service in Riverside has stop locations at the Union Pacific, Southern Pacific and Burlington Northern Santa Fe stations. Metrolink commuter rail service in Riverside to Los Angeles and Orange County.

Ontario International Airport (owned and operated by Los Angeles World Airports), approximately 31 miles northwest of the City, is served by AeroMexico, Alaska Airlines, American Airlines, Delta Air Lines, Southwest Airlines, United Airlines/United Express, US Airways and Volaris. Various airlines provide freight

services at Ontario International Airport. Riverside Municipal Airport has general aviation facilities with 5,400 feet and 1,600 feet runways.

Education

The City is served by two public school districts: Moreno Valley Unified School District and Val Verde Unified School District. Moreno Valley Unified School District has 23 elementary schools, six middle schools, five comprehensive high schools, one charter school, one adult school, one continuation school, a community day school, one pre-school and one academic center. Val Verde Unified School District serves the communities of Perris, Mead Valley and Moreno Valley. Val Verde Unified District has one pre-school, 13 elementary schools, five middle schools and four high schools.

The City is also home to Moreno Valley Community College.

Recreation and Culture

Lake Perris State Park offers boating, swimming, water-skiing, fishing and camping within its 8,300 acres. Box Springs Mountain Park provides trails for hiking and horseback riding. The City centralized location allows residents to visit nearby mountain resorts, Palm Springs and the beach cities with relative ease. Three golf courses are available, including the 27 hole Moreno Valley Rancho Golf Club, ranks among the top 75 public courses in the U.S. The City's park system consists of 29 parks with 328 acres. The City offers a variety of recreational activities for adults and youth. The City is served by the City's library system.

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

Attachment: Preliminary Official Statement [Revision 1] (1558 : ADOPTION OF RESOLUTIONS APPROVING THE ISSUANCE BY THE MORENO



Report to City Council

TO: Mayor and City Council

FROM: Thomas M. DeSantis, Assistant City Manager

AGENDA DATE: July 14, 2015

TITLE: ORDINANCE NO. 899, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, REPEALING AND REENACTING CHAPTER 11.60 OF TITLE 11 OF THE MORENO VALLEY MUNICIPAL CODE REGULATING AND AUTHORIZING ALARM SYSTEMS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Introduce Ordinance No. 899. An Ordinance of the City Council of the City of Moreno Valley, California, repealing and reenacting Chapter 11.60 of Title 11 of the Moreno Valley Municipal Code regulating and authorizing alarm systems.

SUMMARY

This report recommends revisions to the City of Moreno Valley's Alarm Ordinance to help reduce the number of Police responses to false activations of residential burglary alarms.

The adoption of this ordinance will require alarm companies to make a minimum of two calls in an attempt to verify whether a burglary alarm requires Police response. The recommended procedure has been found successful in other communities in reducing the number of false alarms and associated citations issued to property owners.

DISCUSSION

The Public Safety Sub-Committee (PSSC) began exploring this issue in April, in response to communication from residents inquiring as to why the City does not issue a warning rather than a citation/fine for an initial false alarm response.

In reviewing this issue, the PSSC received information regarding the number of false alarms, associated impacts upon law enforcement resources and steps involved in the False Alarm Appeals process.

The PSSC was informed that in 2014, the Moreno Valley Police Department received 145,989 calls for service, of which 7,825 were alarm calls. *Of the total alarm calls, approximately 75% were determined to be false alarms.* That equates to 1,039 hours (\$144,716) spent on police services responding to false alarms. The false alarm citation fee was established to recover the costs incurred by the City in responding to false alarm calls, and to help deter false alarms.

The City cannot provide a warning citation for the first false alarm response there is not a system which would allow tracking of alarm activations & responses at each address in the City. To do so, the City would need to purchase a False Alarm Management system or outsource this service to a third party agency to track false alarm responses. Costs to purchase, maintain, and operate the false alarm tracking system would require an increase to existing fees.

The following table provides a comparison of the false alarm citation fees and processes conducted by surrounding cities.

City of Riverside			
	Police		Fire
False Alarms	Permitted (\$57)	Non-Permitted	No Permit Required
1st Response	No Charge	Warning	No Charge
2nd Response	No Charge	\$350	No Charge
3rd Response	\$100	\$400	\$350
4th Response	\$150	\$450	\$400
5th Response	\$200	\$500	\$520
6th+ Response	\$250	\$500	\$870
City of Corona			
	Police		Fire
False Alarms	Permitted (\$35)	Non-Permitted	No Permit Required
1st Response	No Charge	No Charge/Letter Sent	No Charge
2nd Response	No Charge	No Charge/Letter Sent	No Charge
3rd Response	\$80	\$80	\$170
4th Response	\$240	\$240	\$510
5th+ Response	\$320	\$320	\$680
City of Redlands			
	Police		Fire
False Alarms	No Permit Required		No Permit Required
1st Response	No Charge		No Charge
2nd Response	No Charge		No Charge
3rd Response	No Charge		No Charge
4th+ Response	\$191		\$144
City of Temecula			
	Police		Fire
False Alarms	No Permit Required		No Permit Required
1st Response	No False Alarm Fees Charged		No Permit Required
City of Perris			
	Police		Fire
False Alarms	No Permit Required		No Permit Required
1st Response	No Charge		No Charge
2nd Response	No Charge		No Charge
3rd Response	No Charge		No Charge
4th Response	\$100		\$450
5th Response	\$200		\$450
6th+ Response	\$500		\$450
City of Moreno Valley			
	Police		Fire
False Alarms	No Permit Required		No Permit Required
1st+ Response	\$32		\$100

Enhanced Call Verification: In preparation for PSSC discussions, staff consulted with a private sector firm that assists municipalities with managing programs to reduce the number of false alarms. Through those conversations, staff learned that other cities found that implementing an Enhanced Call Verification process reduced the number of false alarms in those jurisdictions. Enhanced Call Verification requires additional steps to attempt to verify whether an alarm activation is inadvertent, or if it may indicate potential criminal activity. The process requires the alarm monitoring company to place a minimum of two calls in an attempt to contact someone associated with the alarm address to verify whether police response is needed. This process will not apply to fire alarm activations, for which Fire Department response is dispatched prior to calls to the property.

Appeal Process: If a false alarm citation is issued, the recipient may request an administrative appeal. The appeal must be submitted in writing within 10 days of receipt of the citation and submitted to the Moreno Valley Police Department. The appeals officer will review the appeal and provide a decision based on the facts of the case.

Following discussion of this issue at several meetings, the PSSC determined that modifying the City's alarm ordinance to require Enhanced Call Verification may prove effective in reducing the number of false alarms (and associated citations) in our City. The proposed Ordinance is forwarded for the Council's consideration with the Sub-Committee's recommendation for approval.

ALTERNATIVES

1. Approve and adopt the proposed Ordinance. Approval will implement the Enhanced Call Verification process, providing an additional step to assist in the mitigation of false alarms. *This alternative is recommended by staff and the PSSC.*
2. Do not modify the existing Alarm Systems Ordinance.

FISCAL IMPACT

There are no fiscal impacts projected with the approval of this ordinance.

PREPARATION OF STAFF REPORT

Prepared By:
Felicia London
Management Analyst

Department Head Approval:
Thomas M. DeSantis
Assistant City Manager

Concurred By:
Joel Ontiveros
Police Chief

Concurred By:
Abdul Ahmad
Fire Chief

CITY COUNCIL GOALS

None

ATTACHMENTS

- 1. Ordinance No. 899 - Alarm Systems

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/08/15 7:16 AM
City Attorney Approval	<u>✓ Approved</u>	7/08/15 11:54 AM
City Manager Approval	<u>✓ Approved</u>	7/08/15 3:22 PM

ORDINANCE NO. 899

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING TITLE 11 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE BY REPEALING AND REENACTING CHAPTER 11.60. RELATING TO ALARM SYSTEMS.

The City Council of the City of Moreno Valley does ordain as follows: SECTION 1.

REPEAL OF PRIOR ENACTMENT:

1.1 Chapter 11.60 of the City of Moreno Valley Municipal Code is hereby repealed, the repeal to be effective only upon the effective date of the reenactment of said Chapter 11.60 as set forth in Section 2 of this Ordinance.

SECTION 2. REENACTMENT OF CHAPTER 11.60:

2.1 Chapter 11.60 of the City of Moreno Valley Municipal Code is hereby reenacted in its entirety to read as follows:

Chapter 11.60

ALARM SYSTEMS

Sections:

- 11.60.010 Definitions
- 11.60.020 Purpose
- 11.60.030 Findings .
- 11.60.040 Alarm Standards
- 11.60.050 Alarm Company Operators
- 11.60.060 Alarm Agents
- 11.60.070 Alarm System Regulations
- 11.60.080 Alarm System Notice
- 11.60.090 Confidentiality
- 11.60.100 False Alarm Response Assessment
- 11.60.110 Reimbursement for Costs Incurred in Securing Premises
- 11.60.120 Enforcement
- 11.60.130 False Alarm Appeal Process
- 11.60.140 Severability

11.60.010 Definitions. For the purposes of this Chapter, the following definitions shall apply:

(a) "Alarm Agent" means any person who is self-employed or employed either directly or indirectly by an alarm business whose duties include any of the following: selling, maintaining, leasing, servicing, repairing, altering, replacing, moving, or installing an alarm system in or on any building, place or premises.

(b) "Alarm Business" means any person, firm, or corporation conducting or engaged in the business of selling, leasing, maintaining, servicing, repairing, altering, replacing, moving, installing or monitoring an alarm system in or on any building, place or premises.

(c) "Alarm System" means any device designed for the detection of an unauthorized entry on premises or for alerting others to the commission of an unlawful act or to an emergency situation not limited to fire, natural gas leak, or medical emergencies, which device, when actuated, emits a sound or transmits a signal to indicate that such situation exists.

(d) "Alarm User" means any person using an alarm system at such person's residence or place of business.

(e) "Audible Alarm" means a device designed to detect the unauthorized entry on or attempted entry into a premise or structure, alert others to the commission of an unlawful act, alert others to a fire or emergency situation not limited to fire, natural gas leak, or medical emergencies, and which, when actuated, generates an audible sound on the premises.

(f) "Business License Officer" means the person duly designated to act as such for the City as set forth in Chapter 5.02 of this Code.

(g) "City" means the City of Moreno Valley.

(h) "City Manager" means the City Manager of the City or his or her designee.

(i) "Extraordinary Public Safety Services" means those services necessarily and reasonably incurred by the City in the protection of the public's health, safety and welfare and in the protection of property which said services are in addition to police services the City would normally provide without a special charge and which have arisen because of activities or events voluntarily selected by the owner, occupier or manager of a premises.

(j) "False Alarm" means the activation of an alarm system when an

emergency situation does not exist; provided, however, that activation of alarms by natural disaster will not be considered false alarms.

(k) "Fire Chief" means the Fire Chief of the City or his or her designee.

(l) "Person" means any individual, partnership, corporation, unincorporated association, or other entity.

(m) "Police Chief" means the Chief of Police of the City or his or her designee.

(n) "Responsible Party" means any person or persons in charge of the premises or location and the person or persons responsible for the event or incident. If any of those persons are minors, the parent or guardians of such minor(s) shall be the responsible party.

11.60.020 Purpose. Notwithstanding the provisions within the National Fire Protection Association (NFPA) 72, the California Fire Code (CFC) or applicable Security Industry standards, the purpose of this ordinance is to set forth regulations governing the use of alarm systems, provide for service fees for excessive responses necessitated by false alarms, and to provide for cost recovery by service fees for violations of provisions of this ordinance. Nothing herein should be construed to limit or discourage the legitimate use of fire, burglar or other alarms.

11.60.030 Findings. Alarm systems which are not properly installed, maintained, or operated create a nuisance to the peace and safety of the community. Said alarm systems also cause excessive and unnecessary use of police and fire services in responding to assumed emergencies.

11.60.040 Alarm Standards. All alarm systems and appurtenant equipment installed and used within the City shall meet or exceed industry standards and those standards which may hereafter be established by the City Council. The Police Chief or Fire Chief may inspect any and all alarm systems installed in the City.

11.60.050 Alarm Company Operators. It shall be unlawful and a violation of this Code for any person to engage in business or accept employment within the City to install, maintain, alter, sell on premises, monitor, or service alarm systems or respond to alarm systems, unless such person holds all state and local licenses, listings, certifications or permits which may be required for such business or employment.

A. Every alarm business that has a central monitoring system to monitor police or fire alarm systems located within the city shall maintain on file a current listing of all such alarm systems, along with the address and telephone number of the

individual or individuals from whom entry to the protected premises may be obtained, and shall include the following information:

- (1) The name address, and telephone number of the property owner, if other than the alarm user.
- (2) The name of the alarm user and his or her business address and telephone number and residential address and telephone number.
- (3) The name of at least one other person responsible to respond to the alarm site and his or her business address and telephone number.

B. All alarm businesses shall ensure that an on-site inspection of the operating systems for the alarm system shall occur when requested by the Police Chief or their designee. The records of these inspections shall be made available to the Police Chief or their designee upon request.

C. The alarm business shall provide written and oral instructions to each of its alarm users in the proper use and operation of their alarm systems. Such instructions will specifically include all instructions necessary to turn the alarm system on and off and to prevent false alarms.

D. Upon the effective date of this ordinance, the alarm companies shall, on new installations or equipment replacements, use only alarm control panel(s) which meets Security Industry Association (SIA) Control Panel Standard CP-01 for security alarm systems and/ or Underwriter's Laboratory (UL) and State Fire Marshal (SFM) listed panels and devices for fire alarm systems.

E. An alarm business shall not use automatic voice dialers which call 911 or the police department.

F. After completion of the installation of an alarm system, an alarm business employee shall review with the alarm user the customer false alarm prevention checklist established by the alarm company's policy.

G. The alarm business shall not make an Alarm Dispatch Request of a law enforcement agency in response to a burglar alarm signal, excluding Panic, Duress and Holdup signals, during the first seven (7) days following an Alarm System installation. The Police Chief or their designee may grant an Alarm User's request for an exemption from this waiting period based upon a determination that special circumstances substantiate the need for the exemption. This provision does not apply to fire alarm monitoring systems.

H. An alarm business shall:

- (1) Attempt to verify every burglar alarm signal prior to requesting a police dispatch by making **at least two** phone calls to the responsible party or parties (Enhanced Call Verification).
 - a. This procedure does not apply to fire, duress or hold-up signals;
- (2) Communicate alarm dispatch requests to the Moreno Valley Dispatch in a manner and form determined by NFPA 72 for fire alarms and/or by the Police Chief for security alarms or his/her respective designee;
- (3) Communicate alarm response cancellations to the Moreno Valley Police Dispatch and/or Fire Department within three (3) minutes of request for dispatch and prior to the officer arriving on-scene;
- (4) Ensure that all alarm users of alarm systems equipped with fire, duress, hold-up or panic alarm(s) are given adequate training as to the proper use of the fire, duress, hold-up or panic alarm(s).
 - a. Alarm system training should be provided to every alarm user and/or additional training provided in situations where the alarm user has established a high incident rate of false alarms resulting from unintentional or accidental activation;
- (5) Communicate any available information (type of alarm, zone, north, south, front, back, floor, etc.) about the location on all alarm signals related to the alarm dispatch request;
- (6) Communicate type of alarm activation (silent or audible, interior or perimeter);
- (7) After an alarm dispatch request, promptly advise the Moreno Valley Police Dispatch and/or Fire Department if the monitoring company knows that the alarm user or the responder is on the way to the alarm site;
- (8) Attempt to contact the alarm user or responder within twenty-four hours via mail, fax, telephone or other electronic means when an alarm dispatch request is made; and
- (9) Upon the effective date of this ordinance alarm businesses must maintain for a period of at least one year from the date of the alarm dispatch request, records relating to alarm dispatch requests.
 - a. Records must include:

- i. name, address and telephone number of the alarm user;
- ii. alarm system zone(s) activated;
- iii. time of alarm dispatch request; and
- iv. evidence of an attempt to verify.

b. The Police and/or Fire Chief or their designee may request copies of such records for individually named alarm users.

c. If the request is made within sixty days of an alarm dispatch request, the monitoring company shall furnish requested records within three business days of receiving the request.

d. If the records are requested between sixty days to one year after an alarm dispatch request, the alarm company shall furnish the requested records within thirty days of receiving the request.

I. An alarm business that purchases alarm system accounts from another person shall notify the Fire Chief or his/her designee of such purchase and provide details as may be reasonably requested by the Fire Chief or his/her designee.

J. Each Alarm Business must designate one individual as the Alarm Response Manager (ARM) for the company who will manage alarm related issues and act as the point of contact for the Police and/or Fire Chief or their designee. The appointed individual must be knowledgeable of the general provisions of the Ordinance, as well as have the knowledge and authority to deal with false alarm issues and respond to requests from the Police and/or Fire Chief or their designee. The name, phone number, and email address of the designated ARM must be provided to the Police and/or Fire Chief or their designee.

11.60.060 Alarm Agents. It shall be unlawful and a violation of this Code for any person to engage within the City in the activities of an alarm agent without first obtaining a business license from the City and registering and filing a copy of such person's state-issued identification card with the Business License Officer.

11.60.070 Alarm System Regulations.

(a) Approval by Underwriter's Laboratories. No alarm system shall be installed or used which has not been approved by Underwriter's Laboratories or equivalent rating institution. Equivalency shall be determined by the Chief Building Official and/or Fire Marshal of the City whose decision shall be final.

(b) Automatic Deactivation. Every audible alarm system used for

security purposes shall be so designed as to automatically shut off the sound not more than 10 minutes after the alarm has started to sound. This provision shall not apply to fire alarms systems required by the CFC or NFPA 72.

(c) Automatic Dialing Prohibited. No alarm system shall be equipped with automatic dialing or recorded message to the Moreno Valley Police Department, the Moreno Valley Police Department Dispatching Center, the Riverside County Sheriff Dispatching Center, the Moreno Valley Fire Department or the Moreno Valley Fire Department Dispatching Center.

(d) Battery Backup System. No alarm system shall be installed or used at any time which is not equipped with a ready-to-function battery-operated backup system.

(e) Notification. An alarm user shall give or cause notice to be given to the Moreno Valley Police Department or the Moreno Valley Fire Department prior to any service, test, repair, maintenance, alteration or installation of an alarm system which might produce a false alarm. The alarm user and/ or contractor shall contact their monitoring company to place the system in test mode. When a contractor fails to place an alarm in test mode during maintenance, repair, etc. the contractor shall be responsible for the false alarm fee.

(f) Prohibited Sound. No alarm system shall be installed or used which emits a sound similar to that of an emergency vehicle siren or a civil defense warning system.

(g) Repairs. After each false alarm caused by a malfunction of the alarm system, the alarm user shall cause the alarm system to be adjusted or repaired as necessary to eliminate the malfunction before placing the alarm system back into operation.

11.60.080 Alarm System Notice. Every alarm system shall have a sign or notice posted on or near the audible device with the name and telephone number of at least two (2) responsible parties or the company responsible for the maintenance of the system.

11.60.090 Confidentiality. Information furnished and secured pursuant to this article shall be confidential in character and shall not be subject to public inspection and shall be kept so that the contents thereof shall not be known except to persons charged with the administration of this article.

11.60.100 False Alarm Response Assessment. To defray the cost to the City for responding to false alarms, alarm users shall satisfy such assessment as may be established by resolution of the City Council for all false alarms. The

assessment shall be satisfied by the alarm owner within fifteen days after receipt of the invoice from the City Finance Department. The invoice will be mailed to the responsible party, after the appropriate department has given notice to the Finance Department of the assessment for the extraordinary services and the grounds therefor. The amount of assessment shall be deemed a debt to the City. An action may be commenced in the name of the City in any court of competent jurisdiction for the amount of any delinquent fees.

The Police/Fire Department will notify the alarm owner by leaving a notice at the alarm site. If an alarm owner fails to remit the fees within fifteen (15) days from the date of the service of notice upon him, which shall be the date of mailing of the invoice, if notice is not accomplished in person, a penalty of twenty-five percent (25%) of the amount of the fee set forth in the notice shall be imposed, but not less than \$5.00. When imposed, the penalty shall become part of the fee herein required to be paid. In addition to such penalty, the alarm owner shall pay to the City all reasonable costs of collecting such overdue and unpaid fees, including attorney's fees and court costs, and interest at the rate of one and one-half percent (1½%) per month (18% per annum) on all assessments and penalties from the date the assessment was due.

11.60.110 Reimbursement For Costs Incurred In Securing Premises. Alarm users shall pay to the City reasonable costs, as determined and assessed by the Police Chief or Fire Chief, for expenses incurred in securing premises where a burglar alarm or fire alarm has been activated, whether or not the activation is a false alarm. The assessment shall be satisfied by the alarm user within fifteen days after the appropriate Chief has given the alarm user notice of the assessment and the grounds therefor. This Section shall apply only to instances where the alarm user has failed to reasonably respond to notification that an alarm has been activated on premises owned or under the control of the alarm user and when the City has to incur more than nominal expenses in securing the premises.

11.60.120 Enforcement. Non-payment of fees/assessments for false alarms, and repeated number of false alarms from the same location, hence said location constitutes a nuisance, will be considered a violation of this Ordinance. Every person who fails to comply with an order made pursuant to this chapter is guilty of a violation of this chapter and, upon conviction thereof shall be punished in accordance with the provisions of sections 1.01.200 through 1.01.230 of this code.

11.60.130 False Alarm Appeal Process.

(a) An alarm user who wants to appeal the validity of a false alarm determination by the Police or Fire Department may appeal to the appropriate Appeal Officer or designee. The appeal must be in writing and must be requested within ten days of the alarm user having received a notice of the false alarm. The

written appeal must contain sufficient information to determine the events surrounding the Police/Fire Department's response. Failure to contest the determination in the required time period results in a conclusive presumption that the alarm was false.

(b) The appropriate Appeal Officer or a designee will review the appeal and provide a decision based on the facts of the case. The Appeal Officer or a designee shall determine the validity of the false alarms and the appropriate Appeal Officer shall issue written findings. The reasons for waiving a false alarm notice shall not include, wind, power failure, loose animals, system malfunctions, errors committed by the monitoring service, alarm user, or personnel errors.

(c) No appeal will be granted without payment of unpaid fees, and other assessments for false alarms owed to the City, prior to filing of the request for an appeal process. If upon review of the appeal the appropriate Appeal Officer or a designee's decision is in favor of the appellant, the money will be refunded to the appellant. The decision of the appropriate Appeal Officer or a designee on such matter shall be final and conclusive.

11.60.140 Severability. If any section, subsection, sentence, clause or phrase of this Chapter is for any reason, held to be invalid, unconstitutional, or unenforceable by a final determination of a court of competent jurisdiction, such determination shall not affect the validity of the remaining portions hereof. The City Council hereby declares "it would have enacted this Chapter, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact than any one or more sections, subsections, sentences, clauses or phrases might be declared invalid or unenforceable."

SECTION 3. NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 4. EFFECTIVE DATES:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 25th day of August, 2015.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Ordinance No. 899 - Alarm Systems [Revision 3] (1575 : ORDINANCE NO. 899, AN ORDINANCE OF THE CITY COUNCIL OF THE

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 899 had its first reading on July 14, 2015 and had its second reading on August 25, 2015, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 25th day of August, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)