

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
BOARD OF LIBRARY TRUSTEES
MORENO VALLEY PUBLIC FINANCING AUTHORITY (MVPFA)

December 10, 2013

SPECIAL PRESENTATIONS – 5:30 P.M.
REGULAR MEETING – 6:00 P.M.

City Council Study Sessions

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

City Council Meetings

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

City Council Closed Session

*Immediately following Regular City Council Meetings and
Study Session, unless no Closed Session Items are Scheduled*

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 Mel Alonzo, ADA Coordinator at 951.413.3705 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.

Tom Owings, Mayor

Jesse L. Molina, Mayor Pro Tem
Richard A. Stewart, Council Member

Yxstian Gutierrez, Council Member
Victoria Baca, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
December 10, 2013

CALL TO ORDER – 5:30 PM

SPECIAL PRESENTATIONS

1. Recycling All-Star Awards Presented by Waste Management - Kitty Vandiver, Octavio Hernandez, and Broadstone Rancho Belago Apts
2. Recognition of Ride MoVal Volunteers
3. Business Spotlight
 - a) Qi Hair Salon
 - b) Integrated Care Communities

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MORENO VALLEY PUBLIC FINANCING AUTHORITY (MVPFA)**

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

**REGULAR MEETING - 6:00 PM
DECEMBER 10, 2013**

INVOCATION

CALL TO ORDER

(Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority, Board of Library Trustees and Moreno Valley Public Financing Authority actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item)

PLEDGE OF ALLEGIANCE

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 and not to any individual Council member, staff member or other person.

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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 Council, Community Services District, City as Successor Agency for the Redevelopment Agency, Housing Authority or 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

Recommendation: Waive reading of all Ordinances.

A.2 MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

A.3 MINUTES - SPECIAL MEETING OF NOVEMBER 26, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

A.4 CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES (Report of: City Clerk's Department)

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of November 6 – December 3, 2013.

A.5 APPROVAL OF PAYMENT REGISTER FOR OCTOBER, 2013 (Report of: Financial & Management Services Department)

Recommendation:

1. Adopt Resolution No. 2013-85. A Resolution of the City Council of the City of Moreno Valley, California, approving the Payment Register for the month of October, 2013 in the amount of \$10,662,871.27.

A.6 ACCEPTANCE OF THE FISCAL YEAR 2013 HOMELAND SECURITY GRANT PROGRAM (HSGP) AWARD

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(Report of: Fire Department)

Recommendations

1. Accept the Fiscal Year 2013 Homeland Security Grant Program (HSGP) award of \$32,345 from the Riverside County Fire Office of Emergency Services.
2. Increase the revenue and expenditure budget for the Emergency Management Grant Fund 2503 by \$6,725.

A.7 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2013

(Report of: Financial & Management Services Department)

Recommendation:

1. The Finance Sub-Committee reviewed and recommends the receipt and filing of the Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2013.

A.8 AWARD TO HAAKER EQUIPMENT FOR THE REPLACEMENT PURCHASE OF ONE ELGIN CNG STREET SWEEPER

(Report of: Public Works Department)

Recommendations

1. Award to Haaker Equipment Company of La Verne, CA, for the purchase of one 2014 Elgin CNG Broom Bear, Street Sweeper, and:
2. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Haaker Equipment Company in the amount of \$339,805.80.

A.9 P10-085 – REDUCE IRREVOCABLE STANDBY LETTER OF CREDIT AS FAITHFUL PERFORMANCE SECURITY AND ADOPT THE RESOLUTION AUTHORIZING ACCEPTANCE OF THE PUBLIC IMPROVEMENTS AS COMPLETE AND ACCEPTING THE PORTIONS OF PIGEON PASS ROAD AT COUGAR CANYON DRIVE ASSOCIATED WITH THE PROJECT INTO THE CITY’S MAINTAINED STREET SYSTEM

(Report of: Public Works Department)

Recommendations

1. Adopt the Resolution No. 2013-86 authorizing the acceptance of the public improvements within P10-085 as complete and accepting the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project into the City’s maintained street system; and
2. Authorize the City Engineer to execute the 90% reduction to the

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Irrevocable Standby Letter of Credit as Faithful Performance Security, exonerate the Irrevocable Standby Letter of Credit as Material and Labor Security in 90 days if there are no stop notices or liens on file with the City Clerk, and exonerate the final 10% of the Irrevocable Standby Letter of Credit as Faithful Performance Security in one year when all clearances are received.

- A.10 ADOPTION OF 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 \$42,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS, SERIES 2013 TO REFUND OUTSTANDING BONDS; 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 REFINANCING WITH THE MORENO VALLEY PUBLIC FINANCING AUTHORITY
(Report of: Financial & Management Services Department)

Recommendation:

1. Adopt Resolution No. 2013-87, 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 \$42,000,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2013 to refund outstanding bonds; 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 refinancing with the Moreno Valley Public Financing Authority.

- A.11 CITY FINANCIAL PARTICIPATION WITH CHAMBERS OF COMMERCE
(Report of: Community & Economic Development Department)

Recommendations

1. Provide formal City financial support by joining the three Moreno Valley Chambers of Commerce at their corporate or higher level.

- A.12 LASSELLE SPORTS PARK - EXECUTION OF EASEMENT DEEDS FOR WATER AND SEWER PURPOSES TO EASTERN MUNICIPAL WATER DISTRICT
(Report of: Parks & Community Services Department)

Recommendations

1. Authorize the Mayor to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-260-016.
2. Authorize the President of the Community Services District (CSD) to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
3. Authorize the President of the CSD to execute the Easement Deed for Sewer Man-hole Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
4. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
5. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024 and 312-130-025.
6. Direct the City Clerk to forward the signed Easement Deeds to Eastern Municipal Water District for further processing and recordation.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

B.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

B.2 MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

B.3 MINUTES - SPECIAL MEETING OF NOVEMBER 26, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

B.4 AUTHORIZE SUBMISSION OF APPLICATION FOR 21ST CENTURY COMMUNITY LEARNING CENTERS GRANT FOR FISCAL YEAR 2014/2015

(Report of: Parks & Community Services Department)

Recommendation:

1. Authorize the City Manager to submit an application to the California Department of Education for the 21st Century Community Learning Centers Grant for Fiscal Year 2014/2015.

B.5 LASSELLE SPORTS PARK - EXECUTION OF EASEMENT DEEDS FOR WATER AND SEWER PURPOSES TO EASTERN MUNICIPAL WATER DISTRICT

(Report of: Parks & Community Services Department)

Recommendations

1. Authorize the Mayor to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-260-016.
2. Authorize the President of the Community Services District (CSD) to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
3. Authorize the President of the CSD to execute the Easement Deed for Sewer Man-hole Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
4. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
5. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024 and 312-130-025.
6. Direct the City Clerk to forward the signed Easement Deeds to Eastern Municipal Water District for further processing and recordation.

C. CONSENT CALENDAR – HOUSING AUTHORITY

C.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

C.2 MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

C.3 MINUTES - SPECIAL MEETING OF NOVEMBER 26, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

D.2 MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013 (Report of: City Clerk's Department)

Recommendation:

1. Approve as submitted.

ADJOURNMENT OF THE MORENO VALLEY CITY COUNCIL REGULAR MEETING TO THE MORENO VALLEY PUBLIC FINANCING AUTHORITY(MVPFA)

SPECIAL MEETING OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY (MVPFA)

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS ON THE SPECIAL MEETING AGENDA

Those wishing to speak should complete and submit a LAVENDER 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 and not to any individual Council member, staff member or other person.

G. REPORTS

G.1 ADOPTION OF RESOLUTION OF THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE REFUNDING BONDS TO REFUND OUTSTANDING BONDS; 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

AGENDA

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THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE
ISSUANCE OF THE BONDS
(Report of: Financial & Management Services Department)

Recommendation:

1. That the Board of Directors of the Moreno Valley Public Financing Authority adopt Resolution No. MVPFA 2013-01, authorizing the issuance and sale of Lease Revenue Refunding Bonds to refund outstanding bonds; 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.

**ADJOURNMENT OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY
(MVPFA)**

**RECONVENE 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 AND THE HOUSING AUTHORITY**

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 PUBLIC HEARING REGARDING THE MAIL BALLOT PROCEEDINGS FOR ASSESSOR'S PARCEL NUMBERS 291-192-025; 312-250-018, -019, AND -024; AND 316-020-002 THROUGH -005 AND 316-020-012 THROUGH -019 BALLOTING FOR THE CSD ZONE M ANNUAL PARCEL CHARGE
(Report of: Financial & Management Services Department)

Recommendations That the CSD:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceedings for Assessor's Parcel Numbers (APNs) 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019 for inclusion into and approval of the annual charges for the CSD Zone M (Commercial, Industrial, and Multifamily Improved Median Maintenance) program.
2. Direct the Secretary of the CSD Board (City Clerk) to tabulate the

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CSD Zone M ballots for APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019.

3. Verify and accept the results of the mail ballot proceedings as identified on the Official Tally Sheet.
4. Receive and file with the City Clerk's office the accepted Official Tally Sheet.
5. If approved, authorize and impose the CSD Zone M (Commercial, Industrial, and Multifamily Improved Median Maintenance) annual parcel charge to APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019.

**E.2 PUBLIC HEARING REGARDING THE MAIL BALLOT PROCEEDINGS FOR ASSESSOR'S PARCEL NUMBERS 291-192-025; AND 312-250-018, -019, AND -024 BALLOTING FOR NPDES
(Report of: Financial & Management Services Department)**

Recommendations That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceedings for Assessor's Parcel Numbers (APNs) 291-192-025; and 312-250-018, -019, and -024 for approval of the National Pollutant Discharge Elimination System (NPDES) maximum annual rate.
2. Direct the City Clerk to tabulate the NPDES ballots for APNs 291-192-025; and 312-250-018, -019, and -024.
3. Verify and accept the results of the mail ballot proceedings as identified on the Official Tally Sheet.
4. Receive and file with the City Clerk's office the accepted Official Tally Sheet.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to APNs 291-192-025; and 312-250-018, -019, and -024.

E.3 A PUBLIC HEARING FOR A SPECIFIC PLAN AMENDMENT (P11-061) TO THE TOWNGATE SPECIFIC PLAN TO PERMIT SENIOR HOUSING AND CONDITIONALLY PERMIT HOTELS AND ASSISTED LIVING FACILITIES IN THE OFFICE COMMERCIAL LAND USE DISTRICT, INCLUDING DEVELOPMENT AND PARKING STANDARDS AND TO UPDATE TO EXISTING HANDICAP ACCESSIBLE PARKING STANDARDS. THE APPLICANT IS FRITZ DUDA COMPANY.

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. RECOGNIZE that the proposed amendment is exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15061 of the CEQA Guidelines
2. ADOPT Ordinance No. 2013-872. An Ordinance of the City Council of the City of Moreno Valley, California approving P11-061, the sixth amendment to the Towngate Specific Plan (SP No. 200) to permit senior housing facilities and conditionally permit hotels and assisted living facilities in the Office Commercial Land Use District of the Plan, including development and parking standards and updated handicap accessible standards.

E.4 ADOPTION OF FY 2014-2015 CDBG AND HOME PROGRAM OBJECTIVES AND POLICIES

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. Conduct a Public Hearing to allow for the community to comment on the needs of low-and-moderate income residents in Moreno Valley, including the CDBG Target Areas; and
2. Approve the proposed CDBG and HOME Program Objectives and Policies for the 2014-2015 Program Year.

E.5 ADOPTION OF 2013 CALIFORNIA BUILDING CODES, CALIFORNIA CODE OF REGULATIONS, TITLE 24, INCORPORATING THE LATEST EDITIONS OF THE MODEL CODES WITH AMENDMENTS

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. Conduct a Public Hearing to receive public input on the proposed Ordinance.
2. Adopt Ordinance No. 871 amending Title 8, of the City of Moreno Valley Municipal Code by repealing and replacing Chapters 8.20, 8.22, 8.23, 8.24, 8.26, 8.36 and adopting, as modified, the California Building Standards Code, California Code of Regulations, Title 24; incorporating the 2012 International Building Code, 2012 Uniform Mechanical Code, the 2012 International Residential Code, the 2012 Uniform Plumbing Code, the 2012 International Fire Code, and the 2011 National Electrical Code; and adopting other regulations relating to Building and Fire Prevention requirements.

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

G. REPORTS

G.1 APPOINTMENTS TO THE ACCESSIBILITY APPEALS BOARD, ARTS COMMISSION, LIBRARY COMMISSION AND SENIOR CITIZENS' BOARD

(Report of: City Clerk Department)

Recommendations That the City Council:

1. Review the ballots for appointments to various City Council Boards and Commissions (to be provided by the City Clerk) and mark your choices where appropriate.
2. Appoint those applicants who received majority vote by the City Council:

Appoint one (1) applicant to the Accessibility Appeals Board for a Public Representative with a term expiring June 30, 2015.
3. Appoint one (1) applicant to the Arts Commission with a term expiring June 30, 2015.
4. Appoint one (1) applicant to the Library Commission with a term expiring June 30, 2016 and two (2) applicants with terms expiring June 30, 2015.
5. Appoint three (3) applicants to the Senior Citizens' Board with three terms expiring June 30, 2016, one (1) applicant with a term expiring June 30, 2015 and two (2) applicants with terms expiring June 30, 2014.
6. 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.

G.2 CITY COUNCIL REORGANIZATION – SELECTION OF MAYOR AND MAYOR PRO TEM

(Report of: City Clerk Department)

Recommendations That the City Council:

1. Conduct the reorganization of the City Council by selecting two Council Members to serve one-year terms respectively as Mayor and Mayor Pro Tem.

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- G.3 FISCAL YEAR 2012/13 YEAR-END BUDGET REVIEW AND FISCAL YEAR 2013/14 FIRST QUARTER BUDGET REVIEW
(Report of: Financial & Management Services Department)

Recommendations That the City Council:

1. Receive and file the Fiscal Year 2012/13 year-end budget review
2. Receive and file the Fiscal Year 2013/14 first quarter budget review

- G.4 MONTHLY REPORT: MORENO VALLEY ANIMAL SHELTER ADOPTION RATE
(Report of: Administrative Services Department)

Recommendations That the City Council:

1. Receive and file the Monthly Report: Moreno Valley Animal Adoption Rate for the periods of September 1, 2013 to September 30, 2013 and October 1, 2013 to October 31, 2013.

- 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 - NONE

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

- H.3 ORDINANCES - URGENCY ORDINANCES - NONE

- H.4 RESOLUTIONS - NONE

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.

CLOSED SESSION

A Closed Session of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency and Housing Authority will be held in the City Manager's Conference Room, Second Floor, City Hall. The City Council will meet in Closed Session to confer with its legal counsel regarding the following matter(s) and any additional matter(s) publicly and orally announced by the City Attorney in the Council Chamber at the time of convening the Closed Session.

• PUBLIC COMMENTS ON MATTERS ON THE CLOSED SESSION AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

There is a three-minute time limit per person. Please complete and submit a BLUE speaker slip to the City Clerk. All remarks and questions shall be addressed to the presiding officer or to the City Council and not to any individual Council member, staff member or other person.

The Closed Session will be held pursuant to Government Code:

1 SECTION 54956.9(d)(1) - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

- a Case: *Karla Hernandez V. City of Moreno Valley*
Court: Riverside Superior Court
Case No: RIC 1204892

2 SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9

Number of Cases: 1

Dr. Yxstian Gutierrez's request regarding the Application For Leave to Sue in Quo Warranto filed by Basil Kimbrew, Radene Ramos Hiers, Deanna Reeder V. Yxstian Gutierrez before the Attorney General of the State of California.

3 SECTION 54956.9(d)(4) - CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION

Number of Cases: 5

4 SECTION 54956.8 - CONFERENCE WITH REAL PROPERTY NEGOTIATOR

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a) Property: *Northwest Corner of Nason Street and Brodiaea Avenue*
City Negotiator: Ahmad Ansari
Under Negotiation: Price and terms of payment
Owner: Country Squire Mobile Estates
APN 486-270-018

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY

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: December 4, 2013

MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
November 12, 2013

CALL TO ORDER

SPECIAL PRESENTATIONS

1. Employees of the Quarter, 2nd Quarter 2013

(Facilities) Rix Skonberg, Alice Rod, Jasmin Rivera, Adam Patino, Daphne McKinney, Frank Kim, Hector Gomez and Javier Ponce) and

(Network Operations and Telecommunications) (Mike Box, Joe Lara, Nick Thouas, Robert Silva, Mark Kirks and Dave Ebarra)

2. Keep Moreno Valley Beautiful Announcement

3. Proclamation Recognizing November as Pancreatic Cancer Awareness Month

4. Business Spotlight

a) Banig Restaurant

b) Tutu Barre

**MINUTES
JOINT MEETING OF THE
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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
November 12, 2013**

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 6:05 p.m. by Mayor Tom Owings in the Council Chamber located at 14177 Frederick Street

Mayor Tom Owings announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Frank Wright

INVOCATION

Pastor Paul Cunningham - Renewal Christian Fellowship

ROLL CALL

Council:

Tom Owings	Mayor
Jesse L. Molina	Mayor Pro Tem
Richard A. Stewart	Council Member
Yxstian Gutierrez	Council Member
Victoria Baca	Council Member

Staff:

Ewa Lopez	Deputy City Clerk
Jane Halstead	City Clerk
Richard Teichert	Chief Financial Officer/City Treasurer
Suzanne Bryant	City Attorney

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Michelle Dawson	City Manager
Tom DeSantis	Assistant City Manager
Ahmad Ansari	Public Works Director
Chris Paxton	Administrative Services Director
Joel Ontiveros	Police Chief
Abdul Ahmad	Fire Chief
John Terell	Community and Economic Development Director
Mike McCarty	Parks & Community Services Director

Lorraine O'Compo, representing Moreno Valley Unified School District, made a brief presentation regarding achievements and the increase in API Scores; the District has the second best rate of API increase in the County

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

JoAnn Stephan: recall campaign

Ruthee Goldkorn: ribbon cutting at Stater Bros; DA and FBI investigations; thanked MV School District for their efforts; disabilities act violations; City's responsibility to maintain the City's Web site

Susan Gilmore Owings: former City Council Member's plea bargain; March Life Care/March JPA

Scott Heveran: recall petition; anti-recall signs

Jim Malakouti: 2008 City's resolution regarding car dealers being restricted to lots not smaller than 2.5 acres

Danny Schwier (representing Real Living Premier Realty): asked to make job creation number 1 priority

Mayor Tom Owings had a dialogue with Council Member Richard A. Stewart regarding bribery charges against former Council Member Marcelo Co; commented on lot requirements for used car dealers and March Joint Powers.

Remaining speakers spoke after Item H.1

Craig R. Givens (representing Concerned Citizens of Moreno Valley Advocacy Group): anti-recall campaign; club 3-0; boundaries of March Joint Powers; eradicate corruption in Moreno Valley

Curtis Gardner (representing Concerned Citizens of Moreno Valley): City's

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lawsuit against March JPA; boundaries of March JPA; absence of City's representatives at March Joint Powers meetings

Kathleen Dale: District 4 appointment; signs; Mayor speaking out of order; March JPA; zone overlay

Robert Palomarez: political signs

Louise Palomarez: City concerns; political signs; recall

Chris Baca: recall campaign; environmental justice/air pollution

JOINT CONSENT CALENDARS (SECTIONS A-D) OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, MORENO VALLEY COMMUNITY SERVICES DISTRICT, COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY AND THE BOARD OF LIBRARY TRUSTEES

Mayor Tom Owings opened the agenda items for the Consent Calendars for public comments, which were received from Kathleen Dale (Item A.2).

A. CONSENT CALENDAR-CITY COUNCIL

A.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

A.2 MINUTES - REGULAR MEETING OF OCTOBER 22, 2013 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

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

Recommendation:

Receive and file the Reports on Reimbursable Activities for the period of October 16 – November 5, 2013.

A.4 APPROVAL OF PAYMENT REGISTER FOR SEPTEMBER, 2013 (Report of: Financial & Management Services Department)

Recommendation:

Adopt Resolution No. 2013-83. A Resolution of the City Council of the City of Moreno Valley, California, approving the Payment Register for the month of September, 2013 in the amount of \$15,282,931.30.

MINUTES
November 12, 2013

- A.5 RECEIPT OF QUARTERLY INVESTMENT REPORT – QUARTER ENDED SEPTEMBER 30, 2013
(Report of: Financial & Management Services Department)

Recommendation:

Receive and file the Quarterly Investment Report, in compliance with the City's Investment Policy.

- A.6 PA09-0012 (PM 36162) PHASE I – ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS
(Report of: Public Works Department)

Recommendations

1. Accept the Agreement and Security for Public Improvements for Moreno Knox, LLC.
 2. Authorize the Mayor to execute the Agreement.
 3. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
 4. 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 A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING A LONG RANGE PROPERTY MANAGEMENT PLAN
(Report of: Community & Economic Development Department)

Recommendations

That the City Council acting in their capacity as Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Adopt Resolution No. SA 2013-10. A Resolution of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley approving the Long Range Property Management Plan; authorize the Executive Director or their designee to make modifications to the Plan; and authorize the submission of the Property Management Plan for approval by the Oversight Board and the State Department of Finance.

- A.8 AUTHORIZE A CHANGE ORDER TO INCREASE THE PURCHASE ORDER WITH RIVERSIDE CONSTRUCTION COMPANY, INC. FOR HARDSCAPE AND LANDSCAPING FOR THE SR-60/NASON STREET OVERCROSSING IMPROVEMENTS PROJECT NO. 802 0003 70 77
(Report of: Public Works Department)

MINUTES
November 12, 2013

Recommendations

1. Authorize a Change Order to increase the existing Purchase Order with Riverside Construction Company, Inc. in the amount of \$3,360,000 (\$2,800,000 contract plus \$560,000 contingency) for hardscape and landscaping on the SR-60/Nason Street Overcrossing Improvements project.
2. Authorize the Public Works Director/City Engineer to execute the Change Order to the Purchase Order for Riverside Construction Company, Inc., authorize the Public Works Director/City Engineer to approve any changes that may be requested by Caltrans or the City, and execute any Change Orders to the construction contract with Riverside Construction Company, Inc. up to, but not exceeding, the Purchase Order's total contingency amount.

- A.9 RECOMMENDATION TO ESTABLISH THE CLASSIFICATION OF FINANCIAL RESOURCES DIVISION MANAGER IN THE FINANCIAL & MANAGEMENT SERVICES DEPARTMENT
(Report of: Financial & Management Services Department)

Recommendation:

Adopt the new position, class specification and salary range of the Financial Resources Division Manager in the Financial & Management Services Department, representing a reclassification of the Budget Officer position.

- A.10 ADOPT RESOLUTION IN SUPPORT OF BAY-DELTA CONSERVATION PLAN
(Report of: City Manager Department)

Recommendation:

Adopt Resolution No. 2013-84. A Resolution of the City Council of the City of Moreno Valley, California, in Support of the Bay Delta Conservation Plan, Reliable Water Supplies, and Environmental Restoration.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

- B.2 MINUTES - REGULAR MEETING OF OCTOBER 22, 2013 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

MINUTES
November 12, 2013

C. CONSENT CALENDAR - HOUSING AUTHORITY

C.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

C.2 MINUTES - REGULAR MEETING OF OCTOBER 22, 2013 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

D.1 ORDINANCES - READING BY TITLE ONLY

Recommendation: Waive reading of all Ordinances.

D.2 MINUTES - REGULAR MEETING OF OCTOBER 22, 2013 (Report of: City Clerk's Department)

Recommendation:

Approve as submitted.

Motion to Approve Joint Consent Calendar Items A.1 through D.2 by m/Mayor Tom Owings, s/Council Member Victoria Baca

Approved by a vote of 5-0.

E. PUBLIC HEARINGS

E.1 PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT #3 (NEIGHBORHOOD STABILIZATION PROGRAM 3 – NSP3) TO THE FY 2013-2014 ANNUAL ACTION PLAN AND AMENDMENT #3 TO NSP3 PROGRAM GUIDELINES

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. Conduct a Public Hearing to allow the public an opportunity to comment on the proposed Substantial Amendment #3 to the FY 2013-2014 Annual Action and Amendment #3 to the NSP 3 Program Guidelines.
2. Approve the proposed amendments to the NSP3 Program that redefine the Target Areas and reallocate funds between HUD-approved NSP3 eligible activities (Attachment 1).

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November 12, 2013

3. Approve the Budget Appropriation Adjustment (BAA) and authorize the Chief Financial Officer to process the adjustments.
4. Authorize the City Manager to reallocate NSP3 funds between HUD-approved grant activities.

Mayor Tom Owings opened the public testimony portion of the public hearing; there being none, public testimony was closed.

Approve the proposed amendments to the NSP3 Program that redefine the Target Areas and reallocate funds between HUD-approved NSP3 eligible activities (Attachment 1).
Approve the Budget Appropriation Adjustment (BAA) and authorize the Chief Financial Officer to process the adjustments.
Authorize the City Manager to reallocate NSP3 funds between HUD-approved grant activities. by m/Mayor Pro Tem Jesse L. Molina, s/Council Member Victoria Baca

Approved by a vote of 5-0.

- E.2 PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENTS #1 (COMMUNITY DEVELOPMENT BLOCK GRANT - CDBG) AND #2 (HOME INVESTMENT PARTNERSHIP PROGRAM - HOME) TO THE FY 2013-2014 ANNUAL ACTION PLAN
 (Report of: Community & Economic Development Department)

Recommendations That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendments #1 (CDBG) and #2 (HOME) to the FY 2013-2014 Annual Action Plan.
2. Review and adopt the proposed Substantial Amendments #1 (CDBG) and #2 (HOME) to the FY 2013-2014 Annual Action Plan.
3. Approve the necessary Revenue and Expense Appropriations and authorize the Chief Financial Officer to process the adjustments.
4. Authorize the City Manager to reallocate grant funds between HUD-approved grant activities.

Mayor Tom Owings opened the public testimony portion of the public hearing; there being none, public testimony was closed.

Review and adopt the proposed Substantial Amendments #1 (CDBG) and #2 (HOME) to the FY 2013-2014 Annual Action Plan.
Approve the necessary Revenue and Expense Appropriations and

MINUTES
 November 12, 2013

authorize the Chief Financial Officer to process the adjustments. Authorize the City Manager to reallocate grant funds between HUD-approved grant activities. by m/Mayor Pro Tem Jesse L. Molina, s/Mayor Tom Owings

Approved by a vote of 5-0.

Recess;
Reconvened

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

G. REPORTS

- G.1 PUBLIC MEETING REGARDING THE MAIL BALLOT PROCEEDINGS FOR ASSESSOR'S PARCEL NUMBERS (APNS) 291-192-025; AND 312-250-018, -019, AND -024 BALLOTING FOR NPDES
(Report of: Financial & Management Services Department)

Recommendations That the City Council:

Accept public comments regarding the mail ballot proceedings for APNs 291-192-025; and 312-250-018, -019, and -024 for approval of the National Pollutant Discharge Elimination System (NPDES) maximum commercial/industrial regulatory rate.

Mayor Tom Owings opened agenda item for public comments; there being none, public comments were closed.

No action required.

- G.2 PUBLIC MEETING REGARDING THE MAIL BALLOT PROCEEDINGS FOR ASSESSOR'S PARCEL NUMBERS (APNS) 291-192-025; 312-250-018, -019, AND -024; AND 316-020-002 THROUGH -005 AND 316-020-012 THROUGH -019 BALLOTING FOR CSD ZONE M
(Report of: Financial & Management Services Department)

Recommendations That the CSD:

Accept public comments regarding the mail ballot proceedings for APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019 for inclusion into and approval of the annual charges for the CSD Zone M (Commercial, Industrial, and Multifamily Improved Median Maintenance) program.

Mayor Tom Owings opened agenda item for public comments; there being none, public comments were closed.

MINUTES
November 12, 2013

No action required.

- G.3 SECOND AMENDMENT TO AFFORDABLE HOUSING AGREEMENT BETWEEN THE CITY OF MORENO VALLEY, MORENO VALLEY HOUSING AUTHORITY, AND MV HEMLOCK LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP
(Report of: Community & Economic Development Department)

Recommendations That the City Council and Housing Authority

Approve the Second Amendment to the Affordable Housing Agreement, by and between the City of Moreno Valley, Moreno Valley Housing Authority, and MV Hemlock LP, a California Limited Partnership to increase the City's HOME contribution by \$700,000.

Mayor Tom Owings opened agenda item for public comments; there being none, public comments were closed.

Approve the Second Amendment to the Affordable Housing Agreement, by and between the City of Moreno Valley, Moreno Valley Housing Authority, and MV Hemlock LP, a California Limited Partnership to increase the City's HOME contribution by \$700,000. by m/Council Member Yxstian Gutierrez, s/Mayor Pro Tem Jesse L. Molina

Approved by a vote of 5-0.

- G.4 AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT TO FLATIRON ELECTRIC GROUP, INC. EMERGENCY VEHICLE PRE-EMPTION RETROFIT AT 117 SIGNALIZED INTERSECTIONS — PROJECT NO. 808 0010 70 76
(Report of: Public Works Department)

Recommendations That the City Council:

1. Waive any and all minor irregularities and award the contract to Flatiron Electric Group, Inc., 7911-A Pine Avenue, Chino, CA 91708, the lowest responsible bidder, for Emergency Vehicle Pre-Emption Retrofit at 117 Existing Signalized Intersections.
2. Authorize the City Manager to execute a contract with Flatiron Electric Group, Inc.
3. Authorize the issuance of a Purchase Order to Flatiron Electric Group, Inc. for the amount of \$418,025 (\$363,500 bid plus 15% contingency) when the contract has been signed by all parties.

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4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with Flatiron Electric Group, Inc. up to, but not exceeding, the contingency amount of \$54,525, subject to the approval of the City Attorney.
5. Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained system and release the retention to Flatiron Electric Group, Inc., if no claims are filed against the project.

Mayor Tom Owings opened agenda item for public comments; there being none, public comments were closed.

Waive any and all minor irregularities and award the contract to Flatiron Electric Group, Inc., 7911-A Pine Avenue, Chino, CA 91708, the lowest responsible bidder, for Emergency Vehicle Pre-Emption Retrofit at 117 Existing Signalized Intersections.

Authorize the City Manager to execute a contract with Flatiron Electric Group, Inc.

Authorize the issuance of a Purchase Order to Flatiron Electric Group, Inc. for the amount of \$418,025 (\$363,500 bid plus 15% contingency) when the contract has been signed by all parties.

Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with Flatiron Electric Group, Inc. up to, but not exceeding, the contingency amount of \$54,525, subject to the approval of the City Attorney.

Authorize the Public Works Director/City Engineer to record the Notice of Completion once he determines the work is complete, accept the improvements into the City's maintained system and release the retention to Flatiron Electric Group, Inc., if no claims are filed against the project. by m/Mayor Pro Tem Jesse L. Molina, s/Council Member Richard A. Stewart

Approved by a vote of 5-0.

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

City Manager City Manager Michelle Dawson announced that this Saturday, November 16, a free Used Oil Filter Exchange & Recycling event will be held at 24021 Alessandro and on the same day the Senior Center will host its first Craft Fair; the information is available on the City's Web site; thanked staff for doing the great job despite Tuesday's news announcement regarding former Council Member Co.

MINUTES
November 12, 2013

Mayor Tom Owings provided information regarding the overlay zone in the east corridor area, (60 Freeway/Nason area).

- G.6 CITY ATTORNEY'S REPORT (Informational Oral Presentation - not for Council action) - none

H. LEGISLATIVE ACTIONS

H.1 ORDINANCES - 1ST READING AND INTRODUCTION

- H.1.1 ADOPTION OF 2013 CALIFORNIA BUILDING CODES, CALIFORNIA CODE OF REGULATIONS, TITLE 24, INCORPORATING THE LATEST EDITIONS OF THE MODEL CODES WITH AMENDMENTS
(Report of: Community & Economic Development Department)

Recommendations That the City Council:

Introduce Ordinance No. 871. An Ordinance of the City Council of the City of Moreno Valley, California, amending Title 8, of the City of Moreno Valley Municipal Code by repealing and replacing Chapters 8.20, 8.22, 8.23, 8.24, 8.26, 8.36 and adopting, as modified, the California Building Standards Code, California Code of Regulations, Title 24; incorporating the 2012 International Building Code, 2012 Uniform Mechanical Code, the 2012 International Residential Code, the 2012 Uniform Plumbing Code, the 2012 International Fire Code, and the 2011 National Electrical Code; and adopting other regulations relating to Building and Fire Prevention requirements.

Mayor Tom Owings opened agenda item for public comments; there being none, public comments were closed.

Building and Neighborhood Services Division Manager Allen Brock announced minor corrections: introduce ordinance (not adopt); and an error in section number

Introduce Ordinance No. 871. An Ordinance of the City Council of the City of Moreno Valley, California, amending Title 8, of the City of Moreno Valley Municipal Code by repealing and replacing Chapters 8.20, 8.22, 8.23, 8.24, 8.26, 8.36 and adopting, as modified, the California Building Standards Code, California Code of Regulations, Title 24; incorporating the 2012 International Building Code, 2012 Uniform Mechanical Code, the 2012 International Residential Code, the 2012 Uniform Plumbing Code, the 2012 International Fire Code, and the 2011 National Electrical Code; and adopting other regulations relating to Building and Fire Prevention requirements. by m/Council Member Victoria Baca, s/Council Member Richard A. Stewart

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November 12, 2013

Approved by a vote of 5-0.

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 Richard Stewart

1. Stater Bros Grand Opening will be held on November 13
2. Attended Veterans Day celebrations at Sunnymead Ranch, Riverside National Cemetery and at the Veterans Memorial
3. Asked to agendaize March Joint Powers issues for a study session with public's input
4. Commented on situation involving former Council Member Co and his accusations
5. Requested to agendaize "9 o'clock rule" to allow the remainder of public comments to be heard close to 9 p.m.
6. Requested guidelines for abstention vote and discussion
7. Asked that Council Members orally announce motions

Council Member Victoria Baca

1. Ceremonies to honor veterans at Riverside National Cemetery and at the Veterans Memorial
2. Inquired if we are still airing Emmy nominated recycling used oil commercial
3. Encouraged residents to foster animals
4. Thanked staff for organizing celebration events for the community
5. Moreno Valley resident Mikey Garcia won WBO junior lightweight title
6. Is working with the community of Edgemont

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7. Remarked on the arrest and indictment of Mr. Co

Mayor Pro Tem Jesse Molina

1. Attended the Veterans Day Ceremony
3. Attended the Boys Scouts Annual Reception Dinner and sponsored a dog; encouraged fostering animals
4. Commented on Mr. Co's indictment
5. Thanked Dr. Judy White for achievements in education
6. Hopes we will have March JPA issue straighten out

Council Member Yxstian Gutierrez

1. Attended the Boy Scouts event and also left with a puppy
2. Attended Veterans Day event
3. Is advocating for District 4 residents and collaboratively working with staff to have issues resolved
4. Stated that his three major goals are to support the public safety, bring jobs to the community and partner with the school districts
5. Amazon, which agreed to do business in Moreno Valley, will bring thousands of jobs

Mayor Tom Owings

1. Commented on accuracy and completeness of reporting by The Press-Enterprise
2. Stated that the City Council has responsibility to restore confidence of the community in government and let them know that we are watching out for them
3. Remarked on March JPA, land give-away and warehousing
4. Working on resolving public safety issue
5. Highlighted Council's accomplishments
6. School districts' achievements, high API scores; need to continue in that direction and give teachers tools necessary to get the job done

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7. Louise Palomarez was voted as the Democratic Party volunteer of the year

CLOSED SESSION - canceled

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 9:44 p.m. by unanimous informal consent.

Submitted by:

City Clerk Jane Halstead, 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:

Mayor Tom Owings
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

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MINUTES
November 12, 2013

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MINUTES
SPECIAL 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

SPECIAL MEETING – 4:00 PM
November 26, 2013

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 4:00 p.m. by Mayor Tom Owings in the Council Chamber located at 14177 Frederick Street

Mayor Tom Owings announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Pete Bleckert

INVOCATION – Council Member Richard A. Stewart

ROLL CALL

Council:

Tom Owings	Mayor
Victoria Baca	Council Member
Yxstian Gutierrez	Council Member
Richard A. Stewart	Council Member

Absent:

Jesse L. Molina	Mayor Pro Tem
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Staff:

Jane Halstead	City Clerk
Michelle Dawson	City Manager
Suzanne Bryant	City Attorney
Ahmad Ansari	Public Works Director
Tom DeSantis	Assistant City Manager

PUBLIC COMMENTS ON MATTERS ON THE SPECIAL MEETING AGENDA

G. REPORTS

G.1 MEMORANDUM OF UNDERSTANDING REGARDING NEW TENANT FOR SRG MORENO VALLEY INDUSTRIAL PROJECT.

(Report of: Community & Economic Development Department)

Recommendations That the City Council:

Approves the Memorandum of Understanding with Deckers Outdoor Corporation regarding the development and occupancy of the SRG Moreno Valley Industrial Project.

Mayor Tom Owings opened the agenda item for public comments, which were received from Tom Thornsley, Robert Palomarez and Lori Nickels.

Approves the Memorandum of Understanding with Deckers Outdoor Corporation regarding the development and occupancy of the SRG Moreno Valley Industrial Project. by m/Council Member Yxstian Gutierrez, s/Council Member Victoria Baca

Approved by a vote of 4-0-1, Mayor Pro Tem Jesse L. Molina absent.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 4:39 p.m. by unanimous informal consent.

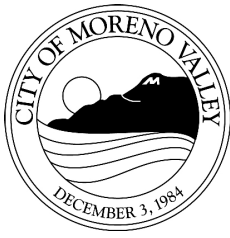
Submitted by:

City Clerk 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

Approved by:

Mayor Tom Owings
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

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Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk

AGENDA DATE: December 10, 2013

TITLE: CITY COUNCIL REPORTS ON REIMBURSABLE ACTIVITIES

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of November 6 – December 3, 2013.

<i>Reports on Reimbursable Activities</i>			
November 6 – December 3, 2013			
Council Member	Date	Meeting	Cost
Victoria Baca	11/15/13	Moreno Valley Chamber of Commerce Celebrate Moreno Valley	\$65.00
	11/18/13	League of California Cities – Riverside County Division	\$40.00
	11/20/13	UCR Citizens University Committee	\$22.00
Yxstian A. Gutierrez	11/15/13	Moreno Valley Chamber of Commerce Celebrate Moreno Valley	\$65.00
Jesse L. Molina	11/13/13	Student of the Month	\$15.00
	11/14/13	James Ricks Retirement	\$15.00
	11/15/13	Moreno Valley Chamber of Commerce Celebrate Moreno Valley	\$65.00
Tom Owings		None	
Richard A. Stewart	11/20/13	Moreno Valley Chamber of Commerce Wake-Up	\$15.00
	12/3/13	Moreno Valley Hispanic Chamber of Commerce Adelante	\$10.00

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

Department Head Approval:
Jane Halstead
City Clerk

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: APPROVAL OF PAYMENT REGISTER FOR OCTOBER, 2013

RECOMMENDED ACTION

Recommendation:

1. Adopt Resolution No. 2013-85. A Resolution of the City Council of the City of Moreno Valley, California, approving the Payment Register for the month of October, 2013 in the amount of \$10,662,871.27.

DISCUSSION

To facilitate Council's review, 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.

FISCAL IMPACT

The disbursements itemized in the attached Payment Register are reflected in the 2013-14 budget. Therefore, there is no fiscal impact other than the expenditure of budgeted funds.

ATTACHMENTS

- Attachment 1: Proposed Resolution
 Attachment 2: Payment Register for Month of October, 2013

Prepared By:
 Dena Heald
 Financial Operations Division Manager

Department Head Approval:
 Richard Teichert
 Chief Financial Officer

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RESOLUTION NO. 2013-85

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE PAYMENT REGISTER FOR THE MONTH OF OCTOBER, 2013

WHEREAS, the Financial & Management Services Department has prepared and provided the Payment Register for the period October 1, 2013 through October 31, 2013, for review and approval by the City Council of the City of Moreno Valley; and

WHEREAS, it is in the best interest of the City that the referenced Payment Register be approved.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, that the Payment Register for the period October 1, 2013 through October 31, 2013, in the total amount of \$10,662,871.27 is approved.

APPROVED AND ADOPTED this 10th day of December, 2013.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

1
Resolution No. 2013-85
Date Adopted: December 10, 2013

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. 2013-85 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of December, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

Resolution No. 2013-85²
Date Adopted: December 10, 2013



City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
BEDON CONSTRUCTION, INC	10625	10/14/2013	16661	CONSTRUCTION CONTRACT - MORENO MASTER DRAIN LINE F	\$208,181.41
Remit to: TEMECULA, CA					<u>FYTD:</u> \$781,422.13
BIO-TOX LABORATORIES	218912	10/14/2013	27394	BLOOD TOXICOLOGY ANALYSIS	\$28,714.14
			27540	BLOOD TOXICOLOGY ANALYSIS	
			27395	BLOOD TOXICOLOGY ANALYSIS	
			27539	BLOOD TOXICOLOGY ANALYSIS	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$67,922.14
BURST COMMUNICATIONS, INC	218829	10/07/2013	107867D	BROADCAST EQUIPMENT UPGRADE - 10% COMPLETION OF INSTALLATION	\$45,072.00
Remit to: DENVER, CO					<u>FYTD:</u> \$270,432.00
CALSTR'S	219047	10/21/2013	PA07-0080	REFUND-GRADING DEPOSIT FOR PA07-0080	\$65,466.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$65,466.00
COUNTY OF RIVERSIDE SHERIFF	218956	10/14/2013	SH0000022416	LAW ENFORCEMENT SVCS/GRANT #PT1303-DUI SATURATION PATROL-8/10/13	\$36,247.29
			SH0000022412	LAW ENFORCEMENT SVCS/GRANT #PT1303-DISTR. DRIVING ENF.- 8/01/13	
			SH0000022411	LAW ENFORCEMENT SVCS/GRANT #PT1303-MTRCYCLE SAFETY ENF.-7/27/13	
			SH0000022410	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-7/26/13	
			SH0000022413	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-8/05/13	
			SH0000022417	LAW ENFORCEMENT SVCS/GRANT #PT1303-DISTR. DRIVING ENF.- 8/13/13	

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Item No. A.5



City of Moreno Valley
Payment Register
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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 SHERIFF	218956	10/14/2013	SH0000022418	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-8/14/13	\$36,247.29
			SH0000022414	LAW ENFORCEMENT SVCS/GRANT #PT1303-MTRCYCLE SAFETY ENF.-8/07/13	
			SH0000022420	LAW ENFORCEMENT SVCS/GRANT #PT1303-DISTR. DRIVING ENF.-8/19/13	
			SH0000022415	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-8/09/13	
			SH0000022431	LAW ENFORCEMENT SVCS/GRANT #PT1303-MTRCYCLE SAFETY ENF.-8/18/13	
			SH0000022423	LAW ENFORCEMENT SVCS/GRANT #SC13272-DUI CHECKPOINT 8/21/13	
			SH0000022422	LAW ENFORCEMENT SVCS/GRANT #SC13272-DUI CHECKPOINT 8/16/13	
			SH0000022421	LAW ENFORCEMENT SVCS/GRANT #SC13272-DUI CHECKPOINT 8/02/13	
Remit to: MORENO VALLEY, CA					FYTD: \$10,621,110.43

COUNTY OF RIVERSIDE SHERIFF	219036	10/21/2013	SH0000022550	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-8/27/13	\$28,565.13
			SH0000022559	LAW ENFORCEMENT SVCS/GRANT #SC13272-DUI CHECKPOINT 9/11/13	
			SH0000022558	LAW ENFORCEMENT SVCS/GRANT #SC13272-DUI CHECKPOINT 9/06/13	
			SH0000022557	LAW ENFORCEMENT SVCS/GRANT #AL1387-AVOID THE 30-8/24/13	
			SH0000022556	LAW ENFORCEMENT SVCS/GRANT #PT1303-DUI SATURATION PATROL-9/7/13	
			SH0000022555	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-9/5/13	



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COUNTY OF RIVERSIDE SHERIFF	219036	10/21/2013	SH0000022554	LAW ENFORCEMENT SVCS/GRANT #PT1303-TRAFFIC ENF OPERATION-9/4/13	\$28,565.13
			SH0000022553	LAW ENFORCEMENT SVCS/GRANT #PT1303-DISTR. DRIVING ENF.- 9/3/13	
			SH0000022552	LAW ENFORCEMENT SVCS/GRANT #PT1303-DISTR. DRIVING ENF.- 9/2/13	
			SH0000022551	LAW ENFORCEMENT SVCS/GRANT #PT1303-DISTR. DRIVING ENF.- 8/29/13	

Remit to: MORENO VALLEY, CA FYTD: \$10,621,110.43

EASTERN MUNICIPAL WATER DISTRICT	218840	10/07/2013	SEP-13 10/7/13	WATER CHARGES	\$70,648.34
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Remit to: PERRIS, CA FYTD: \$915,400.73

EASTERN MUNICIPAL WATER DISTRICT	218926	10/14/2013	SEP-13 10/14/13	WATER CHARGES	\$44,795.88
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Remit to: PERRIS, CA FYTD: \$915,400.73

EASTERN MUNICIPAL WATER DISTRICT	218993	10/21/2013	SEP-13 10/21/13	WATER CHARGES	\$52,865.19
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Remit to: PERRIS, CA FYTD: \$915,400.73

EASTERN MUNICIPAL WATER DISTRICT	219074	10/28/2013	OCT-13 10/28/13	WATER CHARGES	\$34,323.40
			SEP-13 10/28/13	WATER CHARGES	

Remit to: PERRIS, CA FYTD: \$915,400.73

EMPLOYMENT DEVELOPMENT DEPARTMENT	10508	10/04/2013	2014-00000114	CA TAX - STATE TAX WITHHOLDING*	\$33,308.60
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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: SACRAMENTO, CA					<u>FYTD:</u> \$374,055.11
EMPLOYMENT DEVELOPMENT DEPARTMENT	10665	10/18/2013	2014-00000130	CA TAX - STATE TAX WITHHOLDING*	\$33,872.45
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$374,055.11
FALCON ENGINEERING SERVICES, INC.	10680	10/21/2013	2012-14-AREV 2012-12	CONSTRUCTION INSPECTION SERVICES - SR-60/MB PH I CONSTRUCTION INSPECTION SERVICES - SR-60/NASON OC	\$187,456.27
Remit to: CORONA, CA					<u>FYTD:</u> \$848,579.72
HARDY & HARPER, INC.	10682	10/21/2013	40298 17917R 17917R(a)	SPEED HUMP CONSTRUCTION-PROGRESS PAY #5 RELEASE OF RETENTION-INV#39328-REV RELEASE OF RETENTION-INV#38717 & INV#38880	\$29,760.00
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$40,560.00
HILLCREST CONTRACTING, INC	10548	10/07/2013	PB 22411	CONSTRUCTION CONTRACT - PERRIS BLVD WIDENING	\$135,393.47
Remit to: CORONA, CA					<u>FYTD:</u> \$784,460.44
INTERNAL REVENUE SERVICE CENTER	10509	10/04/2013	2014-00000115	FED TAX - FEDERAL TAX WITHHOLDING*	\$129,919.04
Remit to: OGDEN, UT					<u>FYTD:</u> \$1,444,013.29
INTERNAL REVENUE SERVICE CENTER	10666	10/18/2013	2014-00000131	FED TAX - FEDERAL TAX WITHHOLDING*	\$132,163.01
Remit to: OGDEN, UT					<u>FYTD:</u> \$1,444,013.29
LAKE ELSINORE & SAN JACINTO WATERSHEDS	219081	10/28/2013	8656	FY13/14 LAKE ELSINORE & CNYN LAKE TMDL TSK FORCE STAKEHLDR CONT.	\$103,565.00



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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>
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$103,565.00
LEIGHTON CONSULTING, INC.	10683	10/21/2013	13121	GEOTECHNICAL SERVICES - SR-60/NASON OC	\$54,591.69
			12781	GEOTECHNICAL SERVICES - SR-60/NASON OC	
			12417	GEOTECHNICAL SERVICES - SR-60/NASON OC	
			12989	GEOTECHNICAL SERVICES - LINE F	
Remit to: IRVINE, CA					<u>FYTD:</u> \$74,754.63
MORENO VALLEY UTILITY	219005	10/21/2013	OCT-13 10/21/13	ELECTRICITY	\$92,037.20
Remit to: HEMET, CA					<u>FYTD:</u> \$371,370.27
NATIONWIDE RETIREMENT SOLUTIONS CP	10505	10/04/2013	2014-00000110	8010 - DEF COMP 457 - NATIONWIDE*	\$26,284.76
Remit to: COLUMBUS, OH					<u>FYTD:</u> \$331,689.33
NATIONWIDE RETIREMENT SOLUTIONS CP	10663	10/18/2013	2014-00000128	8010 - DEF COMP 457 - NATIONWIDE*	\$25,584.76
Remit to: COLUMBUS, OH					<u>FYTD:</u> \$331,689.33
NOBLE AMERICAS ENERGY SOLUTIONS	10692	10/21/2013	132820003221804	ELECTRIC ENERGY PURCHASE FOR MV UTILITY	\$407,321.21
Remit to: PASADENA, CA					<u>FYTD:</u> \$1,805,158.53
PACIFIC UTILITY INSTALLATION, INC	10693	10/21/2013	12183	SR60/NASON BRIDGE OVERCROSSING IMPRVMT PROJECT- CONDUIT INSTALL.	\$58,433.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$125,433.00
PERMA	10573	10/07/2013	2013-14 CRIME CV	INSURANCE PREMIUM FOR 2013-14 CRIME COVERAGE PROGRAM	\$408,721.16

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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>
PERMA	10573	10/07/2013	2013-14 GEN LIAB	DEPOSIT PREMIUM FOR 2013-14 GENERAL LIABILITY PROGRAM	\$408,721.16
			2013-14 PROP PRG	INSURANCE PREMIUM FOR 2013-14 PROPERTY PROGRAM	
			2013-14 CYBER LB	INSURANCE PREMIUM FOR 2013-14 CYBER LIABILITY COVERAGE PROGRAM	
Remit to: PALM DESERT, CA					FYTD: \$408,721.16
PERS HEALTH INSURANCE	10622	10/09/2013	W131001	EMPLOYEE HEALTH INSURANCE	\$195,404.26
Remit to: SACRAMENTO, CA					FYTD: \$989,363.68
PERS RETIREMENT	10619	10/11/2013	P130927	PERS RETIREMENT DEPOSIT - CLASSIC	\$230,479.41
Remit to: SACRAMENTO, CA					FYTD: \$2,200,240.08
PERS RETIREMENT	10713	10/25/2013	P131011	PERS RETIREMENT DEPOSIT - CLASSIC	\$232,514.76
Remit to: SACRAMENTO, CA					FYTD: \$2,200,240.08
POWELL CONSTRUCTORS, INC.	218866	10/07/2013	10	CONSTRUCTION CONTRACT - SR-60/MB PH I	\$249,554.79
Remit to: FONTANA, CA					FYTD: \$965,934.92
RIVERSIDE CONSTRUCTION COMPANY, INC	10731	10/28/2013	130801	CONSTRUCTION CONTRACT - SR-60/NASON OC	\$1,173,884.55
Remit to: RIVERSIDE, CA					FYTD: \$2,730,924.05
RIVERSIDE COUNTY HABITAT CONSERVATION	218960	10/14/2013	10022013	STEPHEN'S KANGAROO RAT (SKR) MITIGATION FEES	\$94,945.00
Remit to: RIVERSIDE, CA					FYTD: \$103,720.00
SHELL ENERGY NORTH AMERICA (US) L.P.	10698	10/21/2013	1233981	ELECTRIC ENERGY PURCHASE FOR MV UTILITY	\$544,252.80



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Remit to: PHILADELPHIA, PA					FYTD: \$2,880,049.88
SOUTHERN CALIFORNIA EDISON 1	218943	10/14/2013	SEPT-13 10/14/13	ELECTRICITY	\$98,326.35
Remit to: RIALTO, CA					FYTD: \$1,242,230.60
SOUTHERN CALIFORNIA EDISON 1	218983	10/14/2013	7500336216	WDAT CHARGES-NANDINA AVE. LOCATION	\$27,496.03
			7500336215	WDAT CHARGES-GLOBE ST. LOCATION	
			7500336214	WDAT CHARGES-GRAHAM ST. LOCATION	
			7500336213	WDAT CHARGES-IRIS AVE. LOCATION	
			7500336217	WDAT CHARGES-FREDERICK AVE. LOCATION	
			7500337492	RELIABILITY SERVICE-DLAP_SCE_SEES_HV	
Remit to: ROSEMEAD, CA					FYTD: \$1,242,230.60
SOUTHERN CALIFORNIA EDISON 1	219013	10/21/2013	SEPT-13 10/21/13	ELECTRICITY	\$57,069.40
Remit to: ROSEMEAD, CA					FYTD: \$1,242,230.60
STANDARD INSURANCE CO	10595	10/07/2013	131001a	LIFE & DISABILITY INSURANCE	\$27,015.20
Remit to: PORTLAND, OR					FYTD: \$131,941.69
THINK TOGETHER, INC	10602	10/07/2013	111000-13/14-1	ASES PROGRAM MANAGEMENT SERVICES	\$493,437.50
Remit to: LOS ANGELES, CA					FYTD: \$995,843.92
THINK TOGETHER, INC	10738	10/28/2013	111000-13/14-2	ASES PROGRAM MANAGEMENT SERVICES	\$493,437.50
Remit to: LOS ANGELES, CA					FYTD: \$995,843.92
U.S. BANK/CALCARDS	10605	10/07/2013	09-27-13	CALCARD PAYMENT FOR SEPT 2013 ACTIVITY	\$225,708.35

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Remit to: ST. LOUIS, MO					<u>FYTD:</u> \$1,126,976.25
WELLS FARGO CORPORATE TRUST	10710	10/16/2013	W131002	2005 LRB SEMI-ANNUAL DEBT SERVICE	\$2,040,189.81
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$3,965,949.59
WELLS FARGO CORPORATE TRUST	10711	10/16/2013	W131003	2007 LRB DEBT SERVICE	\$678,318.18
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$3,965,949.59
WILLDAN ENGINEERING	10658	10/14/2013	002-13655	PLAN CHECK & INSPECTION SERVICES FOR BLDG. & SAFETY DEPT.	\$29,297.23
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$257,691.39
WRCOG WESTERN RIVERSIDE CO. OF GOVT'S.	219032	10/21/2013	6539	WRCOG MEMBERSHIP DUES FOR FY 13/14	\$25,779.51
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,382,460.69
WURM'S JANITORIAL SERVICES, INC.	10705	10/21/2013	22597	SPECIAL CLEANING FOR EVENT RENTAL AT SENIOR CENTER	\$25,526.54
			22591	JANITORIAL SERVICES-RAINBOW RIDGE ELEMENTARY	
			22593	JANITORIAL SERVICES-SUNNYMEAD MIDDLE SCHOOL/ASES	
			22594	JANITORIAL SERVICES-SUNNYMEAD ELEMENTARY	
			22586	JANITORIAL SERVICES-EMP RESOURCE CTR.	
			22598	SPECIAL CLEANINGS FOR EVENT RENTALS AT CRC	
			22599	SPECIAL CLEANINGS FOR EVENT RENTALS AT TOWNGATE COMM. CTR.	
			22590	JANITORIAL SERVICES-GANG TASK FORCE OFFICE	
			22595	JANITORIAL SERVICES-TOWNGATE COMM. CTR.	
			22592	JANITORIAL SERVICES-SENIOR CENTER	



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WURM'S JANITORIAL SERVICES, INC.	10705	10/21/2013	22589	JANITORIAL SERVICES-PUBLIC SAFETY BLDG.	\$25,526.54
			22588	JANITORIAL SERVICES-MARCH FIELD PARK COMM. CTR.	
			22587	JANITORIAL SERVICES-LIBRARY	
			22585	JANITORIAL SERVICES-EOC	
			22584	JANITORIAL SERVICES-CONFERENCE & REC CTR.	
			22583	JANITORIAL SERVICES-CITY YARD & TRANSP. TRAILER	
			22582	JANITORIAL SERVICES-CITY HALL	
			22489	CLEANING OF VENTS AT CRC GYM	
		22596	JANITORIAL SERVICES-ANNEX 1 BLDG.		

Remit to: CORONA, CA	FYTD:	\$105,072.34
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ZOLL MEDICAL CORPORATION	218952	10/14/2013	2053100	CARDIAC MONITOR FOR TRUCK 2	\$29,492.17
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Remit to: CHELMSFORD, MA	FYTD:	\$29,492.17
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TOTAL AMOUNTS OF \$25,000 OR GREATER	\$9,445,419.74
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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>
A. M. BEST COMPANY, INC	10514	10/07/2013	2846773	2013 BEST'S KEY RATING GUIDE	\$542.95
Remit to: PHILADELPHIA, PA					<u>FYTD:</u> \$542.95
A.D. WILSON, INC.	219069	10/28/2013	2700-1	RELEASE OF RETENTION-INV#2691 DTD 7/1/13	\$2,175.68
Remit to: NORCO, CA					<u>FYTD:</u> \$21,756.84
ACCESS SECURITY CONTROLS INT., INC.	218822	10/07/2013	13-2602	QUARTERLY MONITORING-SUNNYMEAD MS (OCT-DEC)	\$75.00
Remit to: TEMECULA, CA					<u>FYTD:</u> \$300.00
ACCESS SECURITY CONTROLS INT., INC.	218906	10/14/2013	13-2601	QUARTERLY MONITORING-ERC (OCT-DEC)	\$75.00
Remit to: TEMECULA, CA					<u>FYTD:</u> \$300.00
ACTION DOOR REPAIR CORP.	10667	10/21/2013	87004 87027	EXTERIOR DOOR REPAIRS-ANIMAL SHELTER EXTERIOR DOOR REPAIRS-ANIMAL SHELTER	\$284.45
Remit to: ORLANDO, FL					<u>FYTD:</u> \$5,922.89
ACTION DOOR REPAIR CORP.	10716	10/28/2013	87131	DOOR CONTROL SERVICE CALL-FS#91	\$350.00
Remit to: ORLANDO, FL					<u>FYTD:</u> \$5,922.89
ADAMS, MARK L.	10515	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: REDLANDS, CA					<u>FYTD:</u> \$1,593.65
ADMINSURE	218907	10/14/2013	6575	WORKERS' COMP CLAIMS ADMIN - 10/1-10/31/13	\$2,600.00
Remit to: DIAMOND BAR, CA					<u>FYTD:</u> \$10,400.00
ADVANCED ELECTRIC	218984	10/21/2013	10828	ELECTRICAL REPAIRS-RADIO COMM TELECOMM ITEMS	\$3,824.00



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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>
ADVANCED ELECTRIC	218984	10/21/2013	10829	ELECTRICAL REPAIRS-RADIO COMM TELECOMM ITEMS	\$3,824.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$30,352.74
ADVANCED ELECTRIC	219070	10/28/2013	10859	ELECTRICAL WORKS AT CRC	\$1,548.40
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$30,352.74
AEI-CASC ENGINEERING	10516	10/07/2013	0029834	PLAN CHECK SVCS-PWQMP-AUG13	\$10,719.59
Remit to: COLTON, CA					<u>FYTD:</u> \$16,993.37
AFECO, INC DBA FIRE ETC	10623	10/14/2013	52960	THERMAL IMAGING CAMERAS FOR ENGINE 48 & ENGINE 58	\$18,326.93
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$18,326.93
AIRPORT LAND USE COMMISSION (ALUC)	218908	10/14/2013	MarchEIR2013-MV1	FINAL MV SHARE OF MARCH JPA EIR EXPENSE	\$19,000.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$19,000.00
ALCARAZ, PAOLA	219107	10/28/2013	002176	REFUND-LOST BOOK FEES (ITEM FOUND & RETURNED)	\$5.99
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$5.99
ALONZO, RUIZ	218961	10/14/2013	1074926	REFUND NO SATISFIED WITH INSTRUCTOR	\$48.00
Remit to: SAN JACINTO, CA					<u>FYTD:</u> \$48.00
ALPHA AUTOMATION	10668	10/21/2013	4656	DATA SERVICE FOR FUEL TANKS	\$89.22
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$89.22
AMERICAN FORENSIC NURSES	10517	10/07/2013	63523	PHLEBOTOMY SERVICES-7/6/13	\$6,692.36
			63544	PHLEBOTOMY SERVICES-7/5/13	

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AMERICAN FORENSIC NURSES	10517	10/07/2013	63656	PHLEBOTOMY SERVICES	\$6,692.36
			63590	PHLEBOTOMY SERVICES	
			63616	PHLEBOTOMY SERVICES	
			63545	PHLEBOTOMY SERVICES-7/5/13	
			63617	PHLEBOTOMY SERVICES	
			63679	PHLEBOTOMY SERVICES	
Remit to: PALM SPRINGS, CA					FYTD: \$23,828.32
AMERICAN FORENSIC NURSES	10669	10/21/2013	63820	PHLEBOTOMY SERVICES	\$5,918.80
			63718	PHLEBOTOMY SERVICES	
			63744	PHLEBOTOMY SERVICES	
			63745	PHLEBOTOMY SERVICES	
			63793	PHLEBOTOMY SERVICES	
Remit to: PALM SPRINGS, CA					FYTD: \$23,828.32
AMERICAN FORENSIC NURSES	10744	10/28/2013	63819	PHLEBOTOMY SVCS	\$2,991.68
Remit to: PALM SPRINGS, CA					FYTD: \$23,828.32
AMERICAN PROTECTION SERVICES	218985	10/21/2013	1132	MAINT. & REPAIRS FOR DVR SYSTEM-PD	\$792.31
Remit to: RIVERSIDE, CA					FYTD: \$1,083.58
AMERICAN QUICK PRINTING	10518	10/07/2013	325	VEHICLE & EQUIPT RFS FORMS	\$808.92
			334	FACILITY USE FORMS	
Remit to: MORENO VALLEY, CA					FYTD: \$2,968.92



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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>
AMERICAN TOWERS	10670	10/21/2013	1537890	RADIO EQUIPMENT TOWER LEASE-OCT '13	\$3,150.00
Remit to: CHARLOTTE, NC					FYTD: \$6,300.00
AMEZUCUA, GABRIEL	218962	10/14/2013	1079534	REFUND FOR CNACELLED CLASS	\$112.00
Remit to: MORENO VALLEY, CA					FYTD: \$112.00
AMTECH ELEVATOR SERVICES	218909	10/14/2013	DVB65909A13	ELEVATOR MAINT-EOC-OCT13	\$103.00
Remit to: PASADENA, CA					FYTD: \$5,493.97
AMTECH ELEVATOR SERVICES	219071	10/28/2013	DVB65903713	WHEELCHAIR LIFT ROUTINE MAINT-CRC 7/1-12/31/13	\$909.48
			DVB05044A13	ELEVATOR ROUTINE MAINT-CITY HALL-OCT13	
			DVB05044713	ELEVATOR ROUTINE MAINT-CITY HALL-JUL13	
			DVB05044813	ELEVATOR ROUTINE MAINT-CITY HALL-AUG13	
			DVB05044213	ELEVATOR ROUTINE MAINT-CITY HALL-FEB13	
			DVB65746713	WHEELCHAIR LIFT ROUTINE MAINT-SENIOR CTR 7/1-12/31/13	
Remit to: PASADENA, CA					FYTD: \$5,493.97
ANIMAL EMERGENCY CLINIC, INC.	10671	10/21/2013	401948	AFTER HOURS EMERGENCY VET SVCS	\$80.00
Remit to: GRAND TERRACE, CA					FYTD: \$1,005.00
ANIMAL HEALTH AND SANITARY SUPPLY	218986	10/21/2013	29204	MISC. KENNEL SUPPLIES-ANIMAL SVCS	\$699.64
Remit to: RIVERSIDE, CA					FYTD: \$3,327.07
ANIMAL PEST MANAGEMENT SERVICES, INC.	10672	10/21/2013	116618	PEST CONTROL SVCS-GOLF COURSE	\$1,525.50
			116600	PEST CONTROL SVCS-CFD #1	

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ANIMAL PEST MANAGEMENT SERVICES, INC.	10672	10/21/2013	116495	PEST CONTROL SVCS-MARCH FIELD CNTR	\$1,525.50
			116494	PEST CONTROL SVCS-MARB/CHILD CARE GRNDS/BALLFIELDS	
			116493	PEST CONTROL SVCS-SCE ESMNT/AQDCT/BIKEWAY	
			116492	PEST CONTROL SVCS-CITY PARKS	
Remit to: CHINO, CA					<u>FYTD:</u> \$9,753.00
APPIAN ESCROW COMPANY	10712	10/17/2013	W131004	ESCROW FEES-TRANSFER OF MULTI FAM RES-22877 ALLIES PLACE	\$4,017.98
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$4,017.98
APWA - SOUTHERN CALIF. CHAPTER	218954	10/14/2013	G GONZALEZ-10/24	10/24/13 GREENBOOK SEMINAR REGISTRATION FEE	\$45.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$115.00
APWA - SOUTHERN CALIF. CHAPTER	218955	10/14/2013	A. RAMIREZ-10/24	10/24/13 GREENBOOK SEMINAR REGISTRATION FEE	\$45.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$115.00
ARROWHEAD WATER	10624	10/14/2013	03I0030878268	WATER PURIF. UNIT RENTAL-EOC	\$407.03
			03H0029115201	WATER PURIF. UNIT RENTAL-SENIOR CENTER	
			03I0029648037	WATER PURIF. UNIT RENTAL-FIRE STN #91	
			03H0029115359	WATER PURIF. UNIT RENTAL-CRC	
			03I0032414377	WATER PURIF. UNIT RENTAL-PSB	
			03I0029115144	WATER PURIF. UNIT RENTAL-LIBRARY	
			03I0029115110	WATER PURIF. UNIT RENTAL-CITY YARD & TRANSP. TRAILER	
			03I0029647971	WATER PURIF. UNIT RENTAL-FIRE STN #2	
			03I0029647914	WATER PURIF. UNIT RENTAL-FIRE STN #6	



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ARROWHEAD WATER	10624	10/14/2013	03H0029115177	WATER PURIF. UNIT RENTAL-ANIMAL SHELTER	\$407.03
			03I0029648052	WATER PURIF. UNIT RENTAL-FIRE STN #65	
			03I0029647997	WATER PURIF. UNIT RENTAL-FIRE STN #58	
			03I0032389744	WATER PURIF. UNIT RENTAL-FIRE STN #99	
			03I0029647948	WATER PURIF. UNIT RENTAL-FIRE STN #48	
Remit to: LOUISVILLE, KY					FYTD: \$3,154.75
ASCE-AMERICAN SOCIETY OF CIVIL ENGINEERS	218910	10/14/2013	1042495066	MEMBER#284521 MEMBERSHIP RENEWAL-CLEMENT JIMENEZ	\$560.00
			1042518153	MEMBER#332936 MEMBERSHIP RENEWAL-MARK SAMBITO	
Remit to: BALTIMORE, MD					FYTD: \$560.00
AT&T MOBILITY	219116	10/28/2013	872455379X100613	CELLULAR PHONE SVC-MCC	\$91.74
Remit to: CAROL STREAM, IL					FYTD: \$367.38
AT&T/MCI	218823	10/07/2013	4697424	LANDLINE PHONE SVC-PD GANG TASK FORCE	\$184.96
Remit to: CAROL STREAM, IL					FYTD: \$924.41
AVERY ASSOCIATES	218911	10/14/2013	10037	RECRUITMENT SERVICES	\$5,000.00
Remit to: LOS GATOS, CA					FYTD: \$9,500.00
AYALA, NANNERL A.	219034	10/21/2013	10/28-10/31/13	TRAVEL PER DIEM-ANNUAL USED OIL CONFERENCE	\$183.00
Remit to: RIVERSIDE, CA					FYTD: \$794.18
AYARS, MARGARET E.	10519	10/07/2013	131001	JULY-OCT '13, PD OCT '13	\$1,274.92
Remit to: YUCAIPA, CA					FYTD: \$3,187.30

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BACHER, GRACE	218824	10/07/2013	131001	RETIREE MED OCTOBER '13	\$255.43
Remit to: HEMET, CA					FYTD: \$1,277.15
BAUTISTA, JOSEPH C.	10520	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: FONTANA, CA					FYTD: \$1,593.65
BELMUDES, DEBRA	10521	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
BEMUS LANDSCAPE, INC.	10522	10/07/2013	251022	LANDSCAPE MAINT-ASES BLDG-SEP13	\$12,912.28
			251011	LANDSCAPE MAINT-PAN AM SECTION/AQUEDUCT-SEP13	
			251010	LANDSCAPE MAINT-NO. AQUEDUCT-SEP13	
			251009	LANDSCAPE MAINT-SO. AQUEDUCT B-SEP13	
			250532	EMERGENCY REPAIRS TO SPRINKLERS BY AQUEDUCT DUE TO VANDALISM	
			251016	LANDSCAPE MAINT-INDIAN ST./FILAREE/FAY AVE BIKE AQUEDUCT-SEP13	
			251014	LANDSCAPE MAINT-PATRIOT PARK-SEP13	
			251026	LANDSCAPE MAINT-TOWNGATE COMM. CTR.-SEP13	
			251027	LANDSCAPE MAINT-TOWNGATE BIKE AQUEDUCT-SEP13	
			251028	LANDSCAPE MAINT-ELECTRIC SUBSTATION-SEP13	
			251015	LANDSCAPE MAINT-BAY AVE TO JFK/AQUEDUCT-SEP13	
			251030	LANDSCAPE MAINT-ANIMAL SHELTER-SEP13	
			251023	LANDSCAPE MAINT-CRC-SEP13	
			251029	LANDSCAPE MAINT-PUBLIC SAFETY BLDG-SEP13	
			251024	LANDSCAPE MAINT-LIBRARY-SEP13	



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BEMUS LANDSCAPE, INC.	10522	10/07/2013	251012	LANDSCAPE MAINT-SENIOR CENTER-SEP13	\$12,912.28
			251013	LANDSCAPE MAINT-SCE & OLD LAKE DRIVE-SEP13	
			251021	LANDSCAPE MAINT-CITY YARD-SEP13	
			251025	LANDSCAPE MAINT-MVU-SEP13	
			251017	LANDSCAPE MAINT-SO. AQUEDUCT A-SEP13	
Remit to: SAN CLEMENTE, CA					FYTD: \$89,594.67
BEMUS LANDSCAPE, INC.	10717	10/28/2013	251031	LANDSCAPE MAINT-CITY HALL SEP13	\$4,724.30
			251032	LANDSCAPE MAINT-FIRE STATIONS SEP13	
			251020	LANDSCAPE MAINT-ANNEX 1 BLDG SEP13	
			251019	LANDSCAPE MAINT-VETERAN'S MEMORIAL SEP13	
Remit to: SAN CLEMENTE, CA					FYTD: \$89,594.67
BENESYST	10718	10/28/2013	1013257	FLEX ADMIN SVCS	\$635.60
			1013136	COBRA ADMIN FEE	
Remit to: MINNEAPOLIS, MN					FYTD: \$2,352.36
BICKMORE RISK SERVICES & CONSULTING	218903	10/07/2013	BRS-0009020	ACTUARIAL REVIEW OF THE GENERAL LIABILITY PROGRAM	\$4,250.00
Remit to: SACRAMENTO, CA					FYTD: \$4,250.00
BIG O TIRES	218892	10/07/2013	13209310	OFFICER DIDN'T GO TO BUSINESS FOR FALSE ALARM	\$31.00
Remit to: MORENO VALLEY, CA					FYTD: \$31.00
BOX SPRINGS MUTUAL WATER COMPANY	218825	10/07/2013	09272013	WATER USAGE-ACCT#721-1 ZONE E-1	\$110.61

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Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$539.79
BRAUN BLAISING MCLAUGHLIN	218913	10/14/2013	14760	LEGAL SERVICES-MVU-AUG13	\$7,269.17
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$10,960.16
BREAKTHROUGH COMMUNITY DEV	218963	10/14/2013	1074067	REFUND FOR DEPOSIT FOR SPECIAL EVENT	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
BRISENO, RAUL	218964	10/14/2013	1078879	REFUND DUE TO AGE PER MARKITA	\$35.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$35.00
BROWN, SHERRY	10523	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,231.11
BROWN, SHUNTAY	219046	10/21/2013	1080782	REFUND CANCELLED PICNIC RESERVATION	\$38.40
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$38.40
BUCKINGHAM, STAN	218826	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: TEMECULA, CA					<u>FYTD:</u> \$1,593.65
BURKE, JOHN R.	218827	10/07/2013	131001	JAN-JUNE '13 (LB) JAN-MAY (JB), PD OCT 2013	\$1,153.90
Remit to: REDLANDS, CA					<u>FYTD:</u> \$2,950.30
BURKE, WILLIAMS & SORENSEN, LLP.	218828	10/07/2013	170188	LEGAL SERVICES-AUG13-L. COMPTON CASE	\$1,318.50
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$6,415.00



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BURKE, WILLIAMS & SORENSEN, LLP.	218987	10/21/2013	170602	LEGAL SERVICES-SEPT13-L. COMPTON CASE	\$5,096.50
Remit to: LOS ANGELES, CA					FYTD: \$6,415.00
BY HIS DESIGN, INC	218988	10/21/2013	5684	ADULTS SPORTS LEAGUES UNIFORMS	\$150.00
Remit to: SAN JACINTO, CA					FYTD: \$150.00
CAIN, GREGORY	10524	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: TAMPA, FL					FYTD: \$1,593.65
CALIFORNIA BUILDING STANDARDS COMMISSION	218914	10/14/2013	3RD QTR 2013	SB1473 FEES COLLECTED FOR BLDG. STANDARDS COMM 7/1- 9/30/13	\$989.10
Remit to: SACRAMENTO, CA					FYTD: \$1,307.70
CALIFORNIA MUNICIPAL UTILITIES ASSOC.	218830	10/07/2013	1661	MEMBERSHIP DUES FY2013-2014	\$5,842.00
Remit to: SACRAMENTO, CA					FYTD: \$10,847.00
CALIFORNIA WATERSHED ENGINEERING CORP.	10525	10/07/2013	13788	PLAN CHECK SVCS-PWQMP-AUG13	\$2,811.50
Remit to: FULLERTON, CA					FYTD: \$6,880.00
CALIFORNIA WATERSHED ENGINEERING CORP.	10626	10/14/2013	13800	PLAN CHECK SVCS-PWQMP-SEPT13	\$2,418.50
Remit to: FULLERTON, CA					FYTD: \$6,880.00
CALPERS	218915	10/14/2013	FY13/14 PERS	UNFUNDED PERS RETIREMENT LIABILITY-SUCCESSOR AGENCY	\$4,461.90
Remit to: SACRAMENTO, CA					FYTD: \$637,317.04

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CALPERS	218916	10/14/2013	FY13/14 CERBT	UNFUNDED RETIREE MED TRUST ACCT-SUCCESSOR AGENCY	\$13,855.14
Remit to: SACRAMENTO, CA					FYTD: \$637,317.04
CAMPBELL, VANESSA	219048	10/21/2013	1081333	REFUND FOR TOWNGATE	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
CANNON, ANA M.	10526	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: HASLET, TX					FYTD: \$1,593.65
CARTER, ROSALYN	10527	10/07/2013	131001	SEPT '13, PD OCT '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,274.92
CEMEX	218831	10/07/2013	9426918758	PORTLAND CEMENT	\$2,981.44
			9426982851	PORTLAND CEMENT	
			9426974165	PORTLAND CEMENT	
			9426963466	PORTLAND CEMENT	
Remit to: PASADENA, CA					FYTD: \$13,889.32
CENTRAL OCCUPATIONAL MEDICINE PROVIDERS	10627	10/14/2013	04-0318355	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	\$1,036.00
			04-0318230	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319112	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318231	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318357	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318268	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318356	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	



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CENTRAL OCCUPATIONAL MEDICINE PROVIDERS	10627	10/14/2013	04-0318286	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	\$1,036.00
			04-0319114	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318288	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318287	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319131	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			01-0336567	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319113	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318269	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319426	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319109	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			03-0344365	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0317824	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318216	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			03-0344364	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			03-0344318	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0317823	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318267	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318219	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0318223	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319425	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			01-0336489	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319273	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			01-0336490	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
			04-0319272	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	

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CENTRAL OCCUPATIONAL MEDICINE PROVIDERS	10627	10/14/2013	04-0319132	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	\$1,036.00
			04-0318218	PRE-EMPLOYMENT PHYSICAL/DRUG TEST	
Remit to: RIVERSIDE, CA					FYTD: \$2,681.14
CENTRAL OCCUPATIONAL MEDICINE PROVIDERS	219072	10/28/2013	04-0312808	EMPLOYEE INJURY TREATMENT	\$97.14
Remit to: RIVERSIDE, CA					FYTD: \$2,681.14
CHAGOLLA, MANUEL	219049	10/21/2013	1081342	REFUND FOR TOWNGATE	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
CHANCY, CHIZURU	219101	10/28/2013	SEP-2013	INSTRUCTOR SERVICES-HAWAIIAN & TAHITIAN DANCE CLASSES	\$301.80
Remit to: MORENO VALLEY, CA					FYTD: \$1,114.20
CHANDLER ASSET MANAGEMENT, INC	10628	10/14/2013	13644	INVESTMENT MANAGEMENT SVCS-SEPT13	\$7,195.00
Remit to: SAN DIEGO, CA					FYTD: \$37,037.00
CHAPMAN, STEVE	218832	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: REDLANDS, CA					FYTD: \$1,593.65
CHAPPELL, ISAAC	10528	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
CINTAS CORPORATION	10529	10/07/2013	150166672	UNIFORM RENTAL SVC.-VEHICLE MAINT.	\$177.05
			150166675	UNIFORM RENTAL SVC.-ST. SWEEPING	
			150166671	UNIFORM RENTAL SVC.-GRAFFITI RMVL	



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CINTAS CORPORATION	10529	10/07/2013	150166676	UNIFORM RENTAL SVC.-DRAIN MAINT.	\$177.05
			150166677	UNIFORM RENTAL SVC.-ST. MAINT.	
			150166678	UNIFORM RENTAL SVC.-CONCRETE MAINT.	
Remit to: ONTARIO, CA					FYTD: \$7,159.56
CINTAS CORPORATION	10719	10/28/2013	150173749	UNIFORM RENTAL SVC.-PURCHASING	\$11.76
			150163088	UNIFORM RENTAL SVC.-PURCHASING	
			150170217	UNIFORM RENTAL SVC.-PURCHASING	
			150166668	UNIFORM RENTAL SVC.-PURCHASING	
Remit to: ONTARIO, CA					FYTD: \$7,159.56
CITY OF MORENO VALLEY VEBA TRUST	10530	10/07/2013	2014-00000103	4020 - EXEC VEBA*	\$6,970.00
Remit to: MORENO VALLEY, CA					FYTD: \$77,984.32
CITY OF MORENO VALLEY VEBA TRUST	10673	10/21/2013	2014-00000116	4020 - EXEC VEBA*	\$1,795.00
Remit to: MORENO VALLEY, CA					FYTD: \$77,984.32
CITY TRAFFIC ENGINEERS	219035	10/21/2013	10/26/2013	2013 TRAFFIC COMMISSIONERS WORKSHOP	\$160.00
Remit to: TUSTIN, CA					FYTD: \$160.00
CIVIC RESOURCE GROUP, LLC	10674	10/21/2013	21963	MAINT. MGT SOFTWARE REPLACEMENT PROJECT-SEPT13	\$6,000.00
Remit to: LOS ANGELES, CA					FYTD: \$17,100.00
CIVIC RESOURCE GROUP, LLC	218905	10/07/2013	21944	MAINT. MGT SOFTWARE REPLACEMENT PROJ-AUG13	\$5,200.00

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Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$17,100.00
COLBERT, GARY D.	219064	10/21/2013	FUEL REIMB.	REIMBURSEMENT FOR FUEL PURCHASED FOR PD MOTORCYCLE	\$27.34
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$27.34
COLE, RANDALL/JENNIFER	219108	10/28/2013	B1300821	REFUND-BLDG. PERMIT FEES-PROJ CANCELLED	\$123.20
Remit to: SANTEE, CA					<u>FYTD:</u> \$123.20
COLLINS, COLLINS, MUIR & STEWART, LLP	218917	10/14/2013	278569	LEGAL SERVICES-RE: ULTRA STAR CANYON SPRINGS-AUG13	\$3,105.12
Remit to: SOUTH PASADENA, CA					<u>FYTD:</u> \$3,105.12
COLONIAL SUPPLEMENTAL INSURANCE	218882	10/07/2013	7133069-1001591	SUPPLEMENTAL INSURANCE	\$5,996.31
Remit to: COLUMBIA, SC					<u>FYTD:</u> \$31,058.88
COMMUNITY HEALTH CHARITIES	218833	10/07/2013	2014-00000104	8725 - CH CHARITY	\$83.00
Remit to: COSTA MESA, CA					<u>FYTD:</u> \$990.00
COMMUNITY HEALTH CHARITIES	218989	10/21/2013	2014-00000117	8725 - CH CHARITY	\$83.00
Remit to: COSTA MESA, CA					<u>FYTD:</u> \$990.00
COMMUNITY NOW	218834	10/07/2013	1002	NEIGHBORHOODS/NEXTDOOR.COM CONSULTANTS	\$6,600.00
			1001	PROFESSIONAL CONSULTANT SVCS-SR2S PROGRAM	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$14,375.00
COMPU COM	218835	10/07/2013	61962743	ADDING 20 MICROSOFT REMOTE DESK TOP LICENSES	\$1,382.80



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Remit to: DALLAS, TX					FYTD: \$1,625.13
CONTINUING EDUCATION OF THE BAR	218918	10/14/2013	10187760	BOOKS FOR THE LAW LIBRARY	\$203.35
Remit to: OAKLAND, CA					FYTD: \$916.40
CORDOVA, LAURA A.	218836	10/07/2013	131001	OCT '11-JUNE'13, PD OCT '13	\$1,761.00
Remit to: PLAINVIEW, MN					FYTD: \$2,031.00
CORNERSTONE RECORDS MANAGEMENT, LLC	10720	10/28/2013	0213039	OFF-SITE STORAGE OF CITY RECORDS	\$1,502.19
Remit to: KING OF PRUSSIA, PA					FYTD: \$7,259.21
CORONA, VIRGINIA	218893	10/07/2013	1078342	REFUND BALANCE ON ACCOUNT	\$100.00
Remit to: MORENO VALLEY, CA					FYTD: \$100.00
COSTCO	218990	10/21/2013	19961	SNACK SUPPLIES FOR SKATE PARK	\$1,885.16
			20002	SNACK SUPPLIES FOR A CHILD'S PLACE	
			19912	SNACK SUPPLIES FOR A CHILD'S PLACE	
			19943	SNACK SUPPLIES FOR A CHILD'S PLACE	
Remit to: MORENO VALLEY, CA					FYTD: \$11,247.34
COUNSELING TEAM, THE	218919	10/14/2013	21465	EMPLOYEE SUPPORT SVCS-HR	\$4,000.00
			21680	EMPLOYEE SUPPORT SVCS-HR	
			21539	EMPLOYEE SUPPORT SVCS-HR	
Remit to: SAN BERNARDINO, CA					FYTD: \$20,600.00

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City of Moreno Valley
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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>
COUNTY OF RIVERSIDE - RMAP	218920	10/14/2013	9990170000-1308	VPN CONNECTION FOR CODE ENFORCEMENT STAFF	\$22.22
Remit to: RIVERSIDE, CA					FYTD: \$197,651.27
COUNTY OF RIVERSIDE - RMAP	219073	10/28/2013	9990170000-1309	VPN CONNECTION FOR CODE ENFORCEMENT STAFF	\$22.22
Remit to: RIVERSIDE, CA					FYTD: \$197,651.27
COUNTY OF RIVERSIDE - RMAP	219117	10/28/2013	9990085000-1309	RADIO TECHNICIAN SERVICES FOR PD TRAFFIC MOTOR COMMUNICATIONS	\$124.80
Remit to: RIVERSIDE, CA					FYTD: \$197,651.27
COUNTY OF RIVERSIDE 1	218837	10/07/2013	PU0000002954	JANITORIAL SUPPLIES-SHERIFF STATION EXPLORERS	\$1,154.64
Remit to: MORENO VALLEY, CA					FYTD: \$3,264.25
COUNTY OF RIVERSIDE 1	218883	10/07/2013	PU0000002936	JANITORIAL SUPPLIES-SHERIFF STATION EXPLORERS	\$1,239.09
Remit to: MORENO VALLEY, CA					FYTD: \$3,264.25
COUNTY OF RIVERSIDE, AUDITOR- CONTROLLER	218838	10/07/2013	AC0000000940	LAFCO - FY14 FEES	\$11,145.04
Remit to: RIVERSIDE, CA					FYTD: \$112,423.15
CRIME SCENE STERI-CLEAN, LLC	10629	10/14/2013	32445	BIO HAZARD REMOVAL SVC-9/12/13	\$750.00
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$3,000.00
CROSSROADS SOFTWARE	218991	10/21/2013	6042A	ONLINE SOFTWARE MAINT & SUPPORT-TRAFFIC COLLISION DATABASE	\$1,800.00
Remit to: BREYA, CA					FYTD: \$1,800.00
CROWN PRINTERS	218921	10/14/2013	154156	BUDGET BINDER TABS	\$625.32



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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: SAN BERNARDINO, CA					<u>FYTD:</u> \$625.32
CUNAMAY, KHANH	219050	10/21/2013	R13-065942	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$20.00
CURRY, RICHARD	219051	10/21/2013	R13-065383	AS REFUND-RABIES & S/N DEPOSITS	\$95.00
Remit to: THOUSAND OAKS, CA					<u>FYTD:</u> \$95.00
D & D SERVICES DBA D & D DISPOSAL, INC.	218992	10/21/2013	40551	DECEASED ANIMAL DISPOSAL SVCS-AUG13	\$2,235.00
			63094	DECEASED ANIMAL DISPOSAL SVCS-JUL13	
			73191	DECEASED ANIMAL DISPOSAL SVCS-SEPT13	
Remit to: VALENCIA, CA					<u>FYTD:</u> \$3,725.00
DALE, KATHLEEN	10531	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
DATA TICKET, INC.	10532	10/07/2013	913AnnualMS	ANNUAL MAINT/SUPPORT-AUG13-JUN14	\$1,039.50
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$98,869.35
DATA TICKET, INC.	10630	10/14/2013	49039	ADMIN CITATION PROCESSING-B&S-AUG13	\$569.70
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$98,869.35
DATA TICKET, INC.	10675	10/21/2013	49483	ADMIN CITATION PROCESSING-PD-SEPT13	\$1,356.30
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$98,869.35
DATAQUICK CORPORATE HEADQUARTERS	218922	10/14/2013	B1-2206205	ONLINE SOFTWARE SUBSCRIPTION-POP UNIT-SEPT13	\$130.50

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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: LOS ANGELES, CA					<u>FYTD:</u> \$522.00
DAVIS, ERIKA	218965	10/14/2013	1078141	REFUND FOR KINDER KARATE CLASS	\$2.91
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2.91
DAVIS, ERIKA	218966	10/14/2013	1078142	REFUND	\$37.00
Remit to: MORENO , CA					<u>FYTD:</u> \$37.00
DELTA DENTAL OF CALIFORNIA	10533	10/07/2013	BE000643596	EMPLOYEE DENTAL INSURANCE	\$9,668.07
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$51,086.88
DELTACARE USA	218884	10/07/2013	BE000644593	EMPLOYEE DENTAL INSURANCE	\$4,868.07
Remit to: DALLAS, TX					<u>FYTD:</u> \$25,699.06
DENNIS GRUBB & ASSOCIATES, LLC	10631	10/14/2013	1206	PLAN REVIEW SVCS 8/16-8/31/13-FIRE PREV.	\$7,835.00
Remit to: MIRA LOMA, CA					<u>FYTD:</u> \$67,755.00
DENNIS GRUBB & ASSOCIATES, LLC	10721	10/28/2013	1208	PLAN REVIEW SVCS 9/1-9/15/13-FIRE PREV.	\$9,875.00
Remit to: MIRA LOMA, CA					<u>FYTD:</u> \$67,755.00
DEPARTMENT OF CONSERVATION	218923	10/14/2013	3RD QTR 2013	SMI FEES FOR 7/1/13-9/30/13	\$4,155.21
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$4,544.52
DEPARTMENT OF CONSUMER AFFAIRS	218924	10/14/2013	C68819 9/30/13	PROF. ENGINEER LICENSE RENEWAL-ERIC C. LEWIS	\$115.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$345.00



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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>
DHILLON MANAGEMENT SERVICES	219067	10/21/2013	DMS-13-006	PERFORMANCE AUDIT-FIRE PREVENTION-25% OF CONTRACT	\$2,500.00
Remit to: FULLERTON, CA					FYTD: \$2,500.00
DIVISION OF THE STATE ARCHITECT	218925	10/14/2013	3RD QUARTER 2013	STATE PORTION OF DISABILITY ACCESS & EDUC FEES 7/1-9/30/13	\$216.60
Remit to: SACRAMENTO, CA					FYTD: \$430.50
DLS LANDSCAPE, INC	10676	10/21/2013	14249 14250	MOWING CONTRACT FOR CFD#1-OCT13 LANDSCAPE MAINT-ZONE A-OCT13	\$12,390.00
Remit to: REDLANDS, CA					FYTD: \$61,950.00
DMC DESIGN GROUP, INC	10534	10/07/2013	2013-118	DESIGN SERVICES - SIP/MORENO TOWNSITE/ALESSANDRO/LINE F	\$15,263.00
Remit to: CORONA, CA					FYTD: \$99,026.89
DMC DESIGN GROUP, INC	10677	10/21/2013	2013-123	DESIGN SERVICES - HEACOCK ST. EXTENSION	\$22,198.13
Remit to: CORONA, CA					FYTD: \$99,026.89
DOLPHIN, JASON	219052	10/21/2013	R13-066305	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: RIVERSIDE, CA					FYTD: \$20.00
DORY, ALLEEN F.	218839	10/07/2013	131001	RETIREE MED OCTOBER '13	\$146.32
Remit to: HEMET, CA					FYTD: \$731.60
DURAN, BLANCA	219102	10/28/2013	OCT-2013	INSTRUCTOR SERVICES-FOLKLORIC DANCE ADULT & YOUTH CLASSES	\$192.00
Remit to: MORENO VALLEY, CA					FYTD: \$513.00

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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>
E.R. BLOCK PLUMBING & HEATING, INC.	10632	10/14/2013	113430	BACKFLOW DEVICE TEST-FS#58	\$20.00
Remit to: RIVERSIDE, CA					FYTD: \$10,025.28
E.R. BLOCK PLUMBING & HEATING, INC.	10678	10/21/2013	113293	BACKFLOW DEVICE TEST-CFD #1	\$2,187.80
			113292	BACKFLOW DEVICE TESTING-VARIOUS LOCATIONS	
			113431	REPLACED BACKFLOW-ZONE D/TR 19937	
			113432	REPLACED BACKFLOW-ZONE D/TR 16768	
Remit to: RIVERSIDE, CA					FYTD: \$10,025.28
E2I NET DESIGN, LLC	10633	10/14/2013	MV13003	ANNUAL MAINT. FOR DATA COMMAND POST-10/113-9/30/14	\$6,000.00
Remit to: MENIFEE, CA					FYTD: \$6,000.00
EDGELANE MOBILE PARK	10722	10/28/2013	SEPT 2013	REFUND-UUT FOR EXEMPT RESIDENTS	\$15.00
Remit to: LOS ANGELES, CA					FYTD: \$77.28
EGGERSTEN, ANNE	218841	10/07/2013	131001	RETIREE MED OCTOBER '13	\$255.43
Remit to: RANCHO MIRAGE, CA					FYTD: \$1,277.15
EMPLOYMENT DEVELOPMENT DEPARTMENT	10709	10/11/2013	2ND QTR 2013	UNEMPLOYMENT INSURANCE 4/1-6/30/13	\$8,904.36
Remit to: SACRAMENTO, CA					FYTD: \$374,055.11
ENTERPRISE SM/JUAN SOTO	218978	10/14/2013	MV3130122007	REFUND-CITATION OVERPAYMENT	\$125.00
Remit to: GARDENA, CA					FYTD: \$125.00
ESGIL CORPORATION	10634	10/14/2013	08133555	PLAN CHECK SVCS-AUG13	\$270.00



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Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$3,820.10
EVERITT, DAVID	218842	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: HEMET, CA					<u>FYTD:</u> \$1,912.38
EXCEL LANDSCAPE, INC	10679	10/21/2013	78001	LANDSCAPE MAINT-ZONE E-7-SEPT13	\$9,423.62
			77906	IRRIGATION REPAIRS-ZONE E-7	
			78121	IRRIGATION REPAIRS-ZONE E-7	
			78154	IRRIGATION REPAIRS-ZONE E-7	
			78153	IRRIGATION REPAIRS-WQB/NPDES	
			78007	LANDSCAPE MAINT-WQB/NPDES-SEPT13	
Remit to: CORONA, CA					<u>FYTD:</u> \$38,340.17
FEENSTRA, JOHN	10535	10/07/2013	131001	RETIREE MED OCTOBER '13	\$361.25
Remit to: REDLANDS, CA					<u>FYTD:</u> \$1,806.25
FIELDMAN, ROLAPP & ASSOC.	218927	10/14/2013	21008	PROFESSIONAL SVCS-CFD#3 AUTO MALL REF BOND CALL CERT.	\$1,500.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$1,500.00
FIRLIT, WALTER	10635	10/14/2013	131001	RETIREE MED BENEFIT-JAN-AUG'13, PD OCT'13	\$1,280.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,280.00
FIRST CHOICE SERVICES	10636	10/14/2013	532141	EMPLOYEE PAID COFFEE SVC-CH/EMPLOYEE BREAKROOM	\$507.86
			532145	EMPLOYEE PAID COFFEE SVC-CH/CITY COUNCIL	
			532142	EMPLOYEE PAID COFFEE SVC-CH/CITY MGR	
			532143	EMPLOYEE PAID COFFEE SVC-CH/FINANCE & PW	

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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>
FIRST CHOICE SERVICES	10636	10/14/2013	532144	EMPLOYEE PAID COFFEE SVC-CH/COUNCIL CHAMBERS	\$507.86
Remit to: ONTARIO, CA					<u>FYTD:</u> \$3,845.36
FIRST CHOICE SERVICES	10723	10/28/2013	532130	EMPLOYEE PAID COFFEE SVC-CRC	\$102.97
Remit to: ONTARIO, CA					<u>FYTD:</u> \$3,845.36
FIRST LEGAL NETWORK, LLC	218928	10/14/2013	115929	DELIVERY SVCS OF COURT FILINGS-RE: TEAGUE V. COMV	\$155.32
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$155.32
FITNESS 19 CA 155 11C	218994	10/21/2013	2014-00000118	8730 - GYM MEMBERSHIP*	\$175.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$989.00
FOSTER, NANCY A.	10536	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: GRASS VALLEY, CA					<u>FYTD:</u> \$1,593.65
FOSTER, ZACHARY F.	10537	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: GRASS VALLEY, CA					<u>FYTD:</u> \$1,593.65
FRANCHISE TAX BOARD	218843	10/07/2013	2014-00000113	1015 - GARNISHMENT - CREDITOR %*	\$485.81
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$4,023.07
FRANCHISE TAX BOARD	218995	10/21/2013	2014-00000119	1015 - GARNISHMENT - CREDITOR %*	\$357.18
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$4,023.07
FRANKLIN, L. C.	218844	10/07/2013	9/3-9/30/13	MILEAGE REIMBURSEMENT	\$237.87
Remit to: PERRIS, CA					<u>FYTD:</u> \$968.99



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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>
FRASIER, RENEE	219053	10/21/2013	1080852	REFUND CHILD NO LONGER ATTENDING T4T'S	\$41.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$41.60
FRAZEE INDUSTRIES, INC	218929	10/14/2013	9530501156391	GRAFFITI REMOVAL PRODUCTS	\$661.41
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$5,065.26
FRAZIER, RENEE	218967	10/14/2013	1077188	REFUND STUDENT DROPPED FROM T4T'S	\$104.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$104.00
FRED'S GLASS & MIRROR, INC.	219075	10/28/2013	183371	REPLACED RESTROOM MIRROR-TOWNGATE	\$867.38
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,061.63
FRESQUEZ, JOHN	218930	10/14/2013	100613	SPORTS OFFICIATING SERVICES-SOFTBALL	\$160.00
			091513	SPORTS OFFICIATING SERVICES-SOFTBALL	
			090813	SPORTS OFFICIATING SERVICES-SOFTBALL	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$420.00
FULCHER, GINGIE	219054	10/21/2013	1081345	REFUND FOR TOWNGATE	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
FUSCOE ENGINEERING, INC	218845	10/07/2013	113501	PLAN CHECK SVCS-PA12-0024 O'REILLY AUTO PARTS	\$3,177.25
			113500	PLAN CHECK SVCS-PA07-0048/PM35500	
Remit to: IRVINE, CA					<u>FYTD:</u> \$3,177.25
GARCIA, MAGDALENA	218968	10/14/2013	1079550 1079551	REFUND FOR TOWNGATE	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00

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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>
GARCIA, MANUEL	10538	10/07/2013	131001	AUG '13, PD OCT '13	\$318.73
Remit to: CORONA, CA					<u>FYTD:</u> \$1,593.65
GARDNER COMPANY, INC.	218931	10/14/2013	53489	INSTALL/PURCHASE HVAC COMPRESSOR-ANNEX #4	\$3,064.00
Remit to: MURRIETA, CA					<u>FYTD:</u> \$12,359.00
GARDNER COMPANY, INC.	218996	10/21/2013	1867	HVAC OPTIMIZATION/PREVENTIVE MAINT-TOWNGATE	\$7,770.00
			1969	HVAC OPTIMIZATION/PREVENTIVE MAINT-TOWNGATE	
			1866	HVAC OPTIMIZATION/PREVENTIVE MAINT-MARCH FIELD PARK	
			1964	HVAC OPTIMIZATION/PREVENTIVE MAINT-LIBRARY	
			1966	HVAC OPTIMIZATION/PREVENTIVE MAINT-RED MAPLE	
			1873	HVAC OPTIMIZATION/PREVENTIVE MAINT-RED MAPLE	
			1863	HVAC OPTIMIZATION/PREVENTIVE MAINT-CITY YARD	
			1853	HVAC OPTIMIZATION/PREVENTIVE MAINT-SENIOR CTR	
			1962	HVAC OPTIMIZATION/PREVENTIVE MAINT-CITY YARD	
			1968	HVAC OPTIMIZATION/PREVENTIVE MAINT-MARCH FIELD PARK	
Remit to: MURRIETA, CA					<u>FYTD:</u> \$12,359.00
GARDNER COMPANY, INC.	219076	10/28/2013	1965	HVAC OPTIMIZATION/PREVENTIVE MAINT-FS#91	\$1,525.00
			1970	HVAC OPTIMIZATION/PREVENTIVE MAINT-FS#6	
			1967	HVAC OPTIMIZATION/PREVENTIVE MAINT-FS#65	
			1971	HVAC OPTIMIZATION/PREVENTIVE MAINT-FS#48	
			1972	HVAC OPTIMIZATION/PREVENTIVE MAINT-FS#2	
Remit to: MURRIETA, CA					<u>FYTD:</u> \$12,359.00



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GENERAL SECURITY SERVICES, INC.	10637	10/14/2013	175160	SECURITY SVCS-LIBRARY 9/20-9/21/13	\$2,120.76
			175265	SECURITY SVCS-ELECTRIC UTILITY 9/25-9/26/13	
			175266	SECURITY SVCS-LIBRARY 9/27-9/28/13	
			175086	SECURITY SVCS-CITY HALL 7/1-7/3/13	
			173726	SECURITY SVCS-LIBRARY 4/27/13	
			175159	SECURITY SVCS-CITY HALL 9/16-9/19/13	
			175099	SECURITY SVCS-LIBRARY 9/13-9/14/13	
			175096	SECURITY SVCS-CITY HALL 9/9-9/13/13	
			175264	SECURITY SVCS-CITY HALL 9/23-9/27/13	
			174541	SECURITY SVCS-CITY HALL 2ND FLR PROJ. 7/19-7/20/13	

Remit to: WILMINGTON, CA	<u>FYTD:</u>	\$27,536.58
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GENERAL SECURITY SERVICES, INC.	10681	10/21/2013	175346	SECURITY SVCS-CRC 9/30-10/3/13	\$306.80
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Remit to: WILMINGTON, CA	<u>FYTD:</u>	\$27,536.58
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GENERAL SECURITY SERVICES, INC.	10724	10/28/2013	175147	SECURITY SVCS-CRC SPECIAL EVENTS 9/21/13	\$3,596.01
			174726	SECURITY SVCS-SENIOR CTR 8/10/13	
			175145	SECURITY SVCS-CRC 9/16-9/19/13	
			175144	SECURITY SVCS-SENIOR CTR 9/21/13	
			175097	SECURITY SVCS-CRC 9/9-9/12/13	
			175212	SECURITY SVCS-CRC SPECIAL EVENTS 9/22/13	
			175080	SECURITY SVCS-CRC SPECIAL EVENTS 9/14/13	
			174724	SECURITY SVCS-TOWNGATE 8/10/13	

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GENERAL SECURITY SERVICES, INC.	10724	10/28/2013	174896	SECURITY SVCS-CRC SPECIAL EVENTS 8/30/13	\$3,596.01
			174933	SECURITY SVCS-CRC 8/26-8/29/13	
			175408	SECURITY SVCS-CITY HALL 10/7-10/11-13	
			174781	SECURITY SVCS-SENIOR CTR 8/11/13	
			174778	SECURITY SVCS-TOWNGATE 8/13/13	
			174997	SECURITY SVCS-CRC 9/3-9/5/13	
			175411	SECURITY SVCS-LIBRARY 10/6-10/12/13	
			175347	SECURITY SVCS-LIBRARY 9/29-10/5/13	
			175345	SECURITY SVCS-CITY HALL 9/30-10/3/13	

Remit to: WILMINGTON, CA FYTD: \$27,536.58

GENESIS CHRISTIAN FELLOWSHIP	219055	10/21/2013	1081028	REFUND FOR DEPOSIT FOR SPECIAL EVENT ON 9/28/13	\$75.00
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Remit to: MORENO VALLEY, CA FYTD: \$75.00

GIBBS, GIDEN, LOCHER,TURNER, SENET & WITTBRODT LLP	10638	10/14/2013	221100-003	LEGAL SERVICES - MORRISON PARK FS	\$2,690.01
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Remit to: LOS ANGELES, CA FYTD: \$36,366.41

GIBBS, GIDEN, LOCHER,TURNER, SENET & WITTBRODT LLP	10725	10/28/2013	221517-001	LEGAL SERVICES-RE: AEI-CASC (DAY ST)	\$2,825.60
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Remit to: LOS ANGELES, CA FYTD: \$36,366.41

GINNY, WALTER	218894	10/07/2013	R13-066160	AS REFUND-TRAP DEPOSIT	\$50.00
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Remit to: MORENO VALLEY, CA FYTD: \$50.00

GONG ENTERPRISES, INC.	218846	10/07/2013	6971	PLAN CHECK SVCS-PA07-0080/PM35672-AUG13	\$500.00
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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>
Remit to: HUNTINGTON BEACH, CA					FYTD: \$18,889.50
GONG ENTERPRISES, INC.	219077	10/28/2013	6983	CONSULTANT PLAN CHECK SVCS	\$13,514.50
			6984	CONSULTANT PLAN CHECK SVCS	
Remit to: HUNTINGTON BEACH, CA					FYTD: \$18,889.50
GONZALES, DOMILENA R.	10539	10/07/2013	131001	SEPT '13, PD OCT '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
GOOD HOPE BAPTIST CHURCH	218969	10/14/2013	1077977	REFUND ON DEPOSIT CRC CONTRACT 22893	\$229.50
Remit to: PERRIS, CA					FYTD: \$229.50
GOUDEAU, JANELL	218970	10/14/2013	1076145	REFUND FOR DROPPED STUDENT A CHILDS PLACE	\$20.00
Remit to: MORENO VALLEY, CA					FYTD: \$20.00
GOZDECKI, DAN	10639	10/14/2013	OCT-2013 YOUTH	INSTRUCTOR SERVICES-KUNG FU CLASS	\$702.00
			OCT-2013 ADULT	INSTRUCTOR SERVICES-KUNG FU CLASS	
Remit to: MORENO VALLEY, CA					FYTD: \$3,618.00
GRAVES & KING, LLP	218997	10/21/2013	1308-0009459	LEGAL SERVICES-AUG13-S. BOE CASE	\$8,336.11
Remit to: RIVERSIDE, CA					FYTD: \$41,458.79
GRAVES & KING, LLP	219078	10/28/2013	1309-0009459	LEGAL SVCS-RE: S. BOE	\$15,505.29
Remit to: RIVERSIDE, CA					FYTD: \$41,458.79
GRIFFIN, MARLENE C	10540	10/07/2013	131001	RETIREE MED OCTOBER '13	\$255.43

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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: GREEN VALLEY, AZ					<u>FYTD:</u> \$1,277.15
GRUBE, PATTY	218957	10/14/2013	8/29-9/16/13	MILEAGE REIMBURSEMENT	\$51.19
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$63.51
GUILLAN, REBECCA S.	10541	10/07/2013	131001	SEPT '13, PD OCT '13	\$297.39
Remit to: ADVANCE, NC					<u>FYTD:</u> \$1,486.95
GUTIERREZ, ROBERT	10542	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: LA VERNE, CA					<u>FYTD:</u> \$1,593.65
GUZMAN , LESLIE	218971	10/14/2013	1078122	REFUND STUDENT DROPPED T4T'S	\$41.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$41.60
HAMLIN, WILLIAM R.	10543	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: BEAUMONT, CA					<u>FYTD:</u> \$1,593.65
HANES, MARTIN D.	10544	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
HARDING, JOHN	218847	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: BANNING, CA					<u>FYTD:</u> \$1,593.65
HARRIS & ASSOCIATES	10545	10/07/2013	21950	CONSULTANT PLAN CHECK SVCS-JUL13	\$11,139.00
Remit to: CONCORD, CA					<u>FYTD:</u> \$33,419.00
HARRIS & ASSOCIATES	10726	10/28/2013	22373	CONSULTANT PLAN CHECK SVCS-AUG13	\$18,008.00



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HARRIS & ASSOCIATES	10726	10/28/2013	22704	CONSULTANT PLAN CHECK SVCS-SEPT13	\$18,008.00
			22374	CONSULTANT PLAN CHECK SVCS-AUG13	
Remit to: CONCORD, CA					FYTD: \$33,419.00
HARTMANN, RICK	218848	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: SAN DIMAS, CA					FYTD: \$1,593.65
HATFIELD, CHARLES	10546	10/07/2013	131001	RETIREE MED OCTOBER '13	\$210.74
Remit to: LAS VEGAS, NV					FYTD: \$1,269.68
HCI SYSTEMS, INC.	219109	10/28/2013	FP12-0552	REFUND-FIRE INSPECTION FEES-PROJ CANCELLED	\$287.00
Remit to: ONTARIO, CA					FYTD: \$287.00
HEFFLEY, ROSS W.	10547	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: HEMET, CA					FYTD: \$1,593.65
HENDRICK, CATHY	218972	10/14/2013	1078503	REFUND ON EQUESTRIAN CENTER RENTAL	\$125.00
Remit to: NUEVO, CA					FYTD: \$125.00
HERRICK, ROBERT D.	218849	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
HOGAN, CUEWAJI	218973	10/14/2013	1076989	REFUND DROPPED STUDENT A CHILDS PLACE	\$5.00
Remit to: MORENO VALLEY, CA					FYTD: \$5.00
HOLT, ANITRA N	218850	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73

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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: CLERMONT, FL					<u>FYTD:</u> \$1,593.65
HOSS, ELIZABETH	219056	10/21/2013	R13-065757	AS REFUND-S/N DEPOSIT	\$75.00
Remit to: LAGUNA HILLS, CA					<u>FYTD:</u> \$75.00
HOUSER, EDITH E.	218851	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
HUA, JENNY,	219037	10/21/2013	OCT-2013	INSTRUCTOR SERVICES-DRAWING FOR KIDS CLASS	\$168.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,092.00
HUNSAKER & ASSOCIATES, INC.	218852	10/07/2013	13080151	PLAN CHECK REVIEW SVCS-PM 34050 8/1-8/28/13	\$1,176.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$15,264.25
HUTCHINGS COURT REPORTERS, LLC	218932	10/14/2013	658418	COURT DEPOSITION COPIES-NAVARRO CASE	\$359.15
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$999.15
HUTCHINGS COURT REPORTERS, LLC	218998	10/21/2013	658102	COURT DEPOSITION COPIES-NAVARRO CASE	\$320.00
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$999.15
HUTCHINGS COURT REPORTERS, LLC	219079	10/28/2013	648376	DEPOSITION COPIES-RE:K. HERNANDEZ	\$320.00
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$999.15
ICMA RETIREMENT CORP	10503	10/04/2013	2014-00000108	8030 - DEF COMP 457 - ICMA	\$9,784.43
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$87,925.37



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ICMA RETIREMENT CORP	10660	10/18/2013	2014-00000125	8030 - DEF COMP 457 - ICMA	\$9,784.43
Remit to: BALTIMORE, MD					FYTD: \$87,925.37
ING USA ANNUITY & LIFE INSURANCE CO.	218999	10/21/2013	2014-00000120	8792 - ING - EMPLOYEE *	\$325.00
Remit to: DES MOINES, IA					FYTD: \$1,625.00
INLAND BOBCAT, INC	218933	10/14/2013	004280	AUGER MOUNTING FRAME	\$4,669.92
Remit to: RIVERSIDE, CA					FYTD: \$4,669.92
INSIDE PLANTS, INC.	219000	10/21/2013	48451	INDOOR PLANT MAINT-OCT13	\$327.00
Remit to: CORONA, CA					FYTD: \$1,635.00
INTERNAL REVENUE SERVICE CENTER	10510	10/04/2013	F131001	3RD QTR 2013 TAX DEPOSIT FEDERAL	\$2,000.00
Remit to: OGDEN, UT					FYTD: \$1,444,013.29
J D H CONTRACTING	10640	10/14/2013	100413-02	REPAIRS OF SUSPENDED CEILING- CH COUNCIL CHAMBERS	\$3,137.00
			100113-01	RESEAL SLATE WALLS-CH INFO WALL & PSB BLDG.	
			100213-01	INSTALL CITY SEAL AT CITY HALL 2ND FLR LOBBY	
			100413-01	RE-STAIN CONFERENCE TABLES & BOOKSHELVES- CITY HALL 2ND FLR	
Remit to: RIVERSIDE, CA					FYTD: \$48,808.97
JACK HENRY & ASSOCIATES	219080	10/28/2013	1555616	PROFIT START CHARGES-SEPT13	\$342.80
Remit to: MONETT, MO					FYTD: \$1,727.65

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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>
JANNEY & JANNEY ATTORNEY SVCS, INC.	219001	10/21/2013	00130933036	MONTHLY RETAINER-DELIVERY COURT FILINGS-OCT13	\$75.00
Remit to: RIVERSIDE, CA					FYTD: \$645.00
JOE A. GONSALVES & SON	218934	10/14/2013	23721	LEGISLATIVE ADVOCACY SVCS-JUL13	\$9,045.00
			23787	LEGISLATIVE ADVOCACY SVCS-AUG13	
			23856	LEGISLATIVE ADVOCACY SVCS-SEPT13	
Remit to: SACRAMENTO, CA					FYTD: \$18,090.00
JOE A. GONSALVES & SON	219002	10/21/2013	23925	LEGISLATIVE ADVOCACY SVCS-OCT13	\$3,000.00
Remit to: SACRAMENTO, CA					FYTD: \$18,090.00
JOHNSON, DAVID	218979	10/14/2013	RCT#233744	REFUND OF VEHICLE RELEASE FEES PAID IN ERROR	\$120.00
Remit to: MORENO VALLEY, CA					FYTD: \$120.00
JOHNSON, ELLEN	218853	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,274.92
JONES, SUSAN	10549	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
JORRY KEITH	219038	10/21/2013	OCT-2013	INSTRUCTOR SERVICES-COMIC BOOK CREATION CLASS	\$120.00
Remit to: FONTANA, CA					FYTD: \$264.00
JTB SUPPLY CO., INC.	10641	10/14/2013	96640	SERVICE PEDESTAL - SR-60/MORENO BEACH PH I	\$8,316.00
Remit to: ORANGE, CA					FYTD: \$33,651.72



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JTB SUPPLY CO., INC.	218854	10/07/2013	96607	TRAFFIC SIGNAL MAINT. SUPPLIES	\$9,153.00
Remit to: ORANGE, CA					FYTD: \$33,651.72
KASHEFIPOUR, HOSSEIN	218958	10/14/2013	AUG-13	MILEAGE REIMBURSEMENT	\$63.28
			SEPT-13	MILEAGE REIMBURSEMENT	
Remit to: RIVERSIDE, CA					FYTD: \$88.71
KENNEDY COMMUNICATIONS	10642	10/14/2013	4	PUBLIC OUTREACH CONSULTING SVCS	\$10,125.00
			5	PUBLIC OUTREACH CONSULTING SVCS	
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$30,250.00
KEPLER, JANELLE	10643	10/14/2013	OCT-2013	INSTRUCTOR SERVICES-CHEERLEADING & HIP HOP JAZZ CLASSES	\$641.20
Remit to: RIVERSIDE, CA					FYTD: \$2,698.40
KIMLEY-HORN & ASSOC., INC.	10644	10/14/2013	5269991	DESIGN SERVICES - TRANSPORTATION MGMT CTR	\$11,353.84
Remit to: SAN DIEGO, CA					FYTD: \$33,603.47
KING, PATRICIA A.	218855	10/07/2013	131001	RETIREE MED OCTOBER '13	\$210.74
Remit to: LAS VEGAS, NV					FYTD: \$1,053.70
KOLB, CHARLES E.	10550	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
KOLLAR, KYLE	10551	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
KOPP, CHRISTINE	218895	10/07/2013	R13-065027	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00

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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>
Remit to: WINCHESTER, CA					<u>FYTD:</u> \$75.00
KTU+A	219115	10/28/2013	26251	CONSULTING SERVICES - BICYCLE MASTER PLAN UPDATE	\$24,731.24
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$24,731.24
KYLE, GARY M.	10552	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: PRESCOTT VALLEY, AZ					<u>FYTD:</u> \$1,593.65
LAFATA, JOSEPHINE	10553	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
LANCE, SOLL & LUNGHARD, LLP	218856	10/07/2013	8379	AUDIT SVCS-2013 APPROPRIATIONS LIMIT	\$620.00
Remit to: BREA, CA					<u>FYTD:</u> \$66,012.00
LATHAM & WATKINS, LLP	218857	10/07/2013	130109427	LEGAL SVCS-MAYFIELD TRACT 32505	\$81.50
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$81.50
LAU, RONNEY	219057	10/21/2013	R13-065516	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: ALHAMBRA, CA					<u>FYTD:</u> \$20.00
LAYTON, FRED	219112	10/28/2013	MV4130705129	REFUND FOR DISMISSED CITATION	\$407.50
Remit to: BEAUMONT, CA					<u>FYTD:</u> \$407.50
LAZARUS, MARGERY A.	219103	10/28/2013	7/24-10/18/13	MILEAGE REIMBURSEMENT	\$90.97
Remit to: CORONA, CA					<u>FYTD:</u> \$90.97
LA-Z-BOY FURNITURE GALLERIES	10727	10/28/2013	124-25837	REPLACEMENT FURNITURE FOR FS#65	\$4,167.53



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Remit to: REDLANDS, CA					FYTD: \$4,167.53
LEAGUE OF CALIFORNIA CITIES- RIV CNTY DIV	219003	10/21/2013	1490	9/19/13 GENERAL MEETING ATTENDANCE FOR 5 INDIVIDUALS	\$125.00
Remit to: SACRAMENTO, CA					FYTD: \$265.00
LEE, JERI	219039	10/21/2013	OCT-2013 SEP-2013	INSTRUCTOR SERVICES-ZUMBATOMIC CLASS INSTRUCTOR SERVICES-ZUMBATOMIC CLASS	\$362.80
Remit to: MORENO VALLEY, CA					FYTD: \$362.80
LEIVAS, INC. DBA. LEIVAS LIGHTING	10554	10/07/2013	236237	LANDSCAPE LIGHTING MAINT-E7 ADDL WORK-7/16>8/6/13	\$1,623.95
Remit to: RIVERSIDE, CA					FYTD: \$6,487.40
LEIVAS, INC. DBA. LEIVAS LIGHTING	10684	10/21/2013	236273	LANDSCAPE LIGHTING MAINT-SEPT13	\$150.00
Remit to: RIVERSIDE, CA					FYTD: \$6,487.40
LEWIS BRISBOIS BISGAARD & SMITH LLP	219082	10/28/2013	1238117	LEGAL SVCS-RE: NORTON, ALICIA	\$72.50
Remit to: LOS ANGELES, CA					FYTD: \$443.75
LEWIS, CAROLYN S.	10555	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MIDLAND, TX					FYTD: \$1,593.65
LEXISNEXIS PRACTICE MGMT.	10685	10/21/2013	1309081909	LEGAL RESEARCH TOOLS-CITY ATTY-SEPT13	\$1,180.00
Remit to: LOS ANGELES, CA					FYTD: \$4,720.00

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LIEBERT, CASSIDY, WHITMORE	219004	10/21/2013	11142013	REGIS. FEE-A SUPERVISORS EMPLOYMNT RELATNS PRIMER WRKSHP	\$140.00
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$12,373.10
LINDO, HERMINA G.	10556	10/07/2013	131001	AUG '13 (TRI&MED), PD OCT '13	\$232.24
Remit to: TITUSVILLE, FL					<u>FYTD:</u> \$1,266.10
LOGAN, CHARLES	10557	10/07/2013	131001	RETIREE MED OCTOBER '13	\$95.74
Remit to: LAS VEGAS, NV					<u>FYTD:</u> \$943.94
LONGDYKE, DENNIS	10558	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: BEAUMONT, CA					<u>FYTD:</u> \$1,593.65
LUMLEY, ROBERT C.	10559	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
MALCOLM SMITH MOTORCYCLES, INC.	10686	10/21/2013	100086701	MAINT & REPAIRS-TRAFFIC MOTORCYCLES	\$935.54
			100088316	MAINT & REPAIRS-TRAFFIC MOTORCYCLES	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$6,909.01
MARCH FIELD AIR MUSEUM	218885	10/07/2013	10052013	REGISTRATION-29TH ANNUAL MASH BASH	\$135.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$135.00
MARINA LANDSCAPE, INC	10687	10/21/2013	8216091300	LANDSCAPE MAINT-ZONE E-1 & E-1A-SEPT13	\$5,733.34
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$30,044.86



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MARIPOSA HORTICULTURAL ENTERPRISES, INC.	10688	10/21/2013	61250	LANDSCAPE MAINT- E-2 BASE-SEPT13	\$21,963.27
			61445	LANDSCAPE MAINT- E-2 ADDL WORK-SEPT13	
			61249	LANDSCAPE MAINT- DSG-2 BASE-SEPT13	
			61444	LANDSCAPE MAINT- DSG-2 ADDL WORK-SEPT13	
Remit to: IRWINDALE, CA					FYTD: \$87,697.57
MARTINEZ, VERONICA	218974	10/14/2013	1074968	REFUND FOR ADJUSTMENT FEES FOR A CHILDS PLACE	\$85.00
Remit to: MORENO VALLEY, CA					FYTD: \$85.00
MATHIS, NOLAN	10560	10/07/2013	131001	AUG '13, PD OCT '13	\$298.20
Remit to: JACKSON, KY					FYTD: \$1,491.00
MAXINOSKI, SUE A.	10561	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: AVINGER, TX					FYTD: \$1,593.65
MCCAIN TRAFFIC SUPPLY	218935	10/14/2013	INV0167768	TRAFFIC SIGNAL SUPPLIES	\$24,600.26
			INV0167270	NEW CONTROLLER - SR-60/MORENO BEACH PH I	
			INV0167654	TRAFFIC SIGNAL SUPPLIES	
Remit to: VISTA, CA					FYTD: \$49,566.75
MCLARTY, EDITH NADINE	218975	10/14/2013	YR2013/BL#26940	REFUND OF PAYMENT CHARGED ON ERROR	\$61.00
Remit to: SAN DIEGO, CA					FYTD: \$61.00
MEEKS, DANIEL	10645	10/14/2013	091513	SPORTS OFFICIATING SERVICES-SOFTBALL	\$100.00
			100313	SPORTS OFFICIATING SERVICES-SOFTBALL	

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Remit to: PERRIS, CA					<u>FYTD:</u> \$1,080.00
MENGISTU, YESHIALEM	218858	10/07/2013	9/3-9/27/13	MILEAGE REIMBURSEMENT	\$149.16
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$706.26
MERCHANTS LANDSCAPE SERVICES INC	10646	10/14/2013	41046	LANDSCAPE MAINT-ZONE E3 & E3A-SEPT13	\$18,199.83
			41045	LANDSCAPE MAINT-ZONE E8,E12,E14 &E15-SEPT13	
Remit to: Santa Ana, CA					<u>FYTD:</u> \$102,209.04
MERCHANTS LANDSCAPE SERVICES INC	10689	10/21/2013	41141	LANDSCAPE MAINT-ZONE E3-ADDL WORK-SEPT13	\$5,514.47
			39813	LANDSCAPE MAINT-ZONE E8-ADDL WORK	
Remit to: Santa Ana, CA					<u>FYTD:</u> \$102,209.04
MESSIN, LOUIS	10562	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: BULLHEAD CITY, AZ					<u>FYTD:</u> \$1,593.65
MEYERS, NAVE, RIBACK, SILVER & WILSON	218859	10/07/2013	2013080712	LEGAL SERVICES-GENERAL ASST. CITY ATTY SVCS-AUG13	\$9,274.41
			2013080713	LEGAL SERVICES-MJPA-AUG13	
Remit to: OAKLAND, CA					<u>FYTD:</u> \$64,150.40
MEYERS, ROBERT	218886	10/07/2013	JAN-2013	INSTRUCTOR SVCS-PHOTOGRAPHY CLASS	\$90.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$90.60
MILES, ROBERT	10563	10/07/2013	131001	RETIREE MED OCTOBER '13	\$146.32



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Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$731.60
MINARD, MARK E.	10564	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: REDLANDS, CA					<u>FYTD:</u> \$1,593.65
MINIATURE SCHNAUZER & FRIENDS RESCUE	218896	10/07/2013	R13-066147	AS REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: REDONDO BEACH, CA					<u>FYTD:</u> \$75.00
MOLLICA, MIKE	10565	10/07/2013	131001	RETIREE MED OCTOBER '13	\$401.42
Remit to: DUNNELLON, FL					<u>FYTD:</u> \$2,007.10
MORA, PATRICIA A.	10566	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
MORALEZ, JOHEL	218897	10/07/2013	R13-065910	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$20.00
MORENO , FRANK	218976	10/14/2013	1075075	MISCELLANEOUS SERVICES	\$750.00
Remit to: MORNEO VALLEY, CA					<u>FYTD:</u> \$750.00
MORENO VALLEY CHAMBER OF COMMERCE	218860	10/07/2013	3897	BUSINESS EXPO BOOTH FOR PARKS & COMM SVCS.	\$50.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,396.07
MORENO VALLEY CHAMBER OF COMMERCE	218887	10/07/2013	3921	WAKE-UP MEETING ATTENDANCE - 09/25/13	\$60.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,396.07

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MORENO VALLEY CITY EMPLOYEES ASSOC.	10504	10/04/2013	2014-00000109	8710 - MVCEA EMPLOYEE DUES	\$1,326.50
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$13,548.50
MORENO VALLEY CITY EMPLOYEES ASSOC.	10661	10/18/2013	2014-00000126	8710 - MVCEA EMPLOYEE DUES*	\$1,328.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$13,548.50
MORENO VALLEY HISPANIC CHAMBER OF COMMER	218959	10/14/2013	9/10/13 ADELANTE	ADELANTE MEETING ATTENDANCE	\$50.00
			10/1/13 ADELANTE	ADELANTE MEETING ATTENDANCE	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$70.00
MORENO VALLEY UTILITY	219068	10/21/2013	7013411-01/SEP13	ELECTRICITY-UTILITY FIELD OFFICE	\$200.41
Remit to: HEMET, CA					<u>FYTD:</u> \$371,370.27
MORGAN, LISA A.	10567	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MENTONE, CA					<u>FYTD:</u> \$1,593.65
MPULSE MAINTENANCE SOFTWARE, INC.	219006	10/21/2013	13-07-2311	ANNUAL MAINTENANCE-FY13/14	\$4,300.00
Remit to: EUGENE, OR					<u>FYTD:</u> \$4,300.00
MUNI-FED ENERGY, INC.	219066	10/21/2013	1016	E-SERIES EQUIPMENT LEASE-SEPT13	\$1,999.01
			1015	E-SERIES EQUIPMENT LEASE-JUL & AUG 2013	
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$2,850.44
NATIONWIDE RETIREMENT SOLUTIONS CP	10507	10/04/2013	2014-00000112	8020 - DEF COMP PST - NATIONWIDE	\$2,544.40



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Remit to: COLUMBUS, OH					<u>FYTD:</u> \$331,689.33
NATIONWIDE RETIREMENT SOLUTIONS CP	10662	10/18/2013	2014-00000127	8020 - DEF COMP PST - NATIONWIDE	\$2,284.30
Remit to: COLUMBUS, OH					<u>FYTD:</u> \$331,689.33
NAVARRETTE, RALPH	10568	10/07/2013	131001	RETIREE MED OCTOBER '13	\$146.32
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$731.60
NBS GOVERNMENT FINANCE GROUP	10569	10/07/2013	81300073	CONSULTANT SERVICES RE: COST ALLOCATION PLAN	\$9,840.00
			91300294	CONSULTANT SERVICES RE: COST ALLOCATION PLAN	
Remit to: TEMECULA, CA					<u>FYTD:</u> \$9,840.00
NELSON, ROBERT	10570	10/07/2013	131001	RETIREE MED OCTOBER '13	\$255.43
Remit to: ONTARIO, CA					<u>FYTD:</u> \$1,277.15
NELSON, RUTH L.	10571	10/07/2013	131001	RETIREE MED OCTOBER '13	\$173.37
Remit to: PERRIS, CA					<u>FYTD:</u> \$866.85
NEUSTAEDTER, CRAIG S	218861	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: IRVINE, CA					<u>FYTD:</u> \$1,593.65
NEW HORIZON MOBILE HOME PARK	10690	10/21/2013	SEPTEMBER 2013	REFUND-UTILITY USER TAXES FOR EXEMPT RESIDENTS	\$25.19
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$112.20
NIEBURGER, JUDITH A.	218862	10/07/2013	131001	RETIREE MED OCTOBER '13	\$401.42

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Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,007.10
NIELSEN LLC, CLARITAS	218863	10/07/2013	2120652	DATA REPORT OF AVERAGE HH INCOME TO UPDATE ED SUMMARY	\$500.00
Remit to: CHARLOTTE, NC					<u>FYTD:</u> \$500.00
NINYO & MOORE GEOTECHNICAL	10691	10/21/2013	175153	GEOTECHNICAL SERVICES - SR-60/MB PH I	\$3,643.25
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$20,664.25
ORROCK, POPKA, FORTINO & BRISLIN	10647	10/14/2013	90-037M STMT 4	LEGAL DEFENSE COSTS - O. RODRIGUEZ CASE	\$2,292.00
			90-038M STMT 3	LEGAL DEFENSE COSTS - N. THOMPSON CASE	
			90-039M STMT 2	LEGAL DEFENSE COSTS - M. MOSLEY CASE	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$6,992.00
PACIFIC TELEMAGEMENT SERVICES	10728	10/28/2013	574984	PAY PHONE SERVICES	\$250.56
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$1,910.52
PACIFIC TELEMAGEMENT SERVICES	10745	10/28/2013	574984a	STATION PAY PHONE SERVICES	\$62.64
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$1,910.52
PAINTING BY ZEB BODE	10572	10/07/2013	130930-INTERIOR	PAINTING OF INTERIOR AT MARCH FIELD PARK COMMUNITY CENTER	\$4,900.00
			130930-EXTERIOR	PAINTING OF BUILDING EXTERIOR-MFPCC	
Remit to: NORCO, CA					<u>FYTD:</u> \$30,379.50
PARADIGM ENERGY CONSULTING	10694	10/21/2013	MVU-07-2013	CONSULTING SERVICES RE: MV UTILITY 10-YR RESOURCE PLAN	\$11,825.00



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PARADIGM ENERGY CONSULTING	10694	10/21/2013	MVU-08-2013	CONSULTING SERVICES RE: MV UTILITY 10-YR RESOURCE PLAN	\$11,825.00
Remit to: SACRAMENTO, CA					FYTD: \$25,874.98
PARSONS TRANSPORTATION GROUP, INC.	10695	10/21/2013	1308A146	CONSTRUCTION SUPPORT - SR-60/NASON OC	\$20,001.42
			1308A142	ENGINEERING SERVICES - SR-60/MB PH II	
Remit to: IRVINE, CA					FYTD: \$186,993.16
PARSONS TRANSPORTATION GROUP, INC.	10729	10/28/2013	1308A145	CONSTRUCTION SUPPORT - SR-60/MB PH I	\$11,976.40
Remit to: IRVINE, CA					FYTD: \$186,993.16
PATTERSON, ALFREY	218864	10/07/2013	131001	RETIREE MED OCTOBER '13	\$146.32
Remit to: MORENO VALLEY, CA					FYTD: \$731.60
PAXTON, CHRIS	219104	10/28/2013	PARKING REIMB.	REIMBURSE PARKING/FACILITIES FEES DURING PELRAC CONFERENCE	\$53.90
Remit to: MURRIETA, CA					FYTD: \$53.90
PENA, ROSARIO	218977	10/14/2013	1075149	REFUD ON SR CTR RENTAL CONTRACT 23900	\$300.00
Remit to: MORENO VALLEY, CA					FYTD: \$300.00
PERRY, NORMA	10574	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: LOCKEFORD, CA					FYTD: \$1,593.65
PERS LONG TERM CARE PROGRAM	218865	10/07/2013	2014-00000105	4720 - PERS LONG TERM CARE	\$458.63
Remit to: PASADENA, CA					FYTD: \$5,044.93

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PERS LONG TERM CARE PROGRAM	219007	10/21/2013	2014-00000121	4720 - PERS LONG TERM CARE	\$458.63
Remit to: PASADENA, CA					FYTD: \$5,044.93
PERS RETIREMENT	10620	10/11/2013	P130913a	PERS RETIREMENT - CLASSIC	\$10,274.29
Remit to: SACRAMENTO, CA					FYTD: \$2,200,240.08
PERS RETIREMENT	10621	10/11/2013	P130913b	PERS RETIREMENT - PEPRA	\$5,280.63
Remit to: SACRAMENTO, CA					FYTD: \$2,200,240.08
PERS RETIREMENT	10714	10/25/2013	P130927a	PERS RETIREMENT - CLASSIC	\$5,836.53
Remit to: SACRAMENTO, CA					FYTD: \$2,200,240.08
PERS RETIREMENT	10715	10/25/2013	P130927b	PERS RETIREMENT - PEPRA	\$6,286.39
Remit to: SACRAMENTO, CA					FYTD: \$2,200,240.08
PETTY CASH - FINANCE	218888	10/07/2013	09/24/13	PETTY CASH FUND REPLENISHMENT	\$835.65
Remit to: MORENO VALLEY, CA					FYTD: \$3,094.19
PIERRE/SANDRA AND CRUZ/MONDAY	218898	10/07/2013	R13-066410	AS REFUND-OVER CHARGE ON LICENSE	\$10.00
Remit to: MORENO VALLEY, CA					FYTD: \$10.00
PIP PRINTING	10575	10/07/2013	54164	PRINTING OF CDPH FLYERS, BANNERS, AND POSTERS	\$3,014.28
Remit to: MORENO VALLEY, CA					FYTD: \$3,342.72
PIP PRINTING	10648	10/14/2013	54278	PRINTING OF APARTMENT INSPECTION FORMS	\$145.92



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Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$3,342.72
PLAZOLA, LISSETTE	219105	10/28/2013	FY2013-14	TUITION REIMBURSEMENT	\$1,500.00
Remit to: SAN JACINTO, CA					<u>FYTD:</u> \$1,500.00
POUNDS, NANCY	10576	10/07/2013	131001	SEPT '13, PD OCT '13	\$318.73
Remit to: BOISE, ID					<u>FYTD:</u> \$1,593.65
POWELL CONSTRUCTORS, INC.	10857	10/23/2013	W131005	RELEASE OF RETENTION PER ESCROW AGREEMENT-INV#10	\$13,134.46
Remit to: FONTANA, CA					<u>FYTD:</u> \$965,934.92
PRICE, GEORGE E.	10577	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
PROFESSIONAL COMMUNICATIONS NETWORK PCN	218867	10/07/2013	130800458	LIVE ANSWERING SERVICE FOR TOW PROGRAM	\$1,057.00
			130900346	LIVE ANSWERING SERVICE FOR TOW PROGRAM	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,099.60
PROFESSIONAL COMMUNICATIONS NETWORK PCN	219083	10/28/2013	131000465	LIVE ANSWERING SERVICE FOR TOW PROGRAM	\$508.55
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$3,099.60
PSOMAS	218936	10/14/2013	90749	CONSULTING SERVICES, SURVEY - SR-60/NASON OC	\$16,636.39
			91207	CONSULTING SERVICES, SURVEY - SR-60/NASON OC	

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Remit to: SANTA ANA, CA					<u>FYTD:</u> \$56,596.62
PULLIAM, TRENT D.	10578	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MISSION VIEJO, CA					<u>FYTD:</u> \$1,593.65
PVP COMMUNICATIONS, INC.	10649	10/14/2013	18467	TRAFFIC MOTOR HELMET/KIT FOR PD	\$1,011.60
Remit to: TORRANCE, CA					<u>FYTD:</u> \$12,256.07
QUICK CRETE	218937	10/14/2013	0096123-IN	TWO CONCRETE CORNER WALL CAPS	\$231.12
Remit to: NORCO, CA					<u>FYTD:</u> \$11,646.72
QUILATON, MA VILMA	219110	10/28/2013	ACCT 7010095-05	SOLAR INCENTIVE REBATE	\$7,548.75
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$7,548.75
RAMEY, PETER	10579	10/07/2013	131001	JULY-AUG '13, PD OCT '13	\$637.46
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,143.49
RAMOS, MANUEL	219058	10/21/2013	R13-066385	AS REFUND-ADOPT,DEPOSITS,VACS,CHIP	\$162.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$162.00
RATAY, TRISHA	218899	10/07/2013	1078087	REFUND FOR TOWNGATE	\$150.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$150.00
RAY-RAMIREZ, DARCY L.	218868	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,593.65
RENE'S	10730	10/28/2013	11/11/13 EVENT	CATERING FOR VETERANS DAY MEMORIAL EVENT	\$453.60



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Remit to: MORENO VALLEY, CA					FYTD: \$453.60
REPUBLIC MASTER CHEFS TEXTILE RENTAL SERVICE	10580	10/07/2013	11092257	LINENS RENTAL FOR CRC BANQUET ROOM	\$105.50
			S253606	LINENS FOR SPECIAL EVENTS AT CRC	
			11086465	LINENS RENTAL FOR CRC BANQUET ROOM	
			11080677	LINENS RENTAL FOR CRC BANQUET ROOM	
			11074187	LINENS RENTAL FOR CRC BANQUET ROOM	
Remit to: LOS ANGELES, CA					FYTD: \$1,111.40
REPUBLIC MASTER CHEFS TEXTILE RENTAL SERVICE	10696	10/21/2013	11098232	LINENS RENTAL FOR CRC BANQUET ROOM	\$45.30
			11104588	LINENS RENTAL FOR CRC BANQUET ROOM	
Remit to: LOS ANGELES, CA					FYTD: \$1,111.40
REYES, EDWARD	219059	10/21/2013	R13-066551	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					FYTD: \$20.00
RICHARD HEATH AND ASSOCIATES	219065	10/21/2013	MV-1309	ENERGY EFFICIENCY PROGRAM SERVICES FOR MV UTILITY	\$8,000.45
Remit to: FRESNO, CA					FYTD: \$8,000.45
RIGHTWAY SITE SERVICES, INC.	218869	10/07/2013	729515	PORTABLE RESTROOMS/SVC-EQUESTRIAN CENTER	\$571.38
			729514	PORTABLE RESTROOM/SVC-COTTONWOOD GOLF COURSE	
			729577	PORTABLE TOILETS ON WHEELS/SERVICE FOR M&O DIV.	
Remit to: LAKE ELSINORE, CA					FYTD: \$3,346.81
RIGHTWAY SITE SERVICES, INC.	219008	10/21/2013	730810	PORTABLE RESTROOMS/SVC-EQUESTRIAN CENTER	\$381.30

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RIGHTWAY SITE SERVICES, INC.	219008	10/21/2013	730809	PORTABLE RESTROOM/SVC-COTTONWOOD GOLF COURSE	\$381.30
Remit to: LAKE ELSINORE, CA					FYTD: \$3,346.81
RIGHTWAY SITE SERVICES, INC.	219084	10/28/2013	730880	PORTABLE TOILETS ON WHEELS/SERVICE FOR M&O DIV.	\$190.08
Remit to: LAKE ELSINORE, CA					FYTD: \$3,346.81
RIVERSIDE COUNTY FIRE DEPARTMENT	219085	10/28/2013	231575	FIRE STATION #99 CONSTRUCTION COSTS	\$2,517.66
Remit to: PERRIS, CA					FYTD: \$2,517.66
RIVERSIDE COUNTY HABITAT CONSERVATION	219040	10/21/2013	10142013	STEPHEN'S KANGAROO RAT MITIGATION FEES-ADDITION TO 3RD QTR 2013	\$8,775.00
Remit to: RIVERSIDE, CA					FYTD: \$103,720.00
RIVERSIDE COUNTY SHERIFF CIVIL DIVISION-WEST	219009	10/21/2013	2014-00000122	1015 - GARNISHMENT - CREDITOR %	\$36.00
Remit to: RIVERSIDE, CA					FYTD: \$1,346.67
ROGERS, EUGENE	10581	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: PEBBLE BEACH, CA					FYTD: \$1,593.65
ROSS, DAVID T.	10582	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
ROSSON, LOUIS A.	10583	10/07/2013	131001a	AUG '13, PD OCT '13	\$269.87
			131001	RETIREE MED OCTOBER '13	
Remit to: PERRIS, CA					FYTD: \$1,349.35



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ROTO-ROOTER PLUMBERS	10732	10/28/2013	IE246757	PLUMBING REPAIR-DRAIN CLEANINGS AT COMMUNITY PARK	\$1,230.19
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$1,881.94
ROWEKAMP ASSOCIATES, INC.	219010	10/21/2013	2013096	SIMPLESIGNS SIGN INVENTORY SOFTWARE & ROWEMAP FOR SIMPLESIGNS	\$2,000.00
Remit to: BLOOMINGTON, MN					FYTD: \$7,500.00
RUSSO, JOHN	10584	10/07/2013	131001	RETIREE MED OCTOBER '13	\$146.32
Remit to: RANCHO MIRAGE, CA					FYTD: \$731.60
S.O.G.	218980	10/14/2013	REGIST-C. HOWARD	REGISTR. FEE FOR CHAD HOWARD FOR TRAINING COURSE 10/26/13	\$100.00
Remit to: WHITTIER, CA					FYTD: \$100.00
SAFEWAY SIGN CO.	10585	10/07/2013	95262 95287	TRAFFIC SIGNS, POSTS, HARDWARE TRAFFIC SIGNS, POSTS, HARDWARE	\$11,307.60
Remit to: ADELANTO, CA					FYTD: \$14,284.32
SAFEWAY SIGN CO.	10697	10/21/2013	95617	TRAFFIC SIGNS, POSTS, HARDWARE	\$867.25
Remit to: ADELANTO, CA					FYTD: \$14,284.32
SALAIZ, STEVE	219041	10/21/2013	OCT-2013	INSTRUCTOR SERVICES-TAE KWON DO CLASS	\$69.00
Remit to: MIRA LOMA, CA					FYTD: \$276.00
SCHIEFELBEIN, LORI C.	218870	10/07/2013	131001	SEPT '13, PD OCT '13	\$318.73
Remit to: BULLHEAD CITY, AZ					FYTD: \$9,055.09
SCHIEFELBEIN, LORI C.	218938	10/14/2013	JULY 2013	CONSULTANT SERVICES-ROTATIONAL TOW PROGRAM	\$1,980.00

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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>
SCHIEFELBEIN, LORI C.	218938	10/14/2013	AUG 2013	CONSULTANT SERVICES-ROTATIONAL TOW PROGRAM	\$1,980.00
Remit to: BULLHEAD CITY, AZ					FYTD: \$9,055.09
SCHIEFELBEIN, LORI C.	219087	10/28/2013	SEP 2013	CONSULTANT SERVICES-ROTATIONAL TOW PROGRAM	\$1,402.50
Remit to: BULLHEAD CITY, AZ					FYTD: \$9,055.09
SCHNEIDER, ANNE	219042	10/21/2013	AUG-2013 REIMB	MEDICAL INSURANCE REIMBURSEMENT-AUGUST 2013	\$1,247.05
Remit to: BANNING, CA					FYTD: \$1,247.05
SCHUMAN, MICHAEL	10586	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: GARDNERVILLE, NV					FYTD: \$1,593.65
SCOTT FAZEKAS & ASSOCIATES, INC	218939	10/14/2013	16998	PLAN CHECK SERVICES FOR BLDG. & SAFETY DEPT.	\$1,760.00
Remit to: IRVINE, CA					FYTD: \$19,678.73
SECURITY AND COMMUNICATIONS CONSULTING	10650	10/14/2013	10113	MONITOR AND TESTING OF CITYWIDE CAMERA INSTALLATIONS	\$4,655.00
Remit to: CLOVIS, CA					FYTD: \$11,556.40
SECURITY LOCK & KEY	10587	10/07/2013	26196	LOCK REPAIR & PARTS-WESTON PARK	\$270.12
			26200	LOCK REPAIR & PARTS-WESTON PARK	
Remit to: YUCAIPA, CA					FYTD: \$8,098.55
SECURITY LOCK & KEY	10651	10/14/2013	26148	LOCK REPAIR FOR PATIO DOOR AT TOWNGATE COMM. CTR.-WO#13-1379	\$1,895.10
			26180	RE-KEYING OF ANNEX 4, LOCKS, & KEYS FOR MV GATEWAY	
			26186	RE-KEYING OF VARIOUS LOCATIONS AT CITY HALL	



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Remit to: YUCAIPA, CA					FYTD: \$8,098.55
SHARRETT, SHARON K.	10588	10/07/2013	131001	RETIREE MED OCTOBER '13	\$173.37
Remit to: ONTARIO, CA					FYTD: \$866.85
SHAW INDUSTRIES, INC.	218940	10/14/2013	2589808	ADDITIONAL BROADLOOM FOR CITY HALL STAIRS	\$498.80
Remit to: LOS ANGELES, CA					FYTD: \$939.53
SHELDON, STUART H.	10589	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MURRIETA, CA					FYTD: \$1,593.65
SHELL OIL CO.	219011	10/21/2013	065124489310	FUEL PURCHASES-PD MOTORCYCLES	\$984.03
Remit to: COLUMBUS, OH					FYTD: \$7,179.73
SHELL OIL CO.	219012	10/21/2013	090043845308	FUEL PURCHASE-MVU	\$72.15
Remit to: COLUMBUS, OH					FYTD: \$7,179.73
SINGER & COFFIN, APC	10652	10/14/2013	4081	LEGAL SERVICES - SR-60/MORENO BEACH PH II	\$2,756.05
Remit to: IRVINE, CA					FYTD: \$34,878.85
SKY PUBLISHING	218941	10/14/2013	13_6_76	1/2 PAGE MAGAZINE AD FOR USED OIL RECYCLING LOCATIONS	\$2,520.00
			13_6_75	1/2 PAGE MAGAZINE AD FOR THREE BIN ADVERTISEMENT	
			13_6_74	1/2 PAGE MAGAZINE AD FOR USED OIL FILTER EXCHANGE EVENT	
Remit to: MORENO VALLEY, CA					FYTD: \$18,652.00
SKY TRAILS MOBILE VILLAGE	10699	10/21/2013	SEPTEMBER 2013	REFUND-UTILITY USER TAXES FOR EXEMPT RESIDENTS	\$74.94

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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: LOS ANGELES, CA					<u>FYTD:</u> \$412.95
SMITH, MARIA A.	10590	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
SMUS, PAULA	218871	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$637.46
SOCO GROUP, INC	10591	10/07/2013	609557	FUEL FOR CITY VEHICLES & EQUIPMENT	\$6,822.29
Remit to: PERRIS, CA					<u>FYTD:</u> \$191,902.95
SOCO GROUP, INC	10700	10/21/2013	610504	FUEL FOR CITY VEHICLES & EQUIPMENT	\$20,724.15
			611589	FUEL FOR CITY VEHICLES & EQUIPMENT	
			611062	FUEL FOR CITY VEHICLES & EQUIPMENT	
Remit to: PERRIS, CA					<u>FYTD:</u> \$191,902.95
SOCO GROUP, INC	10733	10/28/2013	612204	FUEL FOR CITY VEHICLES & EQUIPMENT	\$5,970.96
Remit to: PERRIS, CA					<u>FYTD:</u> \$191,902.95
SODEN ENTERPRISES, INC. DBA EASY YOGA	219043	10/21/2013	OCT-2013	INSTRUCTOR SERVICES-YOGA CLASS	\$51.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$154.80
SOSA, HUGO	10734	10/28/2013	OCT-2013	INSTRUCTOR SERVICES-TRADITIONAL KARATEDO CLASS	\$540.00
Remit to: ELK GROVE, CA					<u>FYTD:</u> \$2,304.00
SOUTHERN CALIFORNIA EDISON 1	218872	10/07/2013	SEPT-13 10/7/13	ELECTRICITY	\$9,723.79



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Remit to: ROSEMEAD, CA					FYTD: \$1,242,230.60
SOUTHERN CALIFORNIA EDISON 1	218942	10/14/2013	7500336218	WDAT CHARGES-SUBSTATION 115KV INTERCONNECTION	\$19,550.99
Remit to: ROSEMEAD, CA					FYTD: \$1,242,230.60
SOUTHERN CALIFORNIA EDISON 1	218982	10/14/2013	707-6081 SEPT-13 721-3449 SEPT-13 587-9520 AUG-SEP	ELECTRICITY IFA CHARGES-SUBSTATION ELECTRICITY-FERC CHARGES	\$16,441.78
Remit to: ROSEMEAD, CA					FYTD: \$1,242,230.60
SOUTHERN CALIFORNIA EDISON 1	219088	10/28/2013	SEPT-13 10/28/13 OCT-13 10/28/13	ELECTRICITY ELECTRICITY	\$23,615.98
Remit to: ROSEMEAD, CA					FYTD: \$1,242,230.60
SOUTHERN CALIFORNIA GAS CO.	218944	10/14/2013	SEP-2013	GAS CHARGES	\$3,275.79
Remit to: MONTEREY PARK, CA					FYTD: \$16,044.54
SPARKLETTS	218945	10/14/2013	7387294 090713	BOTTLED WATER/SVC-COTTONWOOD GOLF COURSE	\$5.00
Remit to: DALLAS, TX					FYTD: \$240.84
SPARKLETTS	219014	10/21/2013	7387294 100713	BOTTLED WATER/SVC-COTTONWOOD GOLF COURSE	\$5.00
Remit to: DALLAS, TX					FYTD: \$240.84
SPECK, GARY B.	10592	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					FYTD: \$1,593.65
SPENCER, MARTHA	10593	10/07/2013	131001	RETIREE MED OCTOBER '13	\$146.32

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Remit to: MORENO VALLEY, CA					FYTD: \$731.60
SPRINT	10594	10/07/2013	417544340-081	CELLULAR PHONE SERVICE FOR PD GTF	\$490.92
			417544340-082	CELLULAR PHONE SERVICE FOR PD GTF	
			634235346-037	CELLULAR PHONE SERVICE FOR PD SET	
Remit to: CAROL STREAM, IL					FYTD: \$2,223.66
STA STUDENT TRANSPORTATION OF AMERICA	218946	10/14/2013	5433344	BUS SERVICE FOR "A CHILD'S PLACE" FIELD TRIP	\$1,143.34
			5433404	BUS SERVICE FOR "A CHILD'S PLACE" FIELD TRIP	
			5433424	BUS SERVICE FOR "A CHILD'S PLACE" FIELD TRIP	
Remit to: GOLETA, CA					FYTD: \$9,186.09
STANDARD INSURANCE CO	218889	10/07/2013	131001	SUPPLEMENTAL INSURANCE	\$1,343.57
Remit to: PORTLAND, OR					FYTD: \$131,941.69
STANLEY CONVERGENT SECURITY SOLUTNS, INC	10596	10/07/2013	10495022	ALARM SYSTEM MONITORING SERVICES-FIRE ST #58	\$667.80
			10478757	ALARM SYSTEM MONITORING SERVICES-MARCH ASES BLDG 823	
			10217516	ALARM SYSTEM MONITORING SERVICES-FIRE ST #58	
			10211862	ALARM SYSTEM MONITORING SERVICES-MARCH ASES BLDG 823	
Remit to: PALATINE, IL					FYTD: \$19,867.95
STANLEY CONVERGENT SECURITY SOLUTNS, INC	10735	10/28/2013	10372335	SECURITY SYSTEM MONITORING-SUNNYMEAD/BETHUNE PARKS SNACK BARS	\$558.51
			10573783	SECURITY SYSTEM MONITORING-SUNNYMEAD/BETHUNE PARKS SNACK BARS	



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STANLEY CONVERGENT SECURITY SOLUTNS, INC	10735	10/28/2013	10466577	SECURITY SYSTEM MONITORING-SUNNYMEAD/BETHUNE PARKS SNACK BARS	\$558.51
Remit to: PALATINE, IL					FYTD: \$19,867.95
STAR FETU LEE LO	219089	10/28/2013	MV1414	FULL & FINAL SETTLEMENT	\$2,052.89
Remit to: MORENO VALLEY, CA					FYTD: \$2,052.89
STATE BOARD OF EQUALIZATION	219015	10/21/2013	3RD QTR 2013	ACCT# 31-000177-ELECTR. ENERGY SURCHARGE RETURN/JUL-SEP 2013	\$11,226.52
Remit to: SACRAMENTO, CA					FYTD: \$20,105.84
STATE BOARD OF EQUALIZATION 1	10858	10/23/2013	3RD QTR 2013	SALES & USE TAX REPORT FOR 7/1-9/30/13	\$1,471.00
Remit to: SACRAMENTO, CA					FYTD: \$9,344.00
STATE DISBURSEMENT UNIT	10506	10/04/2013	2014-00000111	1005 - GARNISHMENT - CHILD SUPPORT*	\$1,882.76
Remit to: WEST SACRAMENTO, CA					FYTD: \$20,572.22
STATE DISBURSEMENT UNIT	10664	10/18/2013	2014-00000129	1005 - GARNISHMENT - CHILD SUPPORT*	\$1,919.03
Remit to: WEST SACRAMENTO, CA					FYTD: \$20,572.22
STATE OF CALIF. DEPT OF TRANSPORTATION	219016	10/21/2013	14001807	SOURCE INSPECTIN - SR-60/NASON OC	\$1,251.21
Remit to: SAN BERNARDINO, CA					FYTD: \$1,251.21
STATE OF CALIFORNIA DEPT. OF JUSTICE	218947	10/14/2013	983454	LIVE SCAN FINGERPRINTING APPS FOR PD	\$1,603.00
Remit to: SACRAMENTO, CA					FYTD: \$12,781.00

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STATE OF CALIFORNIA DEPT. OF JUSTICE	219017	10/21/2013	998956	BLOOD ALCOHOL ANALYSIS SERVICES FOR PD	\$2,248.00
			994423	LIVE SCAN FINGERPRINTING APPS FOR PD	
Remit to: SACRAMENTO, CA					FYTD: \$12,781.00
STENO SOLUTIONS TRANSCRIPTION SVCS., IN	10653	10/14/2013	42611	TRANSCRIPTION SERVICES FOR PD	\$2,457.60
Remit to: CORONA, CA					FYTD: \$11,518.56
STEWART, CLIFFORD	10597	10/07/2013	131001	RETIREE MED OCTOBER '13	\$210.74
Remit to: GLENDALE, AZ					FYTD: \$1,053.70
STEWART, RICHARD A.	218890	10/07/2013	REIMBURSEMENT	REIMBURSEMENT FOR PARKING COSTS DURING LCC CONF. 9/18/13-9/20/13	\$75.75
Remit to: MORENO VALLEY, CA					FYTD: \$430.35
STEWART, SHARON E.	219106	10/28/2013	CHECK REISSUE	REISSUE OF UNCLAIMED PAYROLL CHECK #254025	\$1,042.91
Remit to: RIVERSIDE, CA					FYTD: \$1,042.91
STILES ANIMAL REMOVAL, INC.	219018	10/21/2013	102159	LARGE ANIMAL CARCASS REMOVAL	\$150.00
Remit to: GUAISTI, CA					FYTD: \$150.00
STK ARCHITECTURE, INC.	10736	10/28/2013	19925	DESIGN SERVICES - CITY HALL 2ND LEVEL	\$4,099.96
			19967	DESIGN SERVICES - CITY HALL 2ND LEVEL	
			19916	DESIGN SERVICES - CITY HALL 2ND LEVEL	
			19915	DESIGN SERVICES - CITY HALL 2ND LEVEL	
			19968	DESIGN SERVICES - CITY HALL 2ND LEVEL	
			19965	DESIGN SERVICES - CITY HALL 2ND LEVEL	



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Remit to: TEMECULA, CA					<u>FYTD:</u> \$8,630.21
STORLIE-SICKLES, ELIZABETH	10598	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,912.38
STRADLING, YOCCA, CARLSON & RAUTH	10654	10/14/2013	282582-0036	LEGAL SERVICES	\$2,887.55
			282588-0000	LEGAL SERVICES	
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$23,764.58
STRADLING, YOCCA, CARLSON & RAUTH	10737	10/28/2013	283367-0031	LEGAL SERVICES	\$100.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$23,764.58
STRATEGIC POLICY PARTNERSHIP	218904	10/07/2013	1308291	CONSULTANT SERVICES RE: JOINT POWERS AGREEMENT FOR POLICE SVCS.	\$11,531.75
Remit to: WEST TISBURY, MA					<u>FYTD:</u> \$11,531.75
STREAM QUIK	218981	10/14/2013	0515673	LIVE VIDEO STREAMING SYSTEM WITH ENCODER & HOSTING SERVICE	\$20,374.20
Remit to: IRVINE, CA					<u>FYTD:</u> \$20,374.20
STRICKLER ASSOCIATION, THE	10502	10/03/2013	5300	CONSULTING SERVICES RE: SURPLUS PROPERTY	\$1,125.00
			5500	CONSULTING SERVICES RE: SURPLUS PROPERTY	
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$7,181.25
STRICKLER ASSOCIATION, THE	10655	10/14/2013	5700	CONSULTANT SERVICES-LONG RANGE PROPERTY MGMT PLAN, ETC.	\$1,837.50
			5600	CONSULTING SERVICES RE: SURPLUS PROPERTY	

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Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$7,181.25
STRICKLER, JOHN W.	10600	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$1,593.65
STROM, BONNIE	10601	10/07/2013	131001	MAY-DEC '12 & JAN-AUG'13, PD OCT '13	\$2,523.20
Remit to: COLTON, CA					<u>FYTD:</u> \$2,523.20
SUNNYMEAD ACE HARDWARE	218948	10/14/2013	53155	MISC. SUPPLIES FOR FIRE ST. #99	\$87.90
			53238	MISC. SUPPLIES FOR FIRE STATION	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$690.28
SUNNYMEAD ACE HARDWARE	219019	10/21/2013	53486	MISC. SUPPLIES FOR PD	\$8.92
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$690.28
SUNNYMEAD ACE HARDWARE	219090	10/28/2013	53501	MISC. SUPPLIES FOR FIRE ST. #6	\$42.08
			53538	MISC. SUPPLIES FOR FIRE ST. #48	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$690.28
SUNNYMEAD VETERINARY CLINIC	219020	10/21/2013	250697	VETERINARY SERVICES FOR MV ANIMAL SHELTER	\$140.00
			252015	VETERINARY SERVICES FOR MV ANIMAL SHELTER	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$355.00
SUNPRO SOLAR, INC.	219111	10/28/2013	EXCESS FEES REF.	REIMB. FOR PERMIT# B1301538,39,40,89,90 & FP13-0453,54,55,69,70	\$1,200.00
Remit to: WILDOMAR, CA					<u>FYTD:</u> \$1,200.00



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TAING, RITHY	219113	10/28/2013	MV3130918030	CITATION REFUND-VIOLATION DISMISSED	\$41.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$41.00
TAIT, TIMOTHY	219060	10/21/2013	R13-066820	AS REFUND-OVERPMT ON LICENSE	\$18.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$18.00
TAYLOR'S APPLIANCE	219091	10/28/2013	J84537	DRYER REPAIR/PARTS FOR FIRE STATION #2	\$131.38
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,725.80
TEICHERT, RICHARD	219044	10/21/2013	REIMB.-10/14/13	MILEAGE & HOTEL REIMBURSEMENT FOR LOGOS CONFERENCE 10/5-10/8/13	\$473.69
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$722.19
THE CITY OF IRVINE	219114	10/28/2013	REGISTR. FEES	COMMERCIAL ENFORCEMENT TRNG. COURSE-LOPEZ, LOUCKS, PLETA, TORRES	\$200.00
Remit to: IRVINE, CA					<u>FYTD:</u> \$200.00
THINK TOGETHER, INC.	218900	10/07/2013	1078076	REFUND FOR TOWNGATE	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
THOMPSON COBURN LLP	10603	10/07/2013	3002943	LEGAL SERVICES FOR MVU RE: RELIABILITY STANDARDS COMPLIANCE	\$94.21
Remit to: WASHINGTON, DC					<u>FYTD:</u> \$1,758.33
THOMPSON, ANITA	218901	10/07/2013	R13-063682	AS REFUND-RABIES AND S/N DEPOSITS	\$95.00
Remit to: HEMET, CA					<u>FYTD:</u> \$95.00
TIME WARNER CABLE	219021	10/21/2013	31518001 10/1/13	CABLE TV SERVICE FOR COTTONWOOD GOLF COURSE	\$61.89

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Remit to: PITTSBURGH, PA					<u>FYTD:</u> \$247.58
TIME WARNER CABLE 2	219092	10/28/2013	10/5/13 STMT	CABLE/BROADBAND SVC-FS #58 TRAINING ROOM-ACCT #8448400551506863	\$195.98
Remit to: CITY OF INDUSTRY, CA					<u>FYTD:</u> \$794.35
TKE ENGINEERING INC	219022	10/21/2013	2013-172	DESIGN SERVICES - HEMLOCK/GRAHAM SIDEWALK IMP.	\$5,252.50
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$18,152.30
TMAD TAYLOR & GAINES ENGINEERS	219023	10/21/2013	00084267	CONSULTING SERVICES, SURVEY - CIVIC CENTER EXTERIOR IMP.	\$2,622.00
Remit to: PASADENA, CA					<u>FYTD:</u> \$19,416.73
T-MOBILE USA	219118	10/28/2013	755609	CELLULAR TECH EXTRACTION & LOCATOR SVCS FOR PD INVESTIGATIONS	\$50.00
Remit to: SEATTLE, WA					<u>FYTD:</u> \$650.00
TORRES, MAX	219061	10/21/2013	R13-066057	AS REFUND-DUPLICATE LIC PAYMENT	\$15.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$15.00
TRICHE, TARA	219045	10/21/2013	OCT-2013	INSTRUCTOR SERVICES-DANCE CLASSES	\$2,538.20
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$8,528.50
TRUGREEN LANDCARE	10604	10/07/2013	7573461	LANDSCAPE MAINT.-ZONE M	\$5,779.84
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$123,850.79
TRUGREEN LANDCARE	10656	10/14/2013	7595728	LANDSCAPE MAINT.-ZONE E-16	\$23,647.61
			7595726	LANDSCAPE MAINT.-ZONE M	



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TRUGREEN LANDCARE	10656	10/14/2013	7595727	LANDSCAPE MAINT.-ZONE DSG-1	\$23,647.61
			7595729	LANDSCAPE MAINT.-ZONE E-4 & E-4A	
			7595905	IRRIGATION REPAIRS-ZONE E-4	
Remit to: RIVERSIDE, CA					FYTD: \$123,850.79
TRUGREEN LANDCARE	10701	10/21/2013	7579048	IRRIGATION REPAIRS-ZONE E-4	\$3,039.07
			7599069	LANDSCAPE MAINT.-ZONE S	
Remit to: RIVERSIDE, CA					FYTD: \$123,850.79
TURF STAR, INC.	218949	10/14/2013	2276627-00	PARTS FOR COTTONWOOD GOLF COURSE EQUIPMENT	\$17.93
Remit to: SAN FRANCISCO, CA					FYTD: \$788.25
TURF STAR, INC.	219024	10/21/2013	6823385-00	PARTS FOR COTTONWOOD GOLF COURSE EQUIPMENT	\$98.29
			2277272-00	PARTS FOR COTTONWOOD GOLF COURSE EQUIPMENT	
Remit to: SAN FRANCISCO, CA					FYTD: \$788.25
TW TELECOM	219093	10/28/2013	05802249	TELECOM SVCS-LOCAL/LONG DISTANCE CALLS	\$3,113.83
			05802249a	INTERNET & DATA SERVICES	
Remit to: DENVER, CO					FYTD: \$15,646.15
U.S. HEALTHWORKS MEDICAL GROUP	219094	10/28/2013	2365953-CA	EMPLOYMENT DOT EXAM	\$260.00
			2369450-CA	EMPLOYMENT DOT EXAM	
			2358678-CA	EMPLOYMENT DOT EXAM	
Remit to: LOS ANGELES, CA					FYTD: \$987.16

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City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
U.S. POSTAL SERVICE	218891	10/07/2013	POSTAGE DEPOSIT	PERMIT 656-POSTAGE DEPOSIT FOR BROCHURE & LETTER MAILINGS	\$13,800.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$21,800.00
UNDERGROUND SERVICE ALERT	10702	10/21/2013	920130441 (b)	DIGALERT TICKETS SUBSCRIPTION SERVICE	\$354.00
			920130441 (c)	DIGALERT TICKETS SUBSCRIPTION SERVICE	
			920130441 (d)	DIGALERT TICKETS SUBSCRIPTION SERVICE	
			920130441 (a)	DIGALERT TICKETS SUBSCRIPTION SERVICE	
Remit to: CORONA, CA					<u>FYTD:</u> \$2,187.00
UNION BANK OF CALIFORNIA 1	219095	10/28/2013	830891	INVESTMENT SAFEKEEPING SERVICES	\$291.67
Remit to: SAN DIEGO, CA					<u>FYTD:</u> \$1,458.35
UNITED ROTARY BRUSH CORP	10606	10/07/2013	276987	STREET SWEEPER BROOM KITS/RECONDITIONING	\$1,675.07
			277095	STREET SWEEPER BROOM KITS/RECONDITIONING	
Remit to: POMONA, CA					<u>FYTD:</u> \$20,641.64
UNITED ROTARY BRUSH CORP	10703	10/21/2013	277243	STREET SWEEPER BROOM KITS/RECONDITIONING	\$1,473.14
			277249	STREET SWEEPER REPAIR PARTS	
			277197	STREET SWEEPER BROOM KITS/RECONDITIONING	
Remit to: POMONA, CA					<u>FYTD:</u> \$20,641.64
UNITED ROTARY BRUSH CORP	10739	10/28/2013	277321	STREET SWEEPER BROOM KITS/RECONDITIONING	\$1,721.58
Remit to: POMONA, CA					<u>FYTD:</u> \$20,641.64
UNITED STATES TREASURY - 4	218873	10/07/2013	2014-00000106	1001 - GARNISHMENT - IRS TAX LEVY	\$143.19



**City of Moreno Valley
Payment Register
For Period 10/1/2013 through 10/31/2013**

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>
Remit to: FRESNO, CA					FYTD: \$546.23
UNITED STATES TREASURY - 4	219025	10/21/2013	2014-00000123	1001 - GARNISHMENT - IRS TAX LEVY	\$50.38
Remit to: FRESNO, CA					FYTD: \$546.23
UNITED WAY OF INLAND VALLEYS	218874	10/07/2013	2014-00000107	8720 - UNITED WAY	\$246.00
Remit to: RIVERSIDE, CA					FYTD: \$2,803.00
UNITED WAY OF INLAND VALLEYS	219026	10/21/2013	2014-00000124	8720 - UNITED WAY	\$246.00
Remit to: RIVERSIDE, CA					FYTD: \$2,803.00
UNIVAR USA, INC	219096	10/28/2013	RV573299	AG CHEMICALS FOR CITY/CFD #1 PARKS	\$2,661.92
Remit to: LOS ANGELES, CA					FYTD: \$3,207.88
URBAN CROSSROADS, INC.	219027	10/21/2013	24347	TUMF NETWORK UPDATES	\$277.50
Remit to: IRVINE, CA					FYTD: \$1,295.00
USA MOBILITY/ARCH WIRELESS	10704	10/21/2013	W6218870J	PAGER SERVICE	\$34.68
Remit to: SPRINGFIELD, VA					FYTD: \$173.34
VA CONSULTING, INC.	10657	10/14/2013	31485	DESIGN SERVICES - REIMBURSABLES - AUTO MALL	\$3,485.17
			31096	DESIGN SERVICES - AS BUILTS - AUTO MALL	
			31326	DESIGN SERVICES - AS-BUILTS - AUTO MALL	
			31180	DESIGN SERVICES - AS-BUILTS - AUTO MALL	
Remit to: IRVINE, CA					FYTD: \$3,485.17

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Item No. A.5



City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
VACATE PEST ELIMINATION COMPANY	10740	10/28/2013	42774	PEST CONTROL SERVICE-LIBRARY	\$1,160.00
			42768	PEST CONTROL SERVICE-FIRE STATION #48	
			42773	PEST CONTROL SERVICE-FIRE STATION #6	
			42771	PEST CONTROL SERVICE-UTILITY FIELD OFFICE	
			42769	PEST CONTROL SERVICE-TOWNGATE COMM. CENTER	
			42757	PEST CONTROL SERVICE-FIRE STATION #65	
			42770	PEST CONTROL SERVICE-FIRE STATION #99	
			42950	PEST CONTROL SERVICE-CITY HALL	
			42960	PEST CONTROL SERVICE-TRANSP. TRAILER	
			42958	PEST CONTROL SERVICE-MARCH FIELD PARK COMM. CTR.	
			42957	PEST CONTROL SERVICE-ANIMAL SHELTER	
			42953	PEST CONTROL SERVICE-PUBLIC SAFETY BLDG	
			42775	PEST CONTROL SERVICE-FIRE STATION #58	
			42951	PEST CONTROL SERVICE-CONFERENCE & REC CTR.	
			42949	PEST CONTROL SERVICE-COTTONWOOD GOLF COURSE	
			42816	PEST CONTROL SERVICE-ANNEX 1 BLDG	
			42952	PEST CONTROL SERVICE-CITY YARD	
			42777	PEST CONTROL SERVICE-FIRE STATION #2	
			42778	PEST CONTROL SERVICE-FIRE STATION #91	
			42776	PEST CONTROL SERVICE-SENIOR CENTER	

Remit to: MORENO VALLEY, CA

FYTD: \$9,585.00

VASQUEZ, CAROL	218875	10/07/2013	131001	AUG '13 PD OCT '13	\$318.73
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City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
Remit to: RIALTO, CA					<u>FYTD:</u> \$1,593.65
VERIZON	219028	10/21/2013	EQN6913105-13271	BACKBONE COMMUNICATION CHARGES	\$1,744.14
Remit to: TRENTON, NJ					<u>FYTD:</u> \$6,981.85
VERIZON CALIFORNIA	218950	10/14/2013	1258220327SEP-13	FIOS SERVICES FOR FIRE STATION 99	\$101.56
Remit to: DALLAS, TX					<u>FYTD:</u> \$3,647.24
VERIZON CALIFORNIA	219029	10/21/2013	951-UH2-7052-OCT	PHONE CHARGES-ERC	\$622.80
Remit to: DALLAS, TX					<u>FYTD:</u> \$3,647.24
VERIZON CALIFORNIA	219097	10/28/2013	1258220327OCT-13	FIOS SERVICES FOR FIRE STATION 99	\$101.56
Remit to: DALLAS, TX					<u>FYTD:</u> \$3,647.24
VERIZON WIRELESS	218876	10/07/2013	9711387941	CELLULAR SERVICE FOR PD TICKET WRITERS	\$159.15
Remit to: DALLAS, TX					<u>FYTD:</u> \$795.30
VIGIL, ERNEST	10607	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
VISION SERVICE PLAN	10608	10/07/2013	131001	EMPLOYEE VISION INSURANCE	\$3,621.61
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$18,607.15
VISTA PAINT CORPORATION	10609	10/07/2013	2013-981681-00	TRAFFIC PAINT SUPPLIES	\$4,416.76
			2013-989000-00	TRAFFIC PAINT SUPPLIES	
Remit to: FULLERTON, CA					<u>FYTD:</u> \$55,654.08

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City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
VOYAGER FLEET SYSTEM, INC.	10741	10/28/2013	869211615339	CNG FUEL PURCHASES	\$788.32
Remit to: HOUSTON, TX					FYTD: \$8,495.26
VULCAN MATERIALS CO, INC.	218877	10/07/2013	70076254	ASPHALTIC MATERIALS	\$851.33
			70084412	ASPHALTIC MATERIALS	
			70073978	ASPHALTIC MATERIALS	
			70079517	ASPHALTIC MATERIALS	
			70071702	ASPHALTIC MATERIALS	
			70079518	ASPHALTIC MATERIALS	
			70082135	ASPHALTIC MATERIALS	
			70071703	ASPHALTIC MATERIALS	
Remit to: LOS ANGELES, CA					FYTD: \$12,432.91
VULCAN MATERIALS CO, INC.	219098	10/28/2013	70119879	ASPHALTIC MATERIALS	\$1,732.95
			70117229	ASPHALTIC MATERIALS	
			70114019	ASPHALTIC MATERIALS	
			70109263	ASPHALTIC MATERIALS	
			70109262	ASPHALTIC MATERIALS	
			70122453	ASPHALTIC MATERIALS	
			70103600	ASPHALTIC MATERIALS	
			70117228	ASPHALTIC MATERIALS	
			70100942	ASPHALTIC MATERIALS	
			70092505	ASPHALTIC MATERIALS	
			70090214	ASPHALTIC MATERIALS	
			70087623	ASPHALTIC MATERIALS	



City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
VULCAN MATERIALS CO, INC.	219098	10/28/2013	70105985	ASPHALTIC MATERIALS	\$1,732.95
			70111713	ASPHALTIC MATERIALS	
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$12,432.91
WAGGONER JR., GLENN C.	10610	10/07/2013	131001	AUG '13, PD OCT '13	\$318.73
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,593.65
WAGNER, GARY D.	10611	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
WAGNER, MARIANNE K	10612	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,593.65
WAGONER, ROBERT	10613	10/07/2013	131001	AUG-SEPT '13, PD OCT '13	\$362.80
Remit to: ZEPHYRHILLS, FL					<u>FYTD:</u> \$1,088.40
WAGY, CARYLON	218878	10/07/2013	131001	AUG '13 MED&DENTAL, PD OCT '13	\$247.28
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$966.00
WEST COAST ARBORISTS, INC.	10742	10/28/2013	91430	TREE TRIMMING & REMOVAL SERVICES-ZONE E-2	\$5,425.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$18,830.00
WEST PAYMENT CENTER	219030	10/21/2013	828146587	AUTO TRACK SERVICES FOR PD INVESTIGATIONS	\$710.96
Remit to: CAROL STREAM, IL					<u>FYTD:</u> \$5,782.85
WEST PAYMENT CENTER	219099	10/28/2013	828206781	LEGAL LIBRARY PUBLICATIONS UPDATES	\$237.60

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City of Moreno Valley
Payment Register
 For Period 10/1/2013 through 10/31/2013

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>
Remit to: CAROL STREAM, IL					<u>FYTD:</u> \$5,782.85
WESTERN MEMORIAL SERVICE CORPORATION	218902	10/07/2013	YR2013/BL#27033	REFUND OF OVERPAYMENT FOR B/L#27033	\$331.00
Remit to: INGLEWOOD, CA					<u>FYTD:</u> \$331.00
WESTERN MUNICIPAL WATER DISTRICT	219100	10/28/2013	24753-018620/SP3	WATER CHARGES-MARB BALLFIELDS	\$3,451.20
			23821-018257/SP3	WATER CHARGES-MFPCC LANDSCAPE	
			23821-018258/SP3	WATER CHARGES-MFPCC BLDG 938	
			23866-018292/SP3	WATER CHARGES-SKATE PARK	
Remit to: ARTESIA, CA					<u>FYTD:</u> \$14,422.06
WESTERN PACIFIC SIGNAL, LLC	219031	10/21/2013	17822	TOP POLE MOUNTS FOR APS SYSTEM-HEACOCK @ SUNNYMEAD LOCATION	\$13,779.28
			17761	ACCESSIBLE PEDESTRIAN SIGNAL SYSTEM INSTALLATIONS	
Remit to: SAN LEANDRO, CA					<u>FYTD:</u> \$13,779.28
WIBERG, CHRISTOPHER	218879	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$1,593.65
WIELIN, RONALD A.	10614	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: BANNING, CA					<u>FYTD:</u> \$1,593.65
WILLIAMS, JANE L.	10615	10/07/2013	131001	AUG-SEPT '13, PD OCT '13	\$216.34
Remit to: GRAND FORKS, ND					<u>FYTD:</u> \$686.36
WILLIS, ROBERT H	218951	10/14/2013	100613	SPORTS OFFICIATING SERVICES-SOFTBALL	\$240.00



**City of Moreno Valley
Payment Register
For Period 10/1/2013 through 10/31/2013**

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>
WILLIS, ROBERT H	218951	10/14/2013	100313	SPORTS OFFICIATING SERVICES-SOFTBALL	\$240.00
			091513	SPORTS OFFICIATING SERVICES-SOFTBALL	
			090813	SPORTS OFFICIATING SERVICES-SOFTBALL	
Remit to: PERRIS, CA					FYTD: \$1,700.00
WILSON-BEILKE, DENESE	218880	10/07/2013	131001	RETIREE MED OCTOBER '13	\$318.73
Remit to: GLENDORA, CA					FYTD: \$2,549.84
WRCOG WESTERN RIVERSIDE CO. OF GOVT'S.	218881	10/07/2013	SEPT-13 TUMF	TUMF FEES COLLECTED 9/1-9/30/13	\$8,873.00
Remit to: RIVERSIDE, CA					FYTD: \$1,382,460.69
XEROX CAPITAL SERVICES, LLC	219033	10/21/2013	070400133	COPIER LEASE/BILLABLE PRINTS FOR PARKS DEPT.	\$2,223.91
			070400134	COPIER LEASE FOR PARKS DEPT.	
			070551074	COPIER RENTAL/MAINT. & BILLABLE PRINTS FOR PD	
Remit to: PASADENA, CA					FYTD: \$15,614.28
ZAMUDIO, SAMANTHA	219062	10/21/2013	R13-064401	AS REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					FYTD: \$20.00
ZANDATE, TOMAS	219063	10/21/2013	R13-066806	AS REFUND-OVERCHARGED ON CREDIT CARD	\$1.00
Remit to: MORENO VALLEY, CA					FYTD: \$1.00
TOTAL CHECKS UNDER \$25,000					\$1,217,451.53
GRAND TOTAL					\$10,662,871.27

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Abdul Ahmad, Fire Chief

AGENDA DATE: December 10, 2013

TITLE: ACCEPTANCE OF THE FISCAL YEAR 2013 HOMELAND SECURITY GRANT PROGRAM (HSGP) AWARD

RECOMMENDED ACTION

Recommendations:

1. Accept the Fiscal Year 2013 Homeland Security Grant Program (HSGP) award of \$32,345 from the Riverside County Fire Office of Emergency Services.
2. Increase the revenue and expenditure budget for the Emergency Management Grant Fund 2503 by \$6,725.

SUMMARY

This report recommends acceptance of the Fiscal Year 2013 Homeland Security Grant Program (HSGP) in the amount of \$32,345. Funds will be utilized to support Emergency Management related activities which will include training and exercises.

DISCUSSION

The Fiscal Year 2013 HSGP plays an important role in the implementation of the National Preparedness System (NPS) by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal (NPG) of a secure and resilient Nation. Delivering core capabilities requires the combined effort of the whole community, rather than the exclusive effort of any single organization or level of government. The Fiscal Year 2013 HSGP's allowable costs support efforts to build and sustain core capabilities across the Prevention, Protection, Mitigation, Response, and Recovery mission areas.

As appropriated by The Department of Homeland Security Appropriations Act, 2013 (Public Law 113-6); and authorized by the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110-53) and the Homeland Security Act of 2002 (6 U.S.C. §101 et seq.); the Fiscal Year 2013 HSGP provides funding to states, territories, urban areas, and other local governments to prevent, protect against, respond to, mitigate, and recover from potential terrorist attacks and other hazards.

The Riverside County Office of Emergency Services (OES), on behalf of all jurisdictions in Riverside County, applies for this grant on an annual basis. Riverside County OES then distributes the grant funding to eligible agencies throughout the Operational Area.

ALTERNATIVES

1. Approve and authorize the recommended action as presented in this staff report. *This alternative will allow the City to receive Fiscal Year 2013 Homeland Security Grant funding which will allow the Office of Emergency Management to better prepare the citizens of Moreno Valley for a natural or man-made disaster.*
2. Do not approve and authorize the recommended action as presented in this staff report. *This alternative will prohibit the City from receiving Fiscal Year 2013 Homeland Security Grant funding which will hinder the ability of the citizens of Moreno Valley to be prepared to survive a natural or man-made disaster.*

FISCAL IMPACT

The Fiscal Year 2013 HSGP will reimburse the City 100% of expenditures related to the Community Emergency Response Team (CERT) program up to \$32,345. This includes the salary and benefits of the Office of Emergency Management Program Specialists as well as CERT program related supplies that are on the federally authorized equipment list. Through the budget process for Fiscal Year 2013/2014, City Council adopted a budget for this grant fund of \$25,620. The budget needs to be increased for both expenditures and revenue to \$32,345 as the grant award was for an amount higher than anticipated by Office of Emergency Management staff.

Proposed Budget Appropriation Adjustment for Fiscal Year 2013/2014:

Cat.	Fund	Account Number	Account Type	FY 13/14 Budget	Proposed Adjustment	Revised Budget
G/L	EMPG – Emergency Mgmt Grant	2503-40-47-74104-485000	Revenue	\$25,620	\$6,725	\$32,345
G/L	EMPG – Emergency Mgmt Grant	2503-40-47-74104-611110	Expense	\$25,620	\$6,725	\$32,345

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.

NOTIFICATION

N/A

ATTACHMENTS

N/A

Prepared By:
Alia Rodriguez
Office of Emergency Management Program Manager

Department Head Approval:
Abdul Ahmad
Fire Chief

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2013

RECOMMENDED ACTION

Recommendation:

1. The Finance Sub-Committee reviewed and recommends the receipt and filing of the Comprehensive Annual Financial Report for the fiscal year that ended June 30, 2013.

SUMMARY

The Comprehensive Annual Financial Report (CAFR) for FY2012-13 presents the results of the City's operations and financial position as of June 30, 2013, and is hereby submitted for the City Council's information. The CAFR incorporates all component units of the City including the Moreno Valley Community Services District. A summary of the City's financial position as of June 30, 2013 is provided in Management's Discussion and Analysis (MD&A) beginning on page 5 of the CAFR. The City's financial statements have received an "unqualified" opinion from an independent auditor, indicating their accuracy and compliance with all applicable reporting requirements.

DISCUSSION

The Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2012-13 presents the audited results of the City's operations and financial position as of June 30, 2013. The submittal of the CAFR to the City Council is an established practice that signifies the completion of the City's annual financial audit and the distribution of the published annual financial report. The firm Lance, Soll & Lunghard, LLP, CPAs (LSL) of Brea, California, conducted the audit. This is the third year of a five-year contract

awarded to LSL through the City's Request for Proposals (RFP) process of performing the City's audit. LSL was the City's auditors previously from FY2000-01 through FY2004-05. It is the City's practice to change auditors no less than every five years to ensure independence of the audit function.

The June 30, 2013 CAFR reflects the City's eleventh year of implementing the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34, more commonly referred to as "GASB 34". This statement established a new financial reporting model for state and local governments in an attempt to make annual financial reports more comprehensive and easier to understand and use. The requirements include a narrative introductory overview and analysis called "Management's Discussion and Analysis"; government-wide financial statements prepared on the full-accrual basis that are in addition to, not instead of, the traditional fund-based statements; and an expanded budget comparison that includes the adopted budget, final budget, and actual revenues and expenditures.

The June 30, 2013 CAFR also illustrates the City's third year of implementing the model required by GASB Statement 54 – Fund Balance Reporting and Government Fund Type Definitions. This new standard requires fund balance to be reported in new components/categories. Although the total amount of reported fund balance is unchanged, the new categories and terminology reflect an approach that will focus, not on financial resources available for appropriation within a fund, but on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent.

One of the most important items contained in the CAFR is the Independent Auditors' Report on the financial statements, which is also known as the "Opinion Letter". The auditors have provided the City with an "unqualified" audit opinion, which indicates that the City's financial statements fairly present the financial position of the City. Following is the pertinent text from the "Opinion Letter":

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the State Gasoline Tax Special Revenue Fund, the CSD Zones Special Revenue Fund, the Development Impact Fees Special Revenue Fund and the Housing Authority Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America."

The CAFR includes the financial results for all component units of the City, which includes the Moreno Valley Community Services District. A separate section of the CAFR is designated for the financial statements of this entity. A summary of the City's financial position as of June 30, 2013 is provided in Management's Discussion and Analysis beginning on page 5 of the CAFR.

In recognition of its financial reporting excellence, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Moreno Valley for 15 consecutive years. This recognition represents the highest professional governmental accounting award possible. The *Certificate* is also advantageous to the City's reputation with bond rating agencies and to the financial markets overall. The CAFR for FY 2012-13 has been submitted to the GFOA and staff anticipates receiving the *Certificate* once again.

The Introductory section of the CAFR includes a listing of City Council Members and Executive Officers. This listing reflects the office holders as of June 30, 2013, which is the ending date of operations as reflected in the CAFR.

The following table presents budget-to-actual information from the CAFR for the aggregated *General Fund*.

The CAFR reports the equity of all funds. The City's Adopted Budget presents various General Fund reserves and designations with their anticipated beginning balances, activity, and ending balances. The following table compares the entire equity of the aggregated General Fund from the CAFR to the FY2012-13 projected year-end schedules found in the FY2013-14 Adopted Budget book.

**General Fund
Fund Balances as of June 30, 2013**

	Budget	CAFR	
	Projected Balance 6/30/13	Actual Balance 6/30/13	Variances
Fund Balances:			
Prepaid Costs	\$ 56,017	\$ -	\$ (56,017)
Notes and loans	8,650,589	5,497,653	(3,152,936)
Advances to Other Funds	51,700	-	(51,700)
Revolving Line of Credit (Electric Utility)	2,600,000	2,600,000	-
Outside Legal Services	-	101,000	101,000
Capital Projects	-	61,641	61,641
Continuing Appropriations	458,283	17,770	(440,513)
Net Unrealized Investment Gain (GASB 31)	2,155,654	567,187	(1,588,467)
Unassigned	20,488,180	25,528,774	5,040,594
Total Fund Balance	\$ 34,460,423	\$ 34,374,025	\$ (86,398)

The variance in the Unassigned is primarily attributable to loans to the Development Impact Fee funds of \$3.3M being classified as Unassigned for CAFR reporting purposes

and were presented in the adopted budget to be reserved under the Notes and loans fund balance designation.

The variance in the Net Unrealized Investment Gain represents the investments at fair value in the balance sheet at fiscal year-end, as required by Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement establishes fair value standards for investments in: (a) participating interest-earning investment contracts; (b) external investment pools; (c) open-end mutual funds; (d) debt securities; and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values. However, since unrealized gains/losses are not available for spending until they are realized, a designation of fund balance is made to indicate that the intent is not to liquidate investments to realize the reported gains/losses in the financial statements.

In compliance with GASB Statement 54, any undesignated fund balance will remain in the Unassigned Category. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2010 as reflected in the City's CAFR ending June 30, 2013.

The FY2012-13 operating budget, as approved by City Council, showed a use of \$7.2 million in fund balance to offset the projected General Fund deficit. The CAFR ended June 30, 2013 showed an actual use of \$7.1 million in General Fund reserves as a result of departments' prudent spending and cost control procedures.

ALTERNATIVES

N/A

FISCAL IMPACT

None

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.

Like the City's budget, the CAFR contains vital financial information about the financial condition of the City, and is an important communications tool regarding City financial policies and practices. It is used by a multitude of financial institutions to understand the City's current financial position and to meet ongoing disclosure requirements relative to the City's long-term debt.

GFOA is the premier association of public sector finance professionals and is dedicated to providing high-quality support to state and local government finance officials. The City has sought the prestigious GFOA *Certificate of Achievement for Excellence in Financial Reporting* primarily because it implies that the City adheres to the highest standards of financial disclosure and reporting.

NOTIFICATION

Publication of the agenda

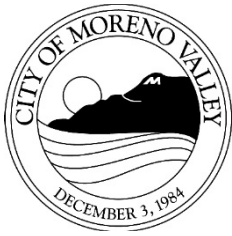
ATTACHMENTS

Attachment 1: Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013 (*Document provided under separate cover.*)

Prepared By:
Dena J. Heald
Financial Operations Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

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

AGENDA DATE: December 10, 2013

TITLE: AWARD TO HAAKER EQUIPMENT FOR THE REPLACEMENT PURCHASE OF ONE ELGIN CNG STREET SWEEPER

RECOMMENDED ACTION

Recommendations:

1. Award to Haaker Equipment Company of La Verne, CA, for the purchase of one 2014 Elgin CNG Broom Bear, Street Sweeper, and:
2. Authorize the Purchasing & Facilities Division Manager to issue a purchase order to Haaker Equipment Company in the amount of \$339,805.80.

SUMMARY

This report recommends approval to purchase a replacement street sweeper for an existing 2000 Mobil Athey model sweeper that has come to the end of its useful life (approximately 86,000 miles). This purchase is funded through Capital Equipment Replacement funds appropriated within and supplemented by Measure A Funds, and was approved in the FY 2013/14 – 2014/15 Operating Budget by the City Council on June 11, 2013.

DISCUSSION

The unit to be replaced is a Model 2000 Mobil Athey street sweeper. It has exceeded its normal life cycle and is critical to street maintenance operations. This vehicle is in poor mechanical condition and requires expensive repairs due to years of use and wear and tear. Replacement for this vehicle is imperative to maintain street sweeping

services. This purchase is a one-time expenditure from Measure A Funds. City Council approved an appropriation of \$380,000 on June 11, 2013 for the replacement of a street sweeper from account 2001-70-78-45311-660322. The sweeper fleet, consisting of four (4) sweepers, will remain at its current level. The sweeper being replaced will be taken out of service and utilized for replacement parts for another Mobil Athey sweeper that will remain in active service.

Although other street sweeper companies are available for competitive award, the Elgin brand sold by Haaker Equipment is best suited for the City. The reason the Elgin is the best unit for the City is:

1. Driver safety utilizing familiar brand of vehicle
2. Equipment design is one with which in-house Vehicle/Equipment staff has familiarity
3. Parts and warranty repair consistency with a locally available vendor

Per the Moreno Valley Municipal Code, Section 3.12.260, "Where advantageous for the City and to the extent consistent with state law, the City Manager may authorize the Financial & Administrative Services Director or the Purchasing Manager to purchase supplies, materials, equipment or contractual services through legal, competitively awarded contracts with or of other governmental jurisdictions or public agencies, including California Multiple Award Schedules (CMAS) commonly referred to as "piggybacking," without further contracting, solicitation or formal bidding as described in this chapter. (Ord. 624 § 1.7, 2003; Ord. 587 § 2.1 (part), 2001)".

The NJPA Cooperative Purchasing Agreement – Contract #031710-FSC, was competitively solicited and awarded to Federal Signal Corporation, manufacturer of Elgin sweepers, on May 27, 2012 and expires on May 27, 2014. Staff believes the NJPA contract provides the most competitive pricing and highest quality equipment to the City, thereby offering the best value. Haaker Equipment Company is the distributor of this equipment in Southern California.

ALTERNATIVES

1. Award to Haaker Equipment Company of La Verne, CA, for the purchase of a 2014 Elgin Broom Bear CNG Street Sweeper; and authorize the Purchasing & Facilities Division Manager to issue a purchase order to Haaker Equipment Company in the amount of \$339,805.80. **(Staff recommends this alternative).**
2. Reject the award and purchase order in the amount of \$339,805.80 to Haaker Equipment Company for the purchase of one Elgin CNG street sweeper and direct staff on alternative actions. **(Staff does not recommend this alternative).**

FISCAL IMPACT

The City Council approved an appropriation of \$380,000 on June 11, 2013 for the replacement of one street sweeper from Measure A Funds. These funds are in account 2001-70-78-45311-660322. No additional appropriation is required.

CITY COUNCIL GOALS

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

ATTACHMENTS

Attachment 1: Haaker Equipment Company Sweeper Quote

Attachment 2: Contract Renewal NJPA

Prepared By:
Robert Lemon
Maintenance & Operations Division Manager

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

Concurred By:
Rix Skonberg
Purchasing & Facilities Division Manager

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HAAKER

EQUIPMENT COMPANY

2070 North White Avenue, La Verne, California 91750
(909) 598-2706 ~ FAX (909) 598-1427 ~ haaker.com



PROPOSAL

November 13, 2013

TO: CITY OF MORENO VALLEY
15670 Perris Blvd.
Moreno Valley CA 92552

ATTN: Mr. Steve Stenlake
951 413-3166
Email: steves@moval.org

In accordance with your request, we are pleased to submit the following proposal for your consideration and approval based on the ***NJPA Cooperative Purchasing Agreement – Contract #031710-FSC.***

ONE (1) NEW ELGIN CNG BROOM BEAR, DUAL

Variable Height, Ride Side Dumping 4.5 Cu Yd Hopper With Dual Hydraulically Driven, Trailing Arm Sidebrooms. Mounted On A 2014 Freightliner M2 Chassis With Cummins 8.9L 300 HP CNG Engine, Allison Transmission (Please refer to chassis spec provided), 50 DGE Fuel System, PM 10 Compliant Water System, Powder Painted Standard White. Unit To Include:

Following:

Standard Items Included

- ✓ Air Cleaner, Dual Element Dry Type with Restriction Indicator
- ✓ Anti-Lock Braking System
- ✓ Two Speed Rear Axle
- ✓ Two (2) Maintenance Free Batteries
- ✓ Main Broom, Spring Suspension, Cab Controlled
- ✓ Main Broom, Prefab Disposable Type
- ✓ Engine Hour Meter
- ✓ Front Spray Bar
- ✓ Windshield Washer
- ✓ Hopper Inspection Door
- ✓ Hydrant Fill Hose 15' 0" with Strainer and NST Coupling
- ✓ Flood Lights, One per Broom
- ✓ Water Level Light
- ✓ Seat Belts
- ✓ Signals, Self Canceling, Directional with Hazard Switch
- Engine Tachometer
- ✓ Front Tow Hooks / Rear Tow Eyes
- ✓ Anti-Siphon Fill Water Spray
- ✓ Air Conditioning
- ✓ 160 AMP Alternator
- ✓ Hopper Up Indicator
- ✓ Electronic Back-up Alarm
- ✓ Full Air Brakes
- ✓ Side Broom, Trailing Arm, Cab Controlled
- ✓ Side Broom, Variable Down Pressure, Cab Controlled
- ✓ High/Low Temperature Pressure Engine Shutdown System
- ✓ Hydraulic Oil High Temperature Alarm
- ✓ Hopper Window Skylight
- ✓ Automatic Back-up Lights
- ✓ Combination Tail/Stop Lights
- ✓ Headlights, Two (2) Dual Halogen Rectangular
- ✓ Mirrors, West Coast Type, 8" Dia., Convex
- ✓ Seats, Bucket, Bostrom Air Ride
- ✓ Sun Visors
- ✓ Touch Controls for Sweep Hydraulic Functions
- ✓ Water Fill Visible Air Gap
- ✓ 350 Gallon Molded Polyethylene Water Tank

- ✓ Dual Rear Wheels with Tubeless Radial Tires
- ✓ Windshield Wipers, Two-Speed Intermittent Feature
- ✓ Air Dryer
- ✓ Fender Mounted Mirrors

- ✓ Windshield Washer
- ✓ Camera, Rear with In Cab Monitor
- ✓ Conveyor Stall Alarm
- ✓ Brooms/Conveyor Raise in Reverse

Optional Items Included

- ✓ 5 Years Extended Warranty-Parts/Labor
- ✓ Hydraulic oil Temperature Gauge In Cab
- ✓ Lifeliner Hopper System with Warranty
- ✓ Left Side Broom Tilt
- ✓ Right Side Broom Tilt
- ✓ PM 10 Compliant
- ✓ In Cab Variable Speed & Reversing Broom Control
- ✓ Fender Mounted Mirror – Left
- ✓ 12” Convex Mirrors
- ✓ Heated Remote Control Mirrors
- ✓ Front Spray Bar
- ✓ Master Battery Switch
- ✓ (2) Bostrom Air Cloth Seats, HiBack
- ✓ Spare Tire/Wheel
- ✓ Independent Water Switches
- ✓ Hyd Shut Off Valves
- ✓ SideBroom Light LED E92007
- ✓ Map Light
- ✓ 5# Fire Extinguisher
- ✓ Safety Triangles
- ✓ AM/FM/CD Radio
- ✓ Side Step/Handle for Hopper

NJPA PRICE:..... \$ 314,635.00
 Sales Tax (8.0%) \$ 25,170.80

TOTAL PRICE, MORENO VALLEY, CA: \$ 339,805.80

MAKES NO WARRANTY EXPRESSED OR IMPLIED, OF MERCHANTABILITY OR OTHERWISE, OR OF FITNESS FOR ANY PARTICULAR PURPOSE, THAT EXTENDS BEYOND THE ABOVE DESCRIPTION OF THE EQUIPMENT.

NOTE: Price is good through December 30, 2013. Cost increases due to the addition of Government mandated safety or environmental devices incurred after the date of this proposal, will be charged to you at our cost. Proof of such costs, if any, will be documented.

TAXES: SALES TAX applicable at time of delivery will be shown on our invoice. FEDERAL EXCISE TAXES, if applicable, will require payment unless a properly executed Exemption Certificate is submitted.

DELIVERY: 240-300 Days **TERMS:** Net 10 or Approved Lease

Add-On/Cooperative Purchase Authorization: Haaker Equipment Company offers the above proposed price, terms and conditions to any governmental agency or subdivision in the State of California or Nevada for a period not to exceed a full calendar year from the date of original purchaser’s purchase order or contract.

We appreciate the opportunity to present this proposal and look forward to being of further and continued service.

HAAKER EQUIPMENT COMPANY

ACCEPTED BY: _____

BY: David Kane
 David Kane
 Sales Representative

DATE: _____

DK/rp

ANNUAL RENEWAL OF AGREEMENT

Made by and Between

Federal Signal Corporation (Vendor)
1415 W. 22nd St. Suite 1100
Oak Brook, IL 60523

and

National Joint Powers Alliance® (NJPA)
202 12th Street NE
Staples, MN 56479
Phone: (218) 894-1930

Whereas:

“Vendor” and “NJPA” have entered into an “Acceptance and Award #031710-FSC” for the procurement of Public Utility Vehicles and/or Services, Apparatus, Equipment, and/or Accessories and having a maturity date of May 27, 2014, and which are subject to annual renewals at the option of both parties.

Now therefore:

“Vendor” and “NJPA” hereby desire and agree to extend and renew the above defined contract for the period of May 27, 2013 to May 27, 2014.

National Joint Powers Alliance® (NJPA)

By: Susan Narik, Its: Executive Director

Name printed or typed: Susan Narik

Date 5/29/13

Federal Signal Corporation

By: David Panizzi, Its: Business Development Mgr.

Name printed or typed: David Panizzi

Date May 22, 2013

If you do not desire to extend contract, please sign below and return this agreement.
Discontinue: We desire to discontinue the contract.
Signature: _____ Date: _____

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

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

AGENDA DATE: December 10, 2013

TITLE: P10-085 – REDUCE IRREVOCABLE STANDBY LETTER OF CREDIT AS FAITHFUL PERFORMANCE SECURITY AND ADOPT THE RESOLUTION AUTHORIZING ACCEPTANCE OF THE PUBLIC IMPROVEMENTS AS COMPLETE AND ACCEPTING THE PORTIONS OF PIGEON PASS ROAD AT COUGAR CANYON DRIVE ASSOCIATED WITH THE PROJECT INTO THE CITY’S MAINTAINED STREET SYSTEM

RECOMMENDED ACTION

Recommendations:

1. Adopt the Resolution No. 2013-86 authorizing the acceptance of the public improvements within P10-085 as complete and accepting the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project into the City’s maintained street system; and
2. Authorize the City Engineer to execute the 90% reduction to the Irrevocable Standby Letter of Credit as Faithful Performance Security, exonerate the Irrevocable Standby Letter of Credit as Material and Labor Security in 90 days if there are no stop notices or liens on file with the City Clerk, and exonerate the final 10% of the Irrevocable Standby Letter of Credit as Faithful Performance Security in one year when all clearances are received.

SUMMARY

This report recommends acceptance of the improvements into the City’s maintained street system and to provide 90% reduction to the Irrevocable Standby Letter of Credit as Faithful Performance Security of \$133,000 issued by Citizens Business Bank.

DISCUSSION

The completed improvements have received a final inspection, and the improvements were completed in accordance with the approved plans and the standards of the City of Moreno Valley. In accordance with the Streets and Highway Code, the method for acceptance of improvements, per Section 1806, (a), and (b), is by action of the governing body, by resolution. It is therefore appropriate to accept those improvements into the City's maintained street system and to provide a 90% reduction to the Irrevocable Standby Letter of Credit as Faithful Performance Security of \$133,000 issued by Citizens Business Bank. Ninety (90) days after City Council approves the Irrevocable Standby Letter of Credit reduction, the Irrevocable Standby Letter of Credit as Material and Labor Security will be exonerated by the City Engineer provided there are no stop notices or liens on file with the City Clerk. The remaining 10% of the Irrevocable Standby Letter of Credit as Faithful Performance Security will be held for the one-year guarantee and warranty period. At the end of the guarantee and warranty period the Irrevocable Standby Letter of Credit will be released by the City Engineer subject to completion of any defective work that may have appeared during this period.

On June 25, 2013 the City Council of the City of Moreno Valley approved the Public Improvement Agreement and securities. The developer was required to construct all applicable public street improvements that generally include, but are not limited to, asphalt pavement, curb, gutter, sidewalk, driveway approaches, street lights, landscaping, storm drain, traffic signal modifications, sewer and water. The Agreement for Public Improvements required the developer to provide security for the appropriate improvements. Project P10-085 provided an Irrevocable Standby Letter of Credit as Faithful Performance Security in the amount of \$133,000 and an Irrevocable Standby Letter of Credit as Material and Labor Security in the amount of \$66,500. The securities were issued by Citizens Business Bank.

The required improvements received on-going inspection during the construction process. Upon completion of the improvements, Public Works Department/Land Development Division performed an inspection, and a punch list was generated. The required corrective actions have been completed, and the improvements are now eligible for acceptance into the City's maintained street system.

ALTERNATIVES

1. Adopt the proposed Resolution authorizing the acceptance of the public improvements within P10-085 as complete and accepting the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project into the City's maintained street system. Authorize the City Engineer to execute the 90% reduction to the Irrevocable Letter of Credit as Faithful Performance Security, exonerate the Irrevocable Letter of Credit as Material and Labor Security in 90 days if there are no stop notices or liens on file with the City Clerk, and exonerate the final 10% of the Irrevocable Letter of Credit as Faithful Performance Security in one year when all clearances are received. The required improvements have

been completed according to City of Moreno Valley Standards and therefore should be included in the City's maintained street system.

2. Do not adopt the proposed Resolution authorizing the acceptance of the public improvements within P10-085 as complete and accepting the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project into the City's maintained street system. Do not authorize the City Engineer to execute the 90% reduction to the Irrevocable Letter of Credit as Faithful Performance Security, exonerate the Irrevocable Letter of Credit as Material and Labor Security in 90 days if there are no stop notices or liens on file with the City Clerk, and exonerate the final 10% of the Irrevocable Letter of Credit as Faithful Performance Security in one year when all clearances are received. The required improvements have been completed according to City of Moreno Valley Standards and therefore should be included in the City's maintained street system.

FISCAL IMPACT

The acceptance of these street improvements into the City's maintained street system will create an additional fiscal impact to the street maintenance program of the City (Fund 2000-Gas Tax, Fund 2001-Measure "A", and Fund 2008-NPDES. Fund 2000 is restricted to the construction and maintenance of streets and roadways. Fund 2001 is restricted for transportation projects only for the purposes of construction, maintenance and operation of streets and roadways. The County Service Area (CSA) levy collected from property owners support current NPDES Permit programs and reduce the level of General Fund support necessary to remain in compliance with unfunded federal mandates, as administered by the State. Funds collected from the CSA 152 annual levy are restricted for use only within the Storm Water Management program).

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

ATTACHMENTS

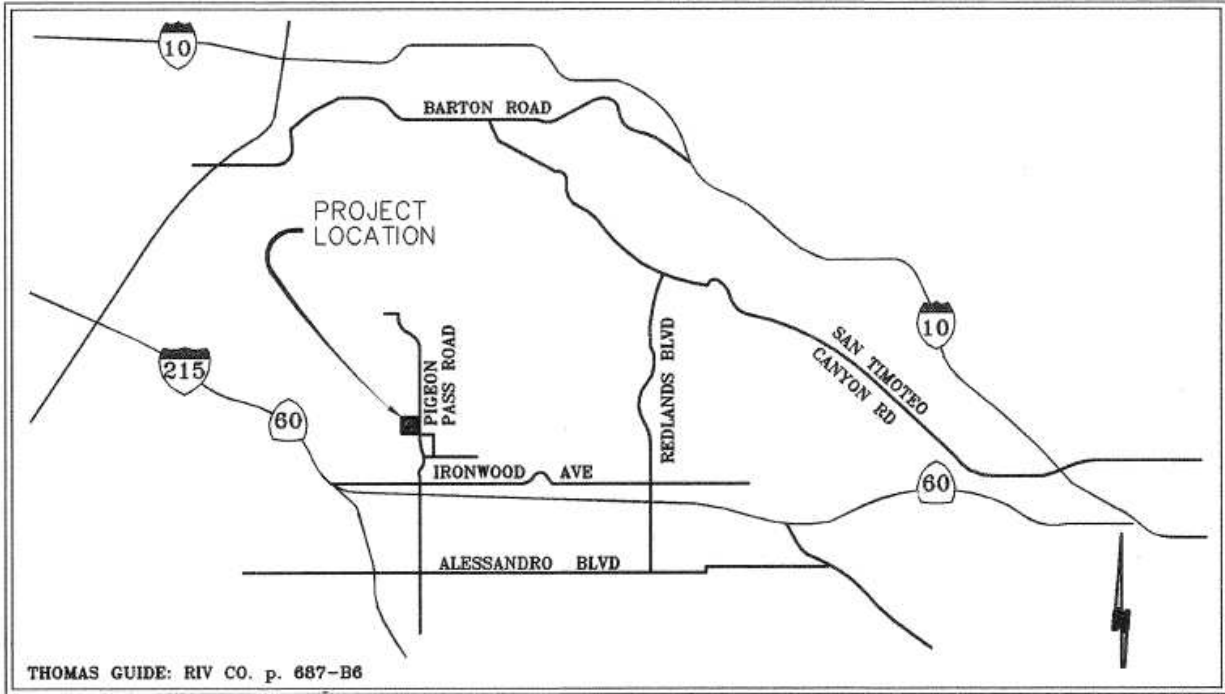
Attachment 1 - Vicinity Map
Attachment 2- Proposed Resolution

Prepared By:
Ken Hinton
Management Analyst

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

Concurred By:
Vince Girón
Associate Engineer

Concurred By:
Mark W. Sambito, P.E.
Engineering Division Manager



CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT
ATTACHMENT 1

P10-085

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RESOLUTION NO. 2013-86

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING THE ACCEPTANCE OF THE PUBLIC IMPROVEMENTS AS COMPLETE WITHIN P10-085 AND ACCEPTING THE PORTIONS OF PIGEON PASS ROAD AT COUGAR CANYON DRIVE ASSOCIATED WITH THE PROJECT INTO THE CITY'S MAINTAINED STREET SYSTEM

WHEREAS, the City Engineer has determined that the public improvements constructed by the Roman Catholic Bishop of San Bernardino, a Corporation Sole, on the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project were constructed according to the approved plans on file with the City of Moreno Valley; and

WHEREAS, the City Engineer has determined that those improvements were inspected during construction and were completed in an acceptable manner; and

WHEREAS, the City Engineer has requested that the City Council authorize the acceptance of said public improvements as complete within P10-085 and accept the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project into the City's maintained street system; and

WHEREAS, it is in accordance with Streets and Highway Code, Section 1806, (a) and (b), for City Council to perform this action by resolution;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS: that the public improvements within P10-185 are complete, and the portions of Pigeon Pass Road at Cougar Canyon Drive associated with the project are accepted into the City's maintained street system.

APPROVED AND ADOPTED this 10th day of December, 2013.

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. 2013-86 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of December, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: ADOPTION OF 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 \$42,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS, SERIES 2013 TO REFUND OUTSTANDING BONDS; 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 REFINANCING WITH THE MORENO VALLEY PUBLIC FINANCING AUTHORITY

RECOMMENDED ACTION

Recommendation:

1. Adopt Resolution No. 2013-87, 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 \$42,000,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2013 to refund outstanding bonds; 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 refinancing with the Moreno Valley Public Financing Authority.

SUMMARY

The City has an opportunity to lock in a low and stable interest cost and the potential to create future savings in General Fund debt service through a refunding of the 2005 Bonds that funded various roadway, electric infrastructure and public safety building improvements.

Staff has worked with members of the finance team to pursue a transaction that will place the City in a position to capture savings in the near term. During its meeting on November 18, 2013 the Finance Sub-committee of the City Council considered the proposed refunding and made the recommendation to move this item forward for consideration by the full Council.

The Finance Sub-committee has made a recommendation that the City Council approve Alternative No. 1 to proceed with a negotiated bond sale and refinance a portion or all of the 2005 Bonds which generate economic savings. Option 2 does not allow the City to capture savings in the near term. The refunding would tentatively close on December 31, 2013. Moving quickly improves the likelihood of completing this transaction with today's favorable interest rate conditions.

DISCUSSION

On July 7, 2005, the City approved the Moreno Valley Public Financing Authority's ("Authority") issuance of the 2005 Lease Revenue Refunding Bonds ("2005 Bonds") in the original amount of \$48,205,000. The 2005 Bonds were originally issued to finance the public safety building expansion, Fire Station No. 58 and other various electric utility and roadway improvements.

The 2005 Bonds are currently outstanding in the amount of \$41,360,000 with interest rates ranging from 4.00% – 5.00%. The final term of the 2005 Bonds is November 1, 2035. The 2005 Bonds can now be prepaid on any date following November 1, 2013 at 102% of the face amount of the bonds.

As part of the City's ongoing effort to implement budgetary savings and reduce costs, staff has discussed the opportunity to take advantage of favorable levels in interest rates to refinance all or a portion of the 2005 Bonds. This refinancing could save the City about \$500,000 based on today's rates. The bonds will also be structured under an updated "master lease" bond structure which will enable future City lease financings to be secured by a common pool of City assets which should streamline and reduce the number of assets that are used for future financings.

Municipal interest rates continue to be at historically low levels. The Federal Reserve has supported the current low interest rate environment by continuing to use economic policies (e.g. "quantitative easing") to keep interest rates low through 2014. However, recent economic trends of lower than expected unemployment rates, increased retail sales and housing prices have caused investors to put more money into stocks (and less into bonds) 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 refinance the 2005 Bonds for significant savings.

In order to take advantage of market conditions, the Authority will issue about \$12 million of refunding bonds to refinance a portion of the 2005 Bonds (“2013 Refunding Bonds”). The 2013 Refunding Bonds will be issued with the same final year of repayment (2022) as the portion of the 2005 Bonds to be refunded. At today’s rates, the City may refinance \$12,275,000 of the 2005 Bonds representing maturities between 2014 through 2022. A partial refinancing will produce about \$500,000 of savings over the remaining life of the bonds.

If municipal interest rates improve, the City may elect to refinance additional maturities from the 2005 Bonds so long as the overall transaction meets an overall 3% savings target (calculated as savings in today’s dollars divided by the face amount of bonds to be refinanced) and net of all financing costs. In addition, the refinancing of any additional 2005 Bond maturities will not be extended beyond the original term of those maturities to be refinanced.

The final amount of bonds to be refinanced will be subject to the final 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 \$42 million and a not-to-exceed interest rate of 4.5% to provide staff the flexibility to capture as much savings as possible if interest rates move in the City’s favor.

Like the 2005 Bonds, the 2013 Refunding Bonds will be structured as a lease-leaseback financing between the City and the Authority. 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. Currently, the Authority leases the following assets from (and then back to) the City: City Hall, Public Safety Building, Fire Stations No. 2, 6, 48, 58, 91, Library and Animal Shelter.

The 2013 Refunding Bonds will be structured with a pool of lease assets consisting of Morrison Park Fire Station #99, Sunnymead Park and Veterans Memorial Park. This lease asset pool has sufficient rental value to support the lease financing structure.

The 2013 Refunding Bonds will be designed with a “master lease” bond structure. 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. The primary benefit of the master lease structure is that it enables the City to pledge fewer assets over time to effectuate future lease financings. The City will have the flexibility to substitute, remove or add other assets over time under this new structure. The financing structure terms will be the same as the Authority’s previous lease financings in all other respects.

The 2013 Refunding Bonds are currently anticipated to be structured with no bond reserve requirement. Lease revenue bonds are typically sold with a bond reserve equal to 100% of the maximum annual bond payment. However, based on the City's strong financial profile, the 2013 Refunding Bonds will be structured with no reserve fund to save on financing costs. Depending on the credit rating outcome and market conditions, the 2013 Refunding Bonds may need to be structured with a standard reserve requirement of up to 100% of the maximum annual bond payment.

Orrick, Herrington & Sutcliffe LLP will serve as Bond Counsel. E. J. De La Rosa & Company will serve as underwriter for the bonds, which will be sold on a negotiated basis. Goodwin Procter will serve as 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. The Finance Sub-committee of the City Council recommends Alternative 1.

1. Issue approximately \$12 million and, depending on market conditions, up to \$42 million in bonds to refinance a portion or all of the 2005 Bonds through a negotiated bond sale to generate economic savings for the City and authorize the City Manager to sign all related bond documents.
2. Not proceed with refinancing of the 2005 Bonds and maintaining the current level of debt service payment obligations.

FISCAL IMPACT

Based on current rates, the City will issue about \$12 million of 2013 Refunding Bonds. The bond authorizing resolution has a combined not-to-exceed issuance amount of \$42 million to allow for a refunding of all of the 2005 Bonds outstanding. This figure also provides additional cushion to accommodate structuring flexibility to achieve the lowest interest rates.

The 2013 Refunding Bonds will be structured to maximize savings in the first year; all remaining payments will be structured to be in line with the original 2005 Bond debt service. There will be no change to the final maturity of bonds which will be consistent with the final maturity of the 2005 Bonds to be refunded. This final maturity is currently contemplated to be in 2022.

By taking advantage of low interest rates currently available in the market, the City will save about \$500,000 in the first year of the bonds. All remaining payments will be similar to the current 2005 Bond debt service schedule. In today's dollars, this translates into over \$500,000 of present value savings (equal to 4.10% of the refunded bond amount). Typically, municipal issuers set a minimum present value savings goal equal

to 3% of the refunded bond amount to determine if a refinancing is worthwhile to pursue. As stipulated in the bond authorizing resolution, the 2013 Refunding Bonds must be sold at interest rates that produce at least 3% present value savings to the General Fund net of all financing costs.

The 2013 Refunding 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 \$250,000 (equal to 2.11% of the estimated bond size), which has already been factored into the savings stated above. The majority of these fees will remain constant, however the bond underwriting fee (not-to-exceed 0.85% of the bond size) and some other legal/rating fees will fluctuate lower or higher depending on the final size of refinancing bonds.

ATTACHMENTS

Attachment 1 - Proposed Resolution

Attachment 2 - Master Facilities Lease Working Draft

Attachment 3 - Master Facilities Sublease Working Draft

Attachment 4 - Bond Purchase Agreement Working Draft

Attachment 5 - Preliminary Official Statement Working Draft

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer

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RESOLUTION NO. 2013-87

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 \$42,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS, SERIES 2013 TO REFUND OUTSTANDING BONDS; 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 REFINANCING 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 \$42,000,000 in aggregate principal amount of Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the "Bonds") for the purpose of refunding all or a portion of the Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the "Refunded Bonds"); provided further that there shall be present value savings with respect to the portion of the Refunded Bonds to be refunded of at least 3%; and

WHEREAS, in order to refund the Refunded Bonds, 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

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Resolution No. 2013-87
Date Adopted: December 10, 2013

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 De La Rosa & Co. (the “Underwriter); and

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 that it furthers the public purpose to assist in such refinancing.

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 \$42,000,000, to refund all or a portion of the Refunded Bonds; provided further that there shall be present value savings with respect to the portion of the Refunded Bonds to be refunded of at least 3%. The City Manager, Chief Financial Officer and Financial and Administrative Services Director (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, and 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, 2035, plus an extension period of not to exceed ten (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

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Resolution No. 2013-86
Date Adopted: December 10, 2013

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, 2035, plus an extension period of not to exceed ten (10) years.

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 0.85% 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 executing and delivering an escrow agreement and obtaining bond insurance.

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Resolution No. 2013-86
Date Adopted: December 10, 2013

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.

APPROVED AND ADOPTED this 10th day of December, 2013.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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Resolution No. 2013-86
Date Adopted: December 10, 2013

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. 2013-87 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of December, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

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Resolution No. 2013-86
Date Adopted: December 10, 2013

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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 December 1, 2013

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MASTER FACILITIES LEASE

This Master Facilities Lease (the "Lease"), dated as of December 1, 2013, 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;

WITNESSETH:

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 December 1, 2013 (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 2013 (the "Series 2013 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 2013 Bonds will be applied by the City to finance the 2013 Refunding 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 January 1, 2013, whichever is earlier, and shall end on November 1, 20__ , 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, 20__ (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, 20__ (or such later date established in connection with the issuance of additional Bonds). If prior to November 1, 20__, 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 \$_____, 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 _____
City Manager

MORENO VALLEY PUBLIC FINANCING
AUTHORITY,
Lessee

By _____
Executive Director

EXHIBIT A

DESCRIPTION OF THE FACILITIES

All that certain property in the City of Moreno Valley, County of San Mateo, State of California, including the buildings, other improvements, and facilities located thereon, described as follows:

APN: _____

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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 December 1, 2013

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MASTER FACILITIES SUBLEASE

This MASTER FACILITIES SUBLEASE, dated as of December 1, 2013 (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;

WITNESSETH:

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 Refunding Bonds, Series 2013 (the “Series 2013 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 2013 Bonds will be applied by the City to refund a portion of the Outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “Refunded Bonds”), referred to herein as the “2013 Refunding 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 December 1, 2013, 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 2013 Bonds

The term “Series 2013 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 December 1, 2013, by and between the Authority and the Trustee, pursuant to which the Trustee will deliver the Series 2013 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 January 1, 2013 whichever is earlier, and shall end on November 1, 20__ , 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, 20__ (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, 204_ (or such later date established in connection with the issuance of Additional Bonds). If prior to November 1, 203_ , 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, 20__.

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 2013 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 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.

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: Financial and Administrative Services
 Director
 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: Executive Director
 Tel: (951) 413-3021

If to the Trustee: Wells Fargo Bank, National Association

 Los Angeles, CA 9_____
 Attention: Corporate Trust Department
 Tel: (213) _____

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 _____
Executive Director

CITY OF MORENO VALLEY,
Lessee

By _____
City Manager

EXHIBIT A

DESCRIPTION OF THE FACILITIES

All that certain property in the City of Moreno Valley, County of Riverside, State of California, including the buildings, other improvements, and facilities located thereon, described as follows:

APN:

EXHIBIT B

BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
May 1, 2013			
November 1, 2013			
May 1, 2014			
November 1, 2014			
May 1, 2015			
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			
May 1, 2023			
November 1, 2023			
May 1, 2024			
November 1, 2024			
May 1, 2025			
November 1, 2025			
May 1, 2026			
November 1, 2026			
May 1, 2027			
November 1, 2027			
May 1, 2028			
November 1, 2028			
May 1, 2029			
November 1, 2029			
May 1, 2030			
November 1, 2030			
May 1, 2031			

Date	Principal	Interest	Total
November 1, 2031			
May 1, 2032			
November 1, 2032			
May 1, 2033			
November 1, 2033			
May 1, 2034			
November 1, 2034			
May 1, 2035			
November 1, 2035			

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**§[PRINCIPAL AMOUNT]
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2013**

BOND PURCHASE AGREEMENT

_____, 2013

Moreno Valley Public Financing Authority
c/o City of Moreno Valley Financial & Management Services Department
14177 Frederick Street
Moreno Valley, California 92552

City of Moreno Valley
c/o City of Moreno Valley Financial & Management Services Department
14177 Frederick Street
Moreno Valley, California 92552

Ladies and Gentlemen:

The undersigned, E. J. De La Rosa & Co., Inc. (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with Exhibit A attached hereto, is referred to as the “Purchase Contract”) with the Moreno Valley Public Financing Authority (the “Authority”) and the City of Moreno Valley, California (the “City”), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City, and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Contract and delivery of the same to the Underwriter prior to 6:00 P.M., Pacific Standard Time, 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 the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties, and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority and the City, and the Authority and the City hereby agree to issue, sell, and deliver to the Underwriter all (but not less than all) of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013, in the aggregate principal amount of §[PRINCIPAL AMOUNT] (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on May 1 and November 1 in each year, commencing May 1, 2014, and shall bear interest at the rates and mature on the dates as set forth in Exhibit A attached hereto. The purchase price for the Bonds shall be equal to

\$_____ (being the aggregate principal amount thereof [plus/less] original issue [premium/discount] of \$_____ and less an underwriter's discount of \$_____).

Section 2. **The Bonds.** The Bonds shall be secured by revenues consisting primarily of base rental payments ("Base Rental Payments") to be paid by the City pursuant to the Master Facilities Sublease, dated as of December 1, 2013 (the "Facilities Sublease"), by and between the City and the Authority. The Authority's right to receive the Base Rental Payments due under the Facilities Sublease and to exercise remedies upon default under such Facilities Sublease shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to the Trust Agreement.

The Bonds shall be as described in, and shall be secured under and pursuant to the Trust Agreement substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City, and the Underwriter.

The proceeds of the Bonds shall be used: (i) to refinance a portion of the outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the "2005 Bonds"); and (ii) pay for the costs of issuance of the Bonds.

The Bonds, this Purchase Contract, the Authority's Joint Exercise of Powers Agreement (the "JPA Agreement"), the Trust Agreement, the Facilities Sublease, the Master Facilities Lease, dated as of December 1, 2013 (the "Facilities Lease"), by and between the Authority and the City, the Escrow Agreement, dated as of December __, 2013 (the "Escrow Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), and the resolutions of the Authority authorizing the issuance of the Bonds and the execution and delivery of the Authority Documents (hereinafter defined) are collectively referred to herein as the "Authority Documents."

This Purchase Contract, the Continuing Disclosure Certificate, dated as of the Closing Date (as hereinafter defined), entered into by the City (the "Continuing Disclosure Certificate"), the Facilities Sublease, the Facilities Lease, and the resolutions of the City authorizing the execution and delivery of the City Documents (hereinafter defined) are collectively referred to herein as the "City Documents."

Section 3. **Public Offering.** The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by this reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A attached hereto. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. 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, the 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 are not acting as Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the

Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the 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 the Authority on other matters); (iv) the Underwriter has financial and other interests that differ from those of the City and the Authority; and (v) the City and the Authority have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate.

Section 4. The Official Statement. By its acceptance of this proposal, the Authority and the City ratify, confirm, and approve of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Bonds dated _____, 2013 (including the cover page, all appendices thereto, all information incorporated therein, and any supplements or amendments thereto as have been approved by the Authority, the City, and the Underwriter and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), that authorized officers of the City deemed "final" as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for certain information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date of this Purchase Contract, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices thereto, all information incorporated therein, and any amendments or supplements as have been approved by the Authority, the City, and the Underwriter (the "Official Statement") in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Authority and the City with final pricing information on the Bonds on a timely basis; and (ii) to promptly file a copy of the Official Statement, including any supplements prepared by the Authority or the City with the MSRB at <http://emma.msrb.org>. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Authority and the City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

Section 5. Closing. At 8:00 a.m., Pacific Standard Time, on December __, 2013 (the "Closing Date"), or at such other time or date as the Authority and the Underwriter agree upon, the Authority shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered to The Depository Trust Company, New York, New York ("DTC"), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City will deliver the documents hereinafter mentioned at the offices of Orrick Herrington & Sutcliffe LLP, Los Angeles, California ("Bond Counsel"), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery

of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

The Underwriter hereby agrees to make a bona fide public offering of all Bonds at prices not in excess of the initial public offering prices (or yields) set forth on the inside cover page of the Official Statement, reserving, however, the right to change such yields or prices after the initial public offering as the Underwriter shall deem necessary in connection with the offering of the Bonds upon reasonable notice to, and with the consent of the Authority and the City. The Underwriter shall provide to the Authority and the City on the Closing Date a certificate setting forth the offering prices to the public of each maturity of the Bonds at which a substantial amount of such maturities were sold, such certificate to be in a form acceptable to Bond Counsel.

Section 6. Representations, Warranties, and Covenants of the Authority. The Authority represents, warrants, and covenants to the Underwriter and the City that:

(a) The Authority is a public body, duly organized and existing under the Constitution and laws of the State of California (the “State”), including the JPA Agreement and the Joint Exercise of Powers Act (California Government Code Title 1, Division 7, Chapter 5, Section 6500 et seq.) (the “JPA Act”).

(b) The Authority has full legal right, power, and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action, the Authority has duly adopted, authorized and approved the Authority Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, and has duly adopted or authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

(d) 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, 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 Documents, 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 Documents, 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, 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 Documents.

(e) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents, and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Authority shall notify the other parties hereto if, within the period from the date of this Purchase Contract to and including the date twenty-five (25) days following the "end of the underwriting period" (as defined in Section 7(j) hereof), the Authority discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) As of the date of acceptance hereof and the Closing Date, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental authority, public board, or body, pending, with service of process having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Base Rental Payments with respect to the Facilities Sublease or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the

interest on the Bonds from taxation, or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations, or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) There is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of Section 6(g) hereof.

(i) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not, and will not up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy (as such terms are defined herein),] information under the caption “UNDERWRITING,” CUSIP numbers, prices and yields for the Bonds, and any other information provided by the Underwriter, as to which no view is expressed).

(j) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(k) The Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Base Rental Payments while the Bonds are Outstanding, and the Authority will collect the Base Rental Payments in accordance with the Facilities Sublease.

(l) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the execution, sale, and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

Section 7. Representations, Warranties, and Covenants of the City. The City represents, warrants, and covenants to the Underwriter and the Authority that:

(a) The City is a municipal corporation duly organized and existing under and by virtue of the laws of the State.

(b) The City has full legal right, power, and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has duly adopted, authorized, and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly adopted or authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Documents.

(d) 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, 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 Documents, and no event has occurred and is continuing that 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 Documents, 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, 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 Documents.

(e) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents, and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not, and will not up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact necessary to make

the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the caption “UNDERWRITING,” CUSIP numbers, prices and yields for the Bonds, and any other information provided by the Underwriter, as to which no view is expressed).

(g) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds.

(h) As of the date of acceptance hereof and the Closing Date, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental authority, public board, or body, pending, with service of process having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Base Rental Payments with respect to the Facilities Sublease or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from taxation, or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations, or financial condition of the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) There is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of Section 7(h) hereof.

(j) Until the date that is twenty-five (25) days after the “end of the underwriting period” (as defined below), if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter’s reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the Authority

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. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered by the Underwriter to the Authority and the City at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

(k) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings to provide annual reports or notices of material events specified in Rule 15c2-12.

(l) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(m) The financial statements relating to the receipts, expenditures, and cash balances of the City as of [CONFIRM:] June 30, [2013], attached as Appendix C to the Official Statement fairly represent the receipts, expenditures, and cash balances of the City. 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 [CONFIRM:] June 30, [2013], and there has been no occurrence, circumstance, or combination thereof that is reasonably expected to result in any such materially adverse change.

(n) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate and the other City Documents, to provide annual reports and notices of certain events, if material. A description of this undertaking is set forth in Appendix F to the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) The City will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Base Rental Payments while the Bonds are Outstanding, and the City will pay the Base Rental Payments in accordance with the Facilities Sublease.

(p) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the execution, sale, and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the

performance by the Authority and the City of their obligations to be performed hereunder at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties, and covenants of the City and the Authority contained herein shall be true, complete, and correct at the date hereof and at the time of Closing, as if made on the Closing Date.

(b) At the time of the Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents, and the Official Statement shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no default shall have occurred or be existing under the City Documents, the Authority Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to pay the Base Rental Payments when due.

(d) In recognition of the desire of the Authority, the City, and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Contract shall be subject to termination in the reasonable discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Contract:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice, or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service, or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United

States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary, or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service, or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule, or regulation shall be introduced in, or be enacted by any governmental body, department, or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) 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 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; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) 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 that are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State, or New York authorities or the general suspension of trading on any national securities exchange shall have occurred; or

(viii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency, or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ix) any rating of the Bonds or the rating of any obligations of the City secured by the City's general fund [CONFIRM:] [or any rating of the Bond Insurer] shall have been downgraded or withdrawn by a national rating service that, in the opinion of the Underwriter, materially adversely affects the marketability or the market price of the Bonds; or

(x) the commencement of any action, suit, or proceeding described in Section 6(g) or Section 7(h) hereof shall have occurred.

(e) At or prior to the Closing, the Underwriter shall receive the following documents, in each case in form and substance to the reasonable satisfaction of the Underwriter:

(i) all resolutions adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Authority Documents and the delivery of the Official Statement;

(ii) all resolutions adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement;

(iii) the City Documents and the Authority Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications, or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel dated the Closing Date and addressed to the Authority and the City, in substantially the form attached as Appendix E to the Official Statement, and a reliance letter thereon addressed to the Underwriter, the Trustee, [CONFIRM:] [and the Bond Insurer];

(v) a supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS," and in "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and "APPENDIX E – FORM OF BOND COUNSEL OPINION," excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the City Documents, the Authority Documents, and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the Closing Date, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially delivered;

(B) this Purchase Contract has been duly executed and delivered by the City and the Authority and is the valid and binding agreement of the City and the Authority, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are

sought, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) the Official Statement, executed on behalf of the Authority and the City, and the Preliminary Official Statement;

(vii) evidence that the ratings on the Bonds are as described in the Official Statement;

(viii) a certificate, dated the Closing Date, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that:

(A) the representations, warranties, and covenants of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Authority at or prior to the Closing Date;

(B) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect;

(C) the information and statements contained in the Official Statement (excluding information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the caption "UNDERWRITING," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter) did not as of its date and do not as of the Closing Date contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(D) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Authority is a party or is otherwise subject that would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(ix) a certificate, dated the Closing Date, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that:

(A) the representations, warranties, and covenants of the City contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the Closing Date;

(B) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect;

(C) the information and statements contained in the Official Statement (excluding information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the caption "UNDERWRITING," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter) did not as of its date and do not as of the Closing Date contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(D) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Facilities Sublease), or other instrument to which the City is a party or is otherwise subject that would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(x) an opinion of the City Attorney of the City of Moreno Valley, as counsel to the Authority, dated the Closing Date and addressed to the Underwriter [CONFIRM:] [, the Bond Insurer,] and Bond Counsel to the effect that:

(A) the Authority is a public body, organized and existing under the Constitution and laws of the State, including the JPA Act and the JPA Agreement;

(B) the resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the other Authority Documents, and the Official Statement have been duly adopted, are in full force and effect, and have not been modified, amended, rescinded, or repealed since the date of their adoption;

(C) the Authority Documents have been duly authorized, executed, and delivered by the Authority and, assuming due authorization, execution, and delivery by the other parties thereto, if applicable, constitute the valid, legal, and binding agreements of the Authority enforceable against the Authority in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent

conveyance, and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against public agencies in the State;

(D) except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority, or body pending, with service of process having been accomplished, or threatened in writing against the Authority challenging the creation, organization, or existence of the Authority or the validity of the Authority Documents, seeking to restrain or enjoin the collection of Base Rental Payments with respect to the Facilities Sublease or the repayment of the Bonds, in any way contesting or affecting the validity of the Authority Documents, or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Documents;

(E) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents;

(F) no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution, and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and

(G) without having undertaken to determine independently or assume any responsibility for the accuracy, completeness, or fairness of the statements contained in the Official Statement under the caption entitled "THE AUTHORITY," nothing has come to such counsel's attention that would lead it to believe that the statements contained in the above-referenced caption as of the date of the Official Statement and as of the Closing Date (excluding therefrom the financial and statistical data and forecasts included therein, as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion of the City Attorney of the City of Moreno Valley dated the Closing Date and addressed to the Underwriter [CONFIRM:] [, the Bond Insurer,] and Bond Counsel to the effect that:

(A) the City is a municipal corporation, duly organized and existing under and by virtue of the laws of the State;

(B) the resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the Bonds, the City Documents, and the Official Statement have been duly adopted, are in full force and effect, and have not been modified, amended, rescinded, or repealed since the respective dates of their adoption;

(C) the City Documents have been duly authorized, executed, and delivered by the City and, assuming due authorization, execution, and delivery by the other parties thereto, if applicable, constitute the valid, legal, and binding agreements of the City enforceable against the City in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against public agencies in the State;

(D) except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority, or body pending, with service of process having been accomplished, or threatened in writing against the City challenging the creation, organization, or existence of the City or the validity of the City Documents, seeking to restrain or enjoin the payment of the Base Rental Payments or the repayment of the Bonds, in any way contesting or affecting the validity of the City Documents, contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay the Base Rental Payments under the Facilities Sublease;

(E) except as otherwise disclosed in the Official Statement, there are no outstanding bonds, notes, or other obligations of the City that are payable from the Base Rental Payments;

(F) the execution and delivery of the City Documents and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(G) no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution, and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and

(H) without having undertaken to determine independently or assume any responsibility for the accuracy, completeness, or fairness of the statements contained

in the Official Statement, nothing has come to such counsel's attention that would lead it to believe that the statements contained in the Official Statement as of the date of the Official Statement and as of the Closing Date (excluding therefrom financial statements and other statistical data, information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the captions "THE AUTHORITY" and "UNDERWRITING," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) a letter from Goodwin Procter LLP, as Underwriter's Counsel ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter to the effect that, based on the information made available to such counsel in its role as Underwriter's Counsel, without having undertaken to determine independently the accuracy, completeness, or fairness of the statements contained in the Official Statement, but on the basis of such counsel's participation in conferences with the Underwriter, the City, the Authority, Bond Counsel, the City Attorney, the Trustee, and others, and such counsel's examination of certain documents, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no view or belief need be expressed as to any financial, statistical and demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, the information with respect to DTC and the book-entry system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] and the information included in the Appendices thereto);

(xiii) an opinion of counsel to the Trustee and the Escrow Agent (the "Bank") dated the Closing Date and addressed to the Underwriter, [CONFIRM:] [the Bond Insurer,] the City, and the Authority to the effect that:

(A) the Bank is a national banking association and is validly existing, duly qualified to do business and in good standing under the laws of each jurisdiction in which the performance of its duties under the Trust Agreement and the Escrow Agreement (collectively, the "Bank Documents") would require such qualification and has the requisite power and authority to execute, deliver and perform its obligations under the Bank Documents;

(B) the Bank is duly eligible and qualified to act as Trustee under the Trust Agreement and as Escrow Agent under the Escrow Agreement;

(C) the Bank has all requisite power, authority, and legal right to execute and deliver the Bank Documents and to perform its obligations under the Bank Documents, and has taken all necessary corporate action to authorize the execution and delivery of and the performance of its obligations under the Bank Documents;

(D) the Bank has duly executed and delivered the Bank Documents. Assuming the due authorization, execution, and delivery thereof by the other parties thereto, the Bank Documents are the legal, valid, and binding agreements of the Bank enforceable against the Bank in accordance with their terms, except to the extent enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights and remedies heretofore or hereafter enacted, and (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(E) the Bonds have been duly authenticated by the Bank;

(F) the execution, delivery, and performance of the Bank Documents by the Bank and the consummation of the transactions contemplated thereby do not and will not (i) to the knowledge of such counsel, conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Bank is a party or by which the Bank is bound or to which any of the property or assets of the Bank or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter, articles of association, by-laws, or applicable resolutions of the Bank, or (iii) to the knowledge of such counsel, result in any violation of any statute or any order, rule, or regulation of any court or government agency or body having jurisdiction over the Bank or any of its properties or assets; and

(G) to the knowledge of such counsel, there are no actions, proceedings, or investigations pending or threatened against the Bank before any court, administrative agency, or tribunal (i) asserting the invalidity of the Bank Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated thereby, or (iii) that might materially and adversely affect the performance by the Bank of its obligations under, or the validity or enforceability of, the Bank Documents;

(xiv) a certificate of the Bank, dated the Closing Date and signed by an authorized official of Bank, to the effect that:

(A) the Bank is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the necessary power to enter into, accept, and administer the trusts created under the Trust Agreement and to authenticate the Bonds;

(B) the Bank Documents have been duly authorized, executed, and delivered by a duly authorized officer of the Bank, and the execution, delivery, and performance of the Bank Documents has been duly authorized by all necessary action of the Bank;

(C) the Bank Documents constitute the legal, valid, and binding obligations of the Bank enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of

creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(D) the Bonds have been duly authenticated by a duly authorized officer of the Bank;

(E) no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Bank that has not been obtained is or will be required for the execution and delivery of the Bank Documents or the performance by the Bank of its duties and obligations under the Bank Documents;

(F) the execution and delivery by the Bank of the Bank Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Bank is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Bank or any of its activities or properties (except that no representation, warranty, or agreement need be made with respect to any federal or State securities or blue sky laws or regulations);

(G) the Bank's action in executing and delivering the Bank Documents will not contravene the articles or bylaws of the Bank and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Bank is a party or any administrative or judicial decision by which the Bank is bound; and

(H) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Bank, or to the best knowledge of the Bank, threatened against the Bank which in the reasonable judgment of the Bank would affect the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Bank Documents or contesting the powers of the Bank or its authority to enter into and perform its obligations thereunder;

(xv) copies of the statements with respect to the sale of the Bonds required to be delivered to the California Debt and Investment Advisory Committee pursuant to Sections 53583 and 8855 of the California Government Code;

(xvi) evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing;

(xvii) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system, and a copy of the Operational Arrangements Letter of Representations executed by the Trustee;

(xviii) the tax and nonarbitrage certificate of the City and the Authority in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xix) a certificate, dated the date of the Preliminary Official Statement, of the City, as required under Rule 15c2-12 and substantially in the form of Exhibit B attached hereto;

(xx) certified copies of the JPA Agreement and all amendments thereto and related certificates issued by the Secretary of State of the State;

(xxi) a certified copy of the general resolution of the Bank authorizing the execution and delivery of certain documents by certain officers of the Bank, which resolution authorizes the execution and delivery of the Trust Agreement and the Escrow Agreement and the authentication and delivery of the Bonds by the Bank;

(xxii) [CONFIRM:] [evidence satisfactory to the Underwriter that the Bonds shall be insured under a municipal bond insurance policy (the “Bond Insurance Policy”) issued by _____ (the “Bond Insurer”) that unconditionally guarantees the timely payments of all debt service on the Bonds;]

(xxiii) [CONFIRM:] [an opinion of counsel to the Bond Insurer, dated the Closing Date, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy;]

(xxiv) [CONFIRM:] [a certificate of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy;]

(xxv) [CONFIRM:] [a no-default certificate of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel;]

(xxvi) [CONFIRM:] [evidence that the rating on the Bonds of “___” by Standard & Poor’s Ratings Services as a result of the Bond Insurance Policy provided by the Bond Insurer is in full force and effect on the Closing Date;] and

(xxvii) such additional legal opinions, Bonds, proceedings, instruments, or other documents as Bond Counsel, Underwriter’s Counsel, or the Underwriter may reasonably request.

Section 9. Changes in Official Statement. After the Closing, neither the Authority nor the City shall adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing. Within ninety (90) days after the Closing or within twenty-five (25) days following the “end of the underwriting period” (as defined in Section 7(j) hereof), 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 and the City 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 such 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.

Section 10. Expenses. Whether or not the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall be under no obligation to pay, and the Authority shall pay only from the proceeds of the Bonds, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority and the City incident to the performance of their obligations in connection with the authorization, execution, sale, and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee and the Escrow Agent, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel and other professional advisors employed by the Authority or the City, costs of preparation, printing, signing, transportation, delivery, and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of City's employees that are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, the fees and expenses of its counsel, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers, and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

Section 11. Notices. 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 E. J. De La Rosa & Co., Inc., 2121 Avenue of the Stars, Suite 2100, Los Angeles, California 90067, Attention: John W. Kim. Any notice or other communication to be given the Authority under this Purchase Contract may be given by delivering the same in writing to the Moreno Valley Public Financing Authority, c/o City of Moreno Valley Financial & Management Services Department, 14177 Frederick Street, Moreno Valley, California 92552, Attention: _____ [TITLE]. Any notice or other communication to be given the City under this Purchase Contract may be given by delivering the same in writing to the City of Moreno Valley, c/o City of Moreno Valley Financial & Management Services Department, 14177 Frederick Street, Moreno Valley, California 92552, Attention: _____ [TITLE]. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 12. Parties in Interest. This Purchase Contract is made solely for the benefit of the Authority, the City, and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, and agreements of the Authority and the City in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

Section 14. **Counterparts.** This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[The remainder of this page is intentionally left blank.]

Section 15. **Governing Law.** This Purchase Contract shall be governed by the laws of the State.

E. J. DE LA ROSA & CO., INC.

By: _____
Title: Authorized Officer

Accepted as of the date first stated above:

CITY OF MORENO VALLEY

By: _____
Its: [TITLE]

MORENO VALLEY PUBLIC FINANCING AUTHORITY

By: _____
Its: [TITLE]

EXHIBIT A

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2013**

MATURITY SCHEDULE

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>Yield</i>
2014	\$ ____,000			
2015	____,000			
2016	____,000			
2017	____,000			
2018	____,000			
2019	____,000			
2020	____,000			
2021	____,000			
2022	____,000			

EXHIBIT B
“DEEMED FINAL CERTIFICATE”
FOR
PRELIMINARY OFFICIAL STATEMENT

[POS DATE], 2013

E. J. De La Rosa & Co., Inc.
2121 Avenue of the Stars, Suite 2100
Los Angeles, California 90067
Attention: John W. Kim

Re: Moreno Valley Public Financing Authority
Lease Revenue Refunding Bonds, Series 2013

Ladies and Gentlemen:

With respect to the proposed sale by the Moreno Valley Public Financing Authority of its Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the “Bonds”), the Authority and the City of Moreno Valley (the “City”) have delivered to you a Preliminary Official Statement, dated the date hereof (the “Preliminary Official Statement”). The City, for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the following information: the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Bonds relating to such matters and any other information permitted to be omitted by the Rule.

CITY OF MORENO VALLEY

[NAME, TITLE]

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NEW ISSUE – BOOK-ENTRY ONLY

[INSURED RATING: Standard & Poor's: “___”]
 [UNINSURED] RATING: Standard & Poor's: “___”
 (See “RATING[S].”)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, 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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”

\$ _____
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2013

Dated: Date of Delivery

Due: November 1, as shown on the inside cover

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.

The Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the “Bonds”), are being issued in the aggregate principal amount of \$ _____* by the Moreno Valley Public Financing Authority (the “Authority”) pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) and the provisions of a Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions.”

A portion of the proceeds from the sale of the Bonds will be used to refund \$12,275,000 aggregate principal amount of the outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “2005 Bonds”), which 2005 Bonds were issued in the aggregate principal amount of \$48,205,000 and are currently outstanding in the aggregate principal amount of \$41,360,000. In addition, a portion of the proceeds from the sale of the Bonds will be used to pay certain costs related to the issuance of the Bonds. The proceeds from the sale of the 2005 Bonds were used finance certain public improvements within the City of Moreno Valley, California (the “City”). See “THE REFINANCING PLAN” and “THE BONDS – Estimated Sources and Uses of Bond Proceeds.”

The Bonds will be delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. Payments of interest on the Bonds will be made by the Trustee to DTC, which will in turn remit such interest to its participants for subsequent dispersal to beneficial owners of the Bonds as described herein. Interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2014, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the principal corporate office of the Trustee upon maturity or the earlier redemption thereof. See “THE BONDS – Book-Entry Only System.”

The Bonds are subject to optional redemption, special mandatory redemption from insurance or condemnation proceeds, and mandatory sinking fund redemption, as described herein. See “THE BONDS – Redemption of Bonds.”

[The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by [INSURER].

[BOND INSURER LOGO]

The Bonds are special, limited obligations of the Authority payable solely from Revenues, consisting primarily of Base Rental Payments to be made by the City to the Authority pursuant to a Master Facilities Sublease, dated as of December 1, 2013 (the “Facilities Sublease”), by and between the Authority and the City, pursuant to which the City will lease certain Facilities. See “THE FACILITIES.” The City has covenanted in the Facilities Sublease to take such action as may be necessary to include Base Rental Payments and Additional Payments due under the Facilities Sublease in its annual budgets, and to make necessary annual appropriations therefor. The Base Rental Payments are subject to abatement as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “RISK FACTORS.”

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE BASE RENTAL PAYMENTS AND AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF RIVERSIDE (THE “COUNTY”), THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

[Maturity Schedule set forth on inside cover]

The Bonds are offered when, as, and if delivered to and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by Suzanne Bryant, City Attorney, and for the Underwriter by Goodwin Procter LLP, Los Angeles, California, as Underwriter’s Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York, on or about December 31, 2013.



Dated: December __, 2013.

* Preliminary; subject to change.
 2716350

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾No.</u>	<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾No.</u>
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\$ _____ % Term Bond due November 1, 20__ Price: _____ CUSIP⁽¹⁾ No. _____

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**MORENO VALLEY PUBLIC FINANCING AUTHORITY
AND
CITY OF MORENO VALLEY**

City Council

Tom Owings, *Mayor*
Jesse L. Molina, *Mayor Pro Tem*
Richard A. Stewart, *Councilmember*
Dr. Yxstian Gutierrez, *Councilmember*
Victoria Baca, *Councilmember*

Governing Board of the Authority

Tom Owings, *Chair*
Jesse L. Molina, *Vice Chair*
Richard A. Stewart, *Boardmember*
Dr. Yxstian Gutierrez, *Boardmember*
Victoria Baca, *Boardmember*

CITY OFFICIALS

Michelle Dawson, *City Manager*
Suzanne Bryant, *City Attorney*
Richard Teichert, *Chief Financial Officer*

PROFESSIONAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Underwriter's Counsel

Goodwin Procter LLP
Los Angeles, California

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

No dealer, broker, salesperson, or other person has been authorized by the Authority, the City, or E. J. De La Rosa & Co., Inc. (the "Underwriter"), to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth in this Official Statement has been obtained from the Authority, the City, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Authority or the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

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 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 is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 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 CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

[INSURANCE DISCLAIMER TO BE ADDED, IF APPLICABLE]

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OFFICIAL STATEMENT

\$ _____*

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2013**

INTRODUCTION

General

This Official Statement, which includes the cover page, Table of Contents, and Appendices (the “Official Statement”), provides certain information concerning the issuance of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013, in the aggregate principal amount of \$ _____* (the “Bonds”). Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions.”

Authorization and Purpose

The Bonds are being issued by the Moreno Valley Public Financing Authority (the “Authority”), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “State”), pursuant the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the “Act”) and the provisions of a Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). See “THE BONDS – Authorization and Payment of Bonds.”

A portion of the proceeds from the sale of the Bonds will be used to refund \$12,275,000 in aggregate principal amount of the outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “2005 Bonds”), which 2005 Bonds were issued in the aggregate principal amount of \$48,205,000 and are currently outstanding in the aggregate principal amount of \$41,360,000. In addition, a portion of the proceeds from the sale of the Bonds will be used to pay certain costs related to the issuance of the Bonds. The proceeds from the sale of the 2005 Bonds were used finance certain public improvements within the City of Moreno Valley, California (the “City”). See “THE REFINANCING PLAN” and “THE BONDS – Estimated Sources and Uses of Bond Proceeds.”

* Preliminary; subject to change.

Registration, Date, Maturity, and Payment of Bonds

The Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Bonds. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2014, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the principal corporate office of the Trustee upon maturity or the earlier redemption thereof. See “THE BONDS – Authorization and Payment of Bonds.”

Redemption of Bonds

The Bonds are subject to optional redemption, special mandatory redemption from insurance or condemnation proceeds, and mandatory sinking account redemption, as described herein. See “THE BONDS – Redemption of Bonds.”

Security and Source of Payment for the Bonds

Pursuant to the Master Facilities Sublease, dated as of December 1, 2013 (the “Facilities Sublease”), by and between the Authority and the City, the City is required to pay semiannual lease payments (the “Base Rental Payments”) for the use and occupancy of certain facilities described therein (the “Facilities”), which Base Rental Payments are designed to be sufficient in both time and amount to pay, when due, the principal of, redemption premium (if any), and interest on the Bonds. Pursuant to the Facilities Sublease, the City has covenanted that it will take such action as may be necessary to include all Base Rental Payments in its annual budgets and to make the necessary annual appropriations therefor. The obligation of the City to make Base Rental Payments, however, is subject to abatement in the event of material damage or destruction of the Facilities or the taking of the Facilities in whole or in part. The obligation of the City to pay Base Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to make Base Rental Payments does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.”

Additional Bonds and Addition, Substitution, or Release of Facilities

The Authority may at any time issue Additional Bonds payable from the Revenues and secured by a pledge of and charge and lien upon the Revenues as provided in the Trust Agreement equal to the pledge, charge, and lien securing the Outstanding Bonds theretofore issued under the Trust Agreement, subject to certain conditions as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds.”

In addition, the City and the Authority may add, substitute, or release real property for all or part of, or may release part of, the Facilities for purposes of the Facilities Sublease 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, certain documentation and information as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Addition, Substitution, or Release of Facilities.”

[Bond Insurance]

[Concurrently with the issuance of the Bonds, _____ (the “Bond Insurer”) will issue its municipal bond insurance policy (the “Bond Insurance Policy”) for the Bonds. The Bond Insurance Policy guarantees the scheduled payment of principal and interest with respect to the Bonds when due as set forth in the form of the Bond Insurance Policy included as Appendix G to this Official Statement. See “BOND INSURANCE.”]

Continuing Disclosure

In connection with the issuance of the Bonds, the City will covenant in the Continuing Disclosure Certificate, dated the date of delivery of the Bonds (the “Continuing Disclosure Certificate”), to provide certain financial information and operating data relating to the Authority and the City and notices of certain events listed therein. See “CONTINUING DISCLOSURE” and “APPENDIX F – Form of Continuing Disclosure Certificate.”

Limited Obligations

The Bonds are limited obligations of the Authority payable solely from Revenues, consisting primarily of Base Rental Payments to be made by the City and amounts on deposit in certain funds and accounts held under the Trust Agreement. The Bonds do not constitute a debt or liability of the State or of any political subdivision thereof (including any member of the Authority). The Authority shall be obligated to pay the principal of the Bonds, and the interest thereon, only from the Revenues, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof (including any member of the Authority) is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly, indirectly, or contingently obligate the State or any political subdivision thereof (including any member of the Authority) to levy or pledge any form of taxation. The Authority has no taxing power.

Forward-Looking Statements

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,” “intend,” “expect,” “propose,” “estimate,” “project,” “budget,” “anticipate,” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the 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. No updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

References Qualified

The summaries of and references to all documents, statutes, reports, and other instruments referred to in this Official Statement do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

Other Information

Copies of documents referred to herein and information concerning the Bonds are available from the Chief Financial Officer, City of Moreno Valley, 14177 Frederick Street, Moreno Valley, California 92552, telephone (951) 413-3021. The City may impose a charge for copying, mailing, and handling.

THE REFINANCING PLAN

The Authority previously issued the Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “2005 Bonds”), in the aggregate principal amount of \$48,205,000, of which \$41,360,000 in principal amount are presently outstanding, pursuant to an Indenture of Trust, dated as of June 1, 2005 (the “2005 Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee. Proceeds from the sale of the 2005 Bonds were used to finance certain public improvements within the City, as more fully described in the 2005 Indenture (the “2005 Project”).

Proceeds from the sale of the Bonds will be used (i) to pay on **[UNDERWRITER TO PROVIDE:]** _____, 2014, the principal of, and interest and redemption premium on, the 2005 Bonds maturing on November 1, 2014, through November 1, 2022, inclusive, representing an aggregate principal amount of \$12,275,000 (the “Refunded 2005 Bonds”), in accordance with the terms of the 2005 Indenture, and (ii) to pay certain costs of issuance related to the Bonds. See “THE BONDS – Estimated Sources and Uses of Bond Proceeds.”

On the date of issuance of the Bonds, the Authority will cause to be transferred to Wells Fargo Bank, National Association, as escrow agent (the “Escrow Agent”), under that certain Escrow Agreement, dated as of [DATED DATE] (the “Escrow Agreement”), by and between the Authority and the Escrow Agent, an amount sufficient to redeem the Refunded 2005 Bonds, for deposit into an escrow fund (the “Escrow Fund”) established under the Escrow Agreement. The Escrow Agent will hold the amounts deposited in the Escrow Fund uninvested and apply such funds to the redemption of the Refunded 2005 Bonds, all in accordance with the terms of the Escrow Agreement.

THE BONDS

Authorization and Payment of Bonds

The Bonds are being issued by the Authority pursuant the Act and the provisions of the Trust Agreement. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2014, until the maturity or the earlier redemption thereof.

The Bonds will be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. Principal of and redemption premium, if any, on each Bond will be payable upon surrender of such Bond at the principal corporate trust office of the Trustee in Los Angeles,

California, upon the maturity or earlier redemption thereof. Interest will be payable by check, mailed to the Owners of the Bonds as of the applicable Record Date at their addresses as they appear on the Bond register maintained by the Trustee; provided, however, that interest payable to an Owner of \$1,000,000 or more aggregate principal amount of Bonds will be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Certain of the provisions described above will not apply as long as the Bonds are in a book-entry only system. See “THE BONDS – Book-Entry Only System” below.

Redemption of Bonds

Optional Redemption. The Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to maturity. The 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 Authority, on any date in whole or in part and among such maturities as are designated by the Authority to the Trustee, from funds derived by the Authority from any source at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued but unpaid interest to the redemption date. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

Special Mandatory Redemption. The Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole or in part by lot, from payments made by the City from funds received by the City due to a taking of the Facilities or portions thereof under the power of eminent domain, from the net proceeds of insurance received for material damage to or destruction of the Facilities or portions thereof under the circumstances and upon the conditions and terms prescribed in the Trust Agreement and Facilities Sublease, or from the proceeds of title insurance in the event of defective title to the Facilities as provided for in 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. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

Mandatory Sinking Account Redemption. The Bonds maturing on November 1, 20__, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from mandatory sinking fund payments in the following amounts, commencing on November 1, 20__, according to the following schedule:

Mandatory Sinking Fund	
<u>Payment Date</u>	<u>Principal Amount</u>
<u>(November 1)</u>	

(maturity)

Selection of Bonds for Redemption

Whenever less than all of the Outstanding Bonds are to be redeemed, 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. Whenever less than all the Bonds of any one maturity are to be redeemed, the Trustee will select Bonds of such maturity for redemption by lot.

Notice of Redemption

The Trustee will cause notice of each redemption to be given to the Owner of any Bonds designated for redemption at the address which appears upon the registration books of the Trustee by mailing a copy of the redemption notice at least 30 but not more than 60 days prior to the redemption date. The failure of any Owner to receive such notice or any defect in such notice will not affect the validity of the redemption of any Bonds.

Cancellation of Redemption Notice

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.

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 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 Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

The following information regarding DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or the City, and neither the Authority nor the City take any responsibility for the accuracy thereof. Neither the Authority nor the City shall have any responsibility or liability for any aspects of the records maintained by DTC relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the Bonds.

DTC will act as securities depository for the Bonds. The 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such 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 SEC. More information about DTC can be found at www.dtcc.com. *The foregoing internet address is included for reference only and the information on the internet site is not a part of this Official Statement or incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information included in such internet site.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 or the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct

Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee or the City or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City 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.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority, the City, or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered in accordance with the terms of the Trust Agreement.

The Authority or the City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC in accordance with the terms of the Trust Agreement.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE AUTHORITY NOR THE CITY TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE CITY GIVES ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE BONDS RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY REDEMPTION NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Estimated Sources and Uses of Bond Proceeds

The following table details the estimated sources and uses of the proceeds from the sale of the Bonds and moneys held under the 2005 Indenture.

**Table 1
Estimated Sources and Uses of Funds**

Estimated Sources:

Principal Amount of Bonds
 [Less/Plus]: Net Original Issue [Discount/Premium]
 Less: Underwriter’s Discount

Total Sources

Estimated Uses:

Transfer to Escrow Agent ⁽¹⁾
 [Transfer to Bond Insurer for Bond Insurance Policy Premium]
 Deposit to Acquisition and Construction Fund
 Deposit to Costs of Issuance Fund] ⁽²⁾

Total Uses

⁽¹⁾ To pay in full the principal, interest, and redemption premium due with respect to the Refunded 2005 Bonds on [UNDERWRITER TO PROVIDE:] _____, 2014.
⁽²⁾ Moneys on deposit in the Costs of Issuance Fund are expected to be used to pay the fees and expenses of Bond Counsel, the Trustee, and the rating agency, as well as printing costs and other miscellaneous costs related to the issuance of the Bonds.

Debt Service Schedule

The table below presents the annual debt service on the Bonds (including sinking account redemptions), assuming that there are no optional or extraordinary redemptions:

**Table 2
Debt Service Schedule**

Year Ending November 1	Principal of Bonds	Interest on Bonds	Total Debt Service on Bonds
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
Totals			

Source: Underwriter.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Base Rental Payments

For the right to the use and occupancy of the Facilities, the Facilities Sublease requires the City to make Base Rental Payments. While the City is obligated to pay Base Rental Payments from any lawfully available funds, it is the expectation of the City that the Base Rental Payments will be paid from certain revenues derived from development impact fees and utility fees, as well as certain revenues received by the City as successor agency to the former Community Redevelopment Agency of the City of Moreno Valley.

To secure the payment of the Base Rental Payments, the City will pay to the Trustee, for deposit into the Revenue Fund, on each October 25 and April 25, an amount sufficient to pay the principal of and interest on the Bonds due on the following November 1 and May 1, respectively.

Pursuant to the Trust Agreement, on or before each Interest Payment Date and each Principal Payment Date, the Trustee will transfer amounts in the Revenue Fund as are necessary to the Interest Account and the Principal Account to provide for the payment of the interest and principal in respect of the Bonds. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement – Establishment of Funds and Accounts; Flow of Funds.” See also “RISK FACTORS” and “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” for a discussion of the risks and constitutional limitations applicable to the payment of Base Rental Payments.

Additional Payments

The Facilities Sublease requires the City to pay all amounts, costs, and expenses incurred by the Authority in connection with the execution, performance, or enforcement of the Facilities Sublease, 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 and 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.

Insurance

The Facilities Sublease requires the City to cause to be maintained casualty insurance insuring the Facilities against fire, lightning, and all other risks covered by an extended coverage endorsement in an amount equal to the lesser of 100% of the replacement cost of the Facilities or 100% of the outstanding principal amount of the Bonds. The City may, subject to the restrictions contained in the Facilities Sublease, self-insure against such risks. The Facilities Sublease does not require that insurance be maintained for earthquake or flood risks.

The Facilities Sublease requires the City to cause to be maintained, throughout the term of the Facilities Sublease, rental interruption insurance to cover the Authority’s loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Facilities as a result

of any of the hazards covered by the insurance described in the preceding paragraph, in an amount sufficient at all times to pay maximum annual Base Rental Payments for any two year period.

The City is also required to obtain certain public liability and property damage insurance coverage in protection of the Authority and the City and worker's compensation insurance.

See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Facilities Sublease," for additional information regarding the insurance requirements contained in the Facilities Sublease.

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

Additional Bonds

The Authority may at any time issue Additional Bonds payable from the Revenues and secured by a pledge of and charge and lien upon the Revenues as provided in the Trust Agreement equal to the pledge, charge, and lien securing the Outstanding Bonds theretofore issued under the Trust Agreement, subject to, among other things, the following specific conditions:

1. The Authority shall be in compliance with all agreements and covenants contained in the Trust Agreement and no Event of Default shall have occurred and be continuing.

2. 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.

3. The aggregate principal amount of Bonds issued and at any time Outstanding under the Trust Agreement shall not exceed any limit imposed by law, by the Trust Agreement or by any Supplemental Trust Agreement.

4. 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 such facility to the City) 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.

5. If additional facilities, if any, are to be leased and are not situated on property described in the Master Facilities Lease, dated as of December 1, 2013 (the "Master Facilities Lease"), by and between the City and the Authority, and the Facilities Sublease, (A) the Facilities Lease shall have been amended so as to lease to the Authority such additional real property; and (B) the Facilities Sublease shall have been amended so as to lease to the City such additional real property.

See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement."

Addition, Substitution, or Release of Facilities

The City and the Authority may add, substitute, or release real property for all or part of, or may release part of, the Facilities 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:

1. Executed copies of the Facilities Lease and the Facilities Sublease and any 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.

2. 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.

3. 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 the Facilities Sublease.

4. 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.

5. 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.

6. An opinion of bond counsel stating that any amendment executed in connection with such addition, substitution or withdrawal, as the case may be, (A) is authorized or permitted under the Facilities Sublease; (B) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the City; and (C) will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.

The Facilities or portion thereof for which other real property is substituted, pursuant to the Facilities Sublease, shall be released from the Facilities Lease and the Facilities Sublease, and shall no longer be encumbered thereby or by the Trust Agreement at such time as the City shall have caused said substitution.

Investment of Moneys

Amounts on deposit in any fund or account held pursuant to the Trust Agreement will be invested in Permitted Investments, subject to the conditions provided for in the Trust Agreement. All investment earnings on moneys on deposit in the Rebate Fund shall be retained therein and all investment earnings on

moneys on deposit in any other fund or account held under the Trust Agreement will be transferred to the Revenue Fund, subject to the obligation of the City and/or the Authority to rebate certain amounts to the United States government as required under the Internal Revenue Code of 1986, as amended. See “APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Trust Agreement.”

[BOND INSURANCE]

[The following information has been furnished by the Bond Insurer for use in this Official Statement. Reference is made to Appendix G for a specimen of the Bond Insurance Policy.]

[TO FOLLOW, IF APPLICABLE]

RISK FACTORS

Investment in the Bonds involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Bonds for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Bonds are Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental Payments and amounts held in certain funds and accounts established under the Trust Agreement. Neither the full faith and credit nor the taxing power of City, the County of Riverside (the “County”), the State, or any political subdivision of the State is pledged to the payment of the Bonds. The Authority has no taxing power. The obligation of the City to make Base Rental Payments under the Facilities Sublease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental Payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

Availability of Moneys for Base Rental Payments

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 that it will take such action as may be necessary to include all rental payments due under the Facilities Sublease in its annual budgets and to make necessary annual appropriations for all such rental payments. The City is currently liable and will become liable on other obligations payable from general fund revenues, some of which may have a priority over payments to be made under the Facilities Sublease.

The City has the capacity to enter into other obligations which may constitute additional charges against its revenues. 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 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.

See also “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII B of the California Constitution: Limits on Appropriations” and “APPENDIX C – City of Moreno Valley Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.”

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

Limited Recourse on Default

If the City defaults on its obligations to make Base Rental Payments with respect to the Facilities, the Trustee has the right to re-enter and re-let the Facilities. In the event such re-letting occurs, the City would be liable for any deficiency in Base Rental Payments that results therefrom. Alternatively, the Trustee may terminate the Facilities Sublease with respect to the Facilities and proceed against the City to recover damages pursuant to the Facilities Sublease. See “RISK FACTORS – Abatement” below. See also “APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Facilities Lease.”

Due to the governmental purpose of the Facilities, the Facilities Lease, and the Facilities Sublease, it is uncertain whether a court would permit the exercise of the remedies of repossession and re-letting of the Facilities, and no assurance can be given that the Trustee would be able to re-let the Facilities so as to provide rental income sufficient to make principal and interest payments with respect to the Bonds in a timely manner. In addition, the Trustee is not empowered to sell the fee interest in the Facilities for the benefit of the Owners of the 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. Moreover, there can be no assurance that such re-letting, if successful, would not adversely affect the exclusion of any interest on the Bonds from federal or state income taxation.

Abatement

Base Rental Payments and Additional Payments are paid by the City in each rental period for and in consideration of the right to use and occupy the Facilities during each such period. Pursuant to the Facilities Sublease, during any period in which, by reason of material damage to, or destruction or condemnation of, the Facilities, or any defect in title to the Facilities, there is substantial interference with the City’s right to use and occupy any portion of the Facilities, rental payments due under the Facilities Sublease will be abated proportionately. Such abatement will continue for the period commencing on the date of such interference resulting from such damage, destruction, condemnation, or title defect, and ending, with respect to damage to or destruction of the Facilities, upon the substantial completion of the work of repair or replacement of the Facilities, or portion thereof, so damaged or destroyed.

In the event that such portion of the Facilities, 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 for which funds are available from funds and accounts established under the Trust Agreement, or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Facilities or prepayment of the Bonds, there could be insufficient funds to make payments to Owners in full.

In the event of any such substantial interference, the Facilities Sublease continues in full force and effect, and the City waives any right to terminate the Facilities Sublease by virtue of such substantial interference. The Trustee cannot terminate the Facilities Sublease in the event of such substantial interference. Abatement of Base Rental Payments and Additional Payments is not an event of default under the Facilities Sublease and the Trustee is not permitted in such event to take any action or avail itself of any remedy against the City. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Facilities Sublease – Rental Abatement.”

No Acceleration Upon Default

If the City defaults on its obligation to make Base Rental Payments, there is no available remedy of acceleration of the total Base Rental Payments due over the term of the Facilities Sublease. The City

will only be liable for Base Rental Payments on an annual basis, and the Trustee would be required to seek a separate judgment in each fiscal year for that fiscal year's rental payments.

[Bond Insurance Risk]

[TO FOLLOW, IF APPLICABLE]

Seismic Activity

The Facilities Sublease does not require the City to maintain earthquake insurance on the Facilities. The City area, however, along with much of the State, shares a history of seismic activity and is thus listed as a "Zone 4" earthquake area in the Uniform Building Code. A Zone 4 designation has the most restrictive design requirements for new construction. The City standards for development, to which the components of the Facilities were subject, have been designed to reduce the risk to the public and adequately mitigate seismic hazards.

The City lies primarily on bedrock known as the Perris Block, a large mass of granitic rock generally bounded by the San Jacinto Fault, the Elsinore Fault, the Santa Ana River, and a non-defined southeast boundary. The San Jacinto Fault is an active fault, and an Alquist-Priolo Special Fault Zone has been established for the San Jacinto Fault. Activity along the San Jacinto Fault or another proximate fault could potentially result in damage to the buildings, roads, bridges, and property within the City, including the Facilities.

Notwithstanding the development standards discussed above, which have been implemented to mitigate the potential damage from seismic activity in the area of the City, if a major earthquake were to occur within or near the City, the Facilities may suffer substantial damage or destruction, which could result in abatement of the Base Rental Payments and, in turn, a default in the payment of principal of and interest on the Bonds.

Flood Zone

[CITY TO CONFIRM WHEN FACILITIES IDENTIFIED:] The Facilities are located in a flood insurance rate zone designated by the Federal Emergency Management Agency ("FEMA") as "Zone X." According to FEMA, Zones B, C, and X refer to flood insurance rate zones that are not within the 100-year floodplain and are therefore not considered to pose a flood hazard. Consequently, no flood insurance has been or will be obtained by the City with respect to the Facilities. The term "100-year flood" refers to the flood elevation that has a one percent chance of being equaled or exceeded in any given year. A base flood may also be referred to as a "100-year storm" and the area inundated during the base flood is sometimes called the "100-year floodplain." The 100-year flood, which is the standard used by most federal and state agencies, is used by the National Flood Insurance Program as the standard for floodplain management and to determine the need for flood insurance.

Bankruptcy

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and the Facilities Sublease may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the City, there are no involuntary petitions in bankruptcy. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy proceedings or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Facilities Sublease or of the Authority in violation of its covenants in the Trust Agreement. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Trust Agreement.

State Budget

The State of California is experiencing significant financial and budgetary stress due to national and statewide economic conditions and other factors over which the City has no control. The State's financial condition and budget policies affect communities and local public agencies throughout California, including the City. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget.

Information on Current State Budget. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

The California State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's filings required by Rule 15c2-12(b)(5), as amended, adopted by the Securities and Exchange Commission in compliance with the Securities and Exchange of 1934 (the "Rule") for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation" from the State's most current Official Statement, which discusses the State budget and its impact on local governments.

The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget," includes the text of proposed and adopted State Budgets. The State Legislative Analyst's Office the ("LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Products."

2013-14 State Budget. On June 27, 2013, Governor Brown approved the 2013-14 Budget Act, projecting \$97.1 billion in general fund revenues and adopting a \$96.3 billion spending plan, the first balanced budget in many years. Temporary revenues provided by the passage of Proposition 30 and

spending cuts in the past two years mean that the State's budget is projected to remain balanced for the foreseeable future. The 2013-14 State Budget maintains a \$1.1 billion reserve and pays down budgetary deficit, to be reduced from \$35 billion to \$27 billion in 2013-14 and to below \$5 billion by the end of 2016-17. The 2013-14 State Budget overhauls the State's system of K-12 education finance. From 2011-12 through 2016-17, the Proposition 98 minimum funding guarantee is projected to increase from \$47.2 billion to \$67.1 billion, with funding levels projected to increase by \$1,045 per student through 2013-14 and by \$2,835 per student through 2016-17. The 2013-14 State Budget adopts a new allocation formula, known as the Local Control Funding Formula, dedicating \$2.1 billion in new funding beginning in 2013-14. The Local Control Funding Formula moves from a State-controlled system to a locally-controlled system, requiring school districts to increase or improve services for English learners, low income and foster youth students in proportion to supplemental and concentration grant funding. The 2013-14 State Budget includes total funding of \$70 billion (\$39.6 billion of General Fund and \$30.4 billion of other funds) for all K-12 Education programs. Proposition 98 funding increases to a total of \$55.3 billion in 2013-14, an increase of \$1.7 billion over the 2012-13 budget, and more than \$8 billion over the 2011-12 levels.

Local Control Funding Formula. The 2013-14 State Budget contains a new Local Control Funding Formula, which changes the State funding system for school districts, charter schools and county offices of education to address inequities in the distribution of education funding, by, among other changes, consolidating most categorical programs with existing revenue limit structure to provide a new student formula phased in over seven years, and implements supplemental and concentration grants to English learners and economically disadvantaged students. The Local Control Funding Formula includes the following components:

- A base grant for each local education agency equivalent to \$7,643 per unit of A.D.A.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 22.5% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the Local Control Funding Formula.

Other K-12 Budget Adjustments. In addition to the Local Control Funding Formula, the 2013-13 State Budget includes:

- • An increase of \$1.25 billion in one-time Proposition 98 funding to support the implementation of Common Core – new standards for evaluating student achievement in English-language arts and math.
- • \$250 million for one-time competitive capacity building grants for K-12 and community colleges to support programs based on work-based learning.
- • \$50 million to reflect the inclusion of graduation requirements mandate within the block grant program.

- • An increase of \$1.6 billion in 2012-13 and an increase of \$242.3 million in 2013-14 for the repayment of inter-year budgetary deferrals.
- • An increase of \$381 million to support energy efficiency projects approved by the California Energy Commission.
- • Consolidations for various special education programs to simplify special education finance and provide additional funding flexibility.

Higher Education and Health Care. The 2013-14 State Budget increases funding for higher education by between \$1,649 and \$2,491 per student through 2016-17. The 2013-14 State Budget provides funding to expand Medi-Cal to approximately 1.4 million Californians pursuant to the federal law known as the Affordable Care Act. The State anticipates that this will significantly increase health care coverage, improve access to mental health services, expand substance use disorder treatment and take advantage of new federal dollars.

The execution of the 2013-14 State Budget may be affected by numerous factors, including but not limited to: (i) shifts of costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risk associated with spending reductions, including the elimination of redevelopment agencies, (iv) rising health care costs (v) large unfunded liabilities for retired State employee's pensions and healthcare, (vi) deferred maintenance of State's critical infrastructure and (vii) other factors, all or any of which could cause the revenue and spending projections made in 2013-14 State Budget to be unattainable. The City cannot predict the impact that the 2013-14 State Budget, or subsequent budgets, will have on its own finances and operations. Additionally, the City cannot predict the accuracy of any projections made in the State's 2013-14 State Budget.

The complete 2013-14 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The City can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by such reference. The information referred to above should not be relied upon in making an investment decision with respect to the Bonds.

Future State Budgets. The City cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the City has no control. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget. Decrease in such revenues may have an adverse impact on the City's ability to pay Base Rental Payments.

Economic, Political, Social, and Environmental Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State of federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the California Constitution (“Article XIII A”) limits the maximum *ad valorem* tax on real property to one percent (1%) of full cash value (as defined in Section 2 of Article XIII A), to be collected by each county and apportioned among the county and other public agencies and funds according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on (a) indebtedness approved by the voters prior to July 1, 1978, (b) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or (c) bonded indebtedness incurred by a school district or a community college district for the construction, reconstruction, rehabilitation, or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Section 2 of Article XIII A defines “full cash value” to mean “the County Assessor’s valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership 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 to reflect a reduction in the consumer price index or comparable data for the area under the taxing jurisdiction, or reduced in the event of declining property values caused by substantial damage, destruction, or other factors.

Legislation enacted by the State Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax that exceeds the 1% limitation imposed by Article XIII A except to pay debt service on indebtedness approved by the voters as described above. In addition, 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. Prior to fiscal year 1981-82, assessed valuations were reported at 25% of the full value of the property. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter-approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

In the June 1990 election, the voters of the State approved amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for a replacement dwelling purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of “new construction” triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters of the State approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990. Since 1990, the voters have approved several other minor exemptions from the reassessment provisions of Article XIII A.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of 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 B of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution (“Article XIII B”). Article XIII B of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and cost of services rendered by the governmental entity. The “base year” for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Proposition 111

In June 1990, the voters of the State approved Proposition 111 (“Proposition 111”), which amended the method of calculating State and local appropriations limits. As amended in June 1990, the appropriations limit for an entity of local government in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The “change in the cost of living,” with respect to an entity of local government other than a school district or a community college district is, at such entity of local government’s option, either (A) the change in the California per capita personal income (“CPCPI”) from the preceding year, or (B) the change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction, as selected annually by such entity of local government by a recorded vote of such entity’s governing body. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. The “change in population” for a local agency for a calendar year for each city and county, means the change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the State Department of Finance pursuant to Section 2227 of the California Revenue and Taxation Code, for either (A) within its own jurisdiction, or (B) for a city only, within the county in which the city is located. Previously, a city only could use the change of population within its own jurisdiction. Each city shall select its change in population annually by a recorded vote of the governing body of the City.

As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

Proposition 111 also recomputed the appropriations limit for the fiscal year by adjusting the fiscal year 1986-87 limit by the CPCPI for the three subsequent years. Proposition 111 also excluded appropriation for “all qualified capital outlay Expansion Projects, as defined by the Legislature” from the definition of “appropriations subject to limitation.”

Article XIII B allows voters to approve a temporary waiver of a government’s Article XIII B limit. Such a waiver is often referred to as a “Gann limit waiver.” The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the City or allow the City to finance additional services.

Base Rental Payments are subject to the Article XIII B appropriations limitations. According to the City’s resolution establishing appropriation limits for fiscal year 2010-11, the City calculated its appropriations limit at \$84,193,306. For fiscal year 2011-12, the City calculated its appropriations limit at \$89,463,807. For fiscal year 2012-13, the City calculated its appropriations limit at \$93,463,807. For fiscal year 2013-14, the City has estimated its appropriation limit to be \$99,825,081. The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the California Constitution. The impact of the appropriations limit on the City’s financial needs in the future is unknown.

Articles XIIC and XIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218 (“Proposition 218”), known as the “Right to Vote on Taxes Act.” Proposition 218 added Article XIIC (“Article XIIC”) and Article XIID (“Article XIID”) to the California Constitution, which contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the City’s ability to meet certain obligations.

Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as the City’s General Fund, require a two-thirds vote. Article XIIC further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election which must be held within two years of November 5, 1996. The City has not so imposed, extended or increased any such taxes which are currently in effect.

Article XIIC also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees and charges were imposed. Article XIIC expands the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, or fees and charges. No assurance can be given that the voters of the City will not, in the future, approve initiatives which

reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. "Assessments," "fees" and "charges" are not defined in Article XIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIC as for Article XIID described below. If not, the scope of the initiative power under Article XIIC potentially could include any General Fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

The City does not levy any property related "fees" or "charges" that it considers subject to challenge under Article XIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIID also added several new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, and (iii) a majority protest procedure which involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. "Assessment" in Article XIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights and parks. The City has followed all of the requirements of Article XIID in connection with the formation of all of its existing landscape and lighting districts through which it has financed open space areas, street medians, street lights and parks, and intends to continue such compliance.

In addition, Article XIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIID, there could be future restrictions on the ability of the City's General Fund to charge its enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water and refuse collection services, or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

Proposition 62

On November 4, 1986, voters of the State adopted a statutory initiative called Proposition 62 (“Proposition 62”), 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 generally upheld by the California Supreme Court in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal.4th 220; 45 Cal .Rptr.2d 207 (1995).

Proposition 62 applies to the imposition of any taxes or the effecting of any tax increases after its enactment in 1986, but the requirements of Proposition 62 are 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 “ – Articles XIIC and XIID of the California Constitution” above.

The City has not imposed any taxes or effected any tax increases after the enactment of Proposition 62 in 1986 and prior to the effective date of Proposition 218 on November 5, 1996, other than special taxes that were approved by a vote of two-thirds of the applicable electorate.

Proposition 1A

The California Constitution and existing statutes give the State Legislature authority over property taxes, sales taxes, and the vehicle license fee (the “VLF”). The State Legislature has authority to change tax rates, the items subject to taxation, and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to the ongoing financial difficulties of the State in recent years, it has not provided reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A (“Proposition 1A”), which amended the California 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 government’s property, sales and VLF revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a “severe state financial hardship,” which must be approved by a two-thirds vote of both houses of the Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (a) protects the property tax backfill of sales tax revenues diverted to pay the State’s economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (b) protects local agency VLF revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

In November 2010, California voters adopted Proposition 22 ("Proposition 22"), which prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. The City is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26 ("Proposition 26"), which revises certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010, with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a “tax” means a levy, charge or exaction of any kind imposed by a local government, except: (1) 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; (2) 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; (3) 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; (4) a charge imposed for entrance to or use of local government property or the purchase, rental, or lease of local government property; (5) 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, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Article XIII D. Fees, charges and payments that are made pursuant to a voluntary contract that are not “imposed by a local government” are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a 50% voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

The laws and Constitutional provisions described above were each adopted as measures that qualified for the ballot pursuant to California’s constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

THE AUTHORITY

The Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California pursuant to a Joint Exercise of Powers Agreement, dated as of October 28, 1997, by and between the City and the former Community Redevelopment Agency of the City of Moreno Valley. The Authority was created to assist the City in the financing and refinancing of public capital improvements.

The Authority is governed by a five-member Governing Board. The current members of the Board, who are also the members of the City Council, are listed below:

<u>Name</u>	<u>Office</u>
Tom Owings	Chair
Jesse L. Molina	Vice Chair
Richard A. Steward	Boardmember
Dr. Yxstian Gutierrez	Boardmember
Victoria Baca	Boardmember

The Authority is also served by the officers listed below who, in the case of the Chief Financial Officer and the General Counsel, serve in these capacities by virtue of their duties as Chief Financial Officer and City Attorney, respectively or, in the case of the Authority Secretary, is appointed by the Board and serves at the pleasure of the Board. The officers of the Authority are listed below:

<u>Name</u>	<u>Title</u>
Richard Teichert	Chief Financial Officer
Suzanne Bryant	General Counsel
Jane Halstead	Secretary

Neither the Authority nor its board members have any obligations or liability to the Owners of the Bonds with respect to the payment of Base Rental Payments by the City under the Facilities Sublease, or with respect to the performance of the City of other covenants made by it in the Facilities Sublease.

THE CITY

General

The City is located approximately 66 miles east of the City of Los Angeles and approximately 100 miles north of the City of San Diego. The City was incorporated on December 3, 1984, and is a general law city operating under a council/manager form of government. For additional information concerning the City, see below and “APPENDIX B – General Information Concerning the City of Moreno Valley.”

Government

The City operates under a council/manager form of government. The City Council is comprised of five members from five council districts. The Mayor is the presiding officer of the City Council and is selected by the members of the City Council. The City Council appoints a City Manager, City Clerk, City Attorney, City Treasurer, and the members of all of the City’s advisory boards and commissions. The City Manager serves as the chief administrative officer of the City.

The current members of the City Council are listed below:

<u>Name</u>	<u>Office</u>
Tom Owings	Mayor
Jesse L. Molina	Mayor Pro Tem
Richard A. Steward	Councilmember
Dr. Yxstian Gutierrez	Councilmember
Victoria Baca	Councilmember

The current City officials and their respective titles are listed below:

<u>Name</u>	<u>Title</u>
Michelle Dawson	City Manager
Thomas M. DeSantis	Assistant City Manager
Suzanne Bryant	City Attorney
Jane Halstead	City Clerk
Richard Teichert	Chief Financial Officer
John Terell	Community & Economic Development Director
Ahmad Ansari P.E.	Public Works Director/City Engineer
Michael McCarty	Parks and Community Services Director
Chris Paxton	Administrative Services Director

City Budgetary Process

The City currently uses a two-year budget cycle. 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 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. Prior to June 30 of the applicable fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year 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 current two-year budget for fiscal years 2013-14 and 2014-15 was approved by the City Council on June 11, 2013.

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, provided that the City Manager may transfer appropriations of a fund from one object or purpose to another within the same department as appropriate. All other transfers or amendments require City Council approval. 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 votes 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.

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. Any other budget amendments require authorization by the City Council. The City Manager and affected department heads are mutually responsible for controlling expenditures within budgeted appropriations.

General Fund Revenues and Expenditures

The City's budget for its General Fund includes programs and services that are provided on a largely City-wide basis. The programs and services are financed primarily by the City's share of property taxes, sales taxes, local taxes, revenues from the State, and charges for services provided by the City.

The following table compares the City's General Fund budgeted revenues and expenditures with actual General Fund revenues and expenditures for fiscal year 2008-09 through fiscal year 2012-13.

Table 3
City of Moreno Valley
Comparison of General Fund Revenues and Expenditures
Budgeted and Actual Amounts
Fiscal Year 2008-09 through Fiscal Year 2012-13
[CITY TO COMPLETE PER 2013 CAFR:]

	<u>2008-09</u>		<u>2009-2010</u>		<u>2010-2011</u>		<u>2011-12</u>		<u>2012-13</u>	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES										
Taxes:										
Property taxes	\$ 6,900,000	\$ 6,388,412	\$11,700,001	\$ 9,296,083	\$ 8,596,100	\$ 9,430,846	\$ 9,630,000	\$ 9,397,373		
Property taxes in-lieu	17,400,000	16,791,078	14,100,000	13,703,197	1,177,340	13,055,796	13,170,000	13,170,964		
Sales taxes	13,000,000	10,451,942	9,735,000	9,298,295	973,510	11,283,435	12,835,000	14,003,993		
Utility user's taxes	16,500,000	15,081,286	14,970,000	15,358,341	15,200,000	15,317,439	15,700,000	15,591,386		
Other taxes	7,000,000	7,144,746	6,256,500	6,716,428	6,556,500	7,209,262	7,590,000	7,533,532		
Licenses and permits	1,976,256	1,930,884	1,456,614	1,354,188	1,500,600	1,532,514	1,648,800	1,523,800		
Intergovernmental	1,511,000	1,619,141	1,056,326	1,183,894	360,000	895,366	436,222	398,193		
Charges for services	10,667,507	8,581,233	9,326,345	7,654,867	8,442,656	7,408,607	7,427,900	8,574,131		
Use of money and property	5,381,377	4,671,999	4,400,614	5,470,852	4,532,300	3,886,420	4,492,768	4,004,511		
Fines and forfeitures	1,108,000	1,206,711	1,087,000	1,130,414	1,176,500	791,497	551,000	603,065		
Miscellaneous	146,756	512,985	180,180	462,247	105,300	682,959	269,845	138,346		
Total Revenues:	\$81,590,896	\$74,380,417	\$74,268,580	\$71,628,806	\$67,978,456	\$71,494,141	\$73,751,535	\$74,939,294		
EXPENDITURES										
Current:										
General government										
City Council	\$ 757,880	\$ 600,077	\$ 588,320	\$ 545,316	\$ 581,564	\$ 513,868	\$ 577,150	\$ 553,224		
City Manager	1,939,208	1,611,851	1,697,000	1,708,904	896,175	726,440	1,398,087	1,345,111		
City Clerk	958,638	675,502	617,661	464,559	521,486	507,398	543,007	513,257		
City Attorney	1,382,692	1,231,971	1,150,000	1,043,838	1,090,407	1,034,442	928,169	819,388		
Economic Development	942,055	643,617	540,000	483,846	482,774	391,451	--	--		
Financial and Administrative Services	4,532,079	4,296,823	3,293,600	3,219,857	2,696,813	2,694,398	5,166,982	5,052,104		
Human Resources	1,285,279	996,659	1,149,165	966,293	958,505	923,964	890,959	773,363		
Non-Departmental	2,096,227	2,373,328/	2,547,340	1,867,455	3,517,071	2,800,066	3,715,213	4,425,745		
Public safety:										
Police	39,903,612	38,370,806	39,590,967	38,726,538	41,870,739	39,104,174	40,673,276	38,952,960		
Fire	533,348	440,322	15,566,320	15,173,224	15,466,535	14,793,909	15,778,017	14,647,452		
Animal services	2,693,362	2,507,528	2,432,081	2,372,784	2,280,118	2,214,243	--	--		
Emergency operations/volunteer services	774,067	658,130	603,592	593,830	609,566	610,084	--	--		
Crossing guards	669,906	632,775	602,126	619,308	583,439	566,063	--	--		
Community development	8,138,077	7,286,897	5,263,586	5,093,483	4,545,270	4,235,300	6,301,211	6,482,658		
Public works	6,556,876	5,352,136	4,457,840	3,893,811	3,528,195	3,413,488	2,287,897	2,109,287		
Capital outlay	--	--	--	--	555,556	56,406	730,069	673,934		
Total Expenditures	\$73,163,306	\$67,678,422	\$80,099,598	\$76,773,046	\$80,184,213	\$74,585,694	\$78,990,037	\$76,348,483		
Excess (deficiency) of Revenues Over (Under) Expenditures	\$8,427,590	\$6,701,995	(\$5,831,018)	(\$5,144,240)	(\$12,205,757)	(\$3,091,553)	(\$5,238,502)	(\$1,409,189)		
OTHER FINANCING SOURCES (USES)										
Transfers in	\$1,347,005	\$ 1,597,161	\$6,757,589	\$7,330,279	\$ 263,000	\$ 773,051	\$ 539,656	\$ 539,656		
Transfers out	(6,016,839)	(14,134,584)	(2,699,807)	(2,710,323)	(2,513,040)	(2,605,518)	(3,968,900)	(4,028,932)		
Total Other Financing Sources (Uses)	(\$4,669,834)	(\$12,537,423)	\$4,057,782	\$4,619,956	(\$2,250,040)	(\$1,832,467)	(\$3,429,244)	(\$3,489,276)		
Net change in fund balance	\$3,757,756	(\$5,835,428)	(\$1,773,236)	(\$524,284)	(\$14,445,797)	(\$4,924,020)	(\$8,667,746)	(\$4,898,465)		
Fund Balance, Beginning of Year	\$57,690,009	\$57,690,009	\$51,813,823⁽¹⁾	\$51,813,823⁽¹⁾	\$51,289,539	\$51,289,539	\$46,365,519	\$46,365,519		
Fund Balance, End of Year	\$61,447,765	\$51,854,581	\$50,040,587	\$51,289,539	\$36,833,742	\$46,365,519	\$37,697,773	\$41,467,054		

(1) The beginning General Fund balance for fiscal year 2009-10 was reduced by \$40,758, due to several accounting adjustments as described in Note 10 in the City of Moreno Valley Comprehensive Annual Financial Report for fiscal year 2009-10.

Source: City of Moreno Valley Comprehensive Annual Financial Reports for applicable fiscal years.

The following table sets forth the Statement of Revenues, Expenditures, and Changes in Fund Balances for the City's General Fund for fiscal year 2008-09 through fiscal year 2012-13.

Table 4
City of Moreno Valley
Statement of Revenues, Expenditures, and Changes
In General Fund Balances
For Fiscal Year 2008-09 through Fiscal Year 2012-13

[CITY TO COMPLETE PER 2013 CAFR:]

Fiscal Years	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
REVENUES					
Taxes:					
Property taxes	\$ 6,388,412	\$ 9,296,083	\$ 9,430,846	\$ 9,397,373	
Property taxes in lieu	16,791,078	13,703,197	13,055,796	13,170,964	
Utility taxes	15,081,286	15,358,341	15,317,439	15,591,386	
Sales taxes	10,451,942	9,298,295	11,283,435	14,003,993	
Other Taxes	7,144,746	6,716,428	7,209,262	7,533,532	
Licenses and permits	1,930,884	1,354,188	1,532,514	1,523,800	
Intergovernmental	1,619,141	1,183,894	895,366	398,193	
Charges for services	8,581,233	7,654,867	7,408,607	8,574,131	
Use of money and property	4,671,999	5,470,852	3,886,420	4,004,511	
Fines and forfeitures	1,206,711	1,130,414	791,497	603,065	
Miscellaneous	512,985	462,247	682,959	138,346	
Total Revenues	\$74,380,417	\$71,628,806	\$71,494,141	\$74,939,294	
EXPENDITURES					
Current:					
General government	\$12,429,826	\$10,296,168	\$ 9,592,027	\$13,482,192	
Public safety	42,609,565	57,450,534	57,288,473	53,600,412	
Community development	7,286,897	5,093,483	4,235,300	6,482,658	
Community and cultural	5,352,134	--	--	--	
Public works	--	3,889,593	3,413,488	2,109,287	
Capital outlay	--	43,268	56,406	673,934	
Debt service:					
Principal retirement	--	--	--	--	
Interest and fiscal charges	--	--	--	--	
Total Expenditures	\$67,678,422	\$76,773,046	\$74,585,694	\$73,348,483	
Excess (deficiency) of revenues over (under) expenditures	\$6,701,995	(\$5,144,240)	(\$3,091,553)	(\$1,409,189)	
Other Financial Sources (Uses):					
Transfers in	\$ 1,597,161	\$7,330,279	\$ 773,051	\$ 539,656	
Transfers out	(14,134,584)	(2,710,323)	(2,605,518)	(4,028,932)	
Total Other Financing Sources (Uses)	(\$12,537,423)	\$4,619,956	(\$1,832,467)	(\$3,489,276)	
Extraordinary gain (loss) on dissolution of redevelopment agency	--	--	--	--	
Net Change in Fund Balances	(\$5,835,428)	(\$524,284)	(\$4,924,020)	(\$4,898,465)	
Fund balance, July 1	\$57,690,009	\$51,813,823⁽¹⁾	\$51,289,539	\$46,365,519	
Fund balance (deficit), June 30	\$51,854,581	\$51,289,539	\$46,365,519	\$41,467,054	

(1) The beginning General Fund balance for fiscal year 2009-10 was reduced by \$40,758, as described in Note 10 in the City of Moreno Valley Comprehensive Annual Financial Report for fiscal year 2009-10.

Source: City of Moreno Valley Comprehensive Annual Financial Reports for the applicable fiscal years.

The following table sets forth the General Fund tax revenues by source for fiscal year 2003-04 through fiscal year 2012-13.

**Table 5
City of Moreno Valley
General Fund Tax Revenues By Source
Fiscal Year 2003-04 through Fiscal Year 2012-13**

Fiscal Year (Ended June 30)	Property Tax	Property Tax In-Lieu of VLF	Utility Users Tax	Sales and Use Tax	Transient Occupancy Tax	Franchise Fee	Motor Vehicle In-Lieu of VLF	Business License Gross Receipts	Documentary Transfer Tax	Total
2004	\$ 6,354,247	--	\$10,980,848	\$ 9,100,608	\$455,009	\$3,599,485	\$7,283,124 ⁽¹⁾	\$ 920,928	\$1,055,205	\$39,749,454
2005	7,230,082	\$ 8,644,834 ⁽²⁾	12,527,514	11,753,794	519,193	3,791,546	3,478,877 ⁽²⁾	1,059,009	1,391,200	50,396,049
2006	11,930,618	12,068,070	13,811,740	11,317,841 ⁽³⁾	582,307	4,142,646	1,275,342	1,240,764	1,548,205	57,917,533
2007	14,022,135	14,150,000	15,463,291	13,116,271	586,383	4,349,870	943,313	1,315,039	972,995 ⁽⁴⁾	64,919,297
2008	14,361,253	16,728,600	15,186,616	11,694,525	593,009	4,478,698	800,667	1,111,021	575,003	65,529,392
2009	12,790,196	16,791,078	15,081,286	10,202,384	497,936	4,997,024	865,718	1,051,701	598,084	62,875,407
2010	9,917,734	13,703,197	15,358,341	9,298,296	535,775	4,757,920	547,188	961,303	479,208	55,558,962
2011	9,430,846	13,055,796	15,317,439	11,293,435	692,586	5,038,600	887,331	1,053,145	424,931	57,184,109
2012	9,397,373	13,170,964	15,591,386	14,003,993	747,100	5,176,775	96,578	1,175,104	434,554	59,793,827
2013	9,765,007	13,414,446	15,683,931	14,043,560	831,881	5,336,919	100,727	1,305,924	350,413	60,832,808
Change (FY 2004 to 2013)	54.00% ⁽³⁾	100.00% ⁽³⁾	43.00% ⁽³⁾	54.00% ⁽³⁾	83.00%	48.00%	-99.00%	42.00%	-67.00%	53.00%

- (1) In 2004 the State discontinued the back-fill of the Vehicle License Fee In-Lieu. At the same time the basis of the revenue stream was changed from a per capita calculation to the change in assessed valuations of property.
- (2) In 2005 the governor instituted the "triple-flip," which changed the funding source for Vehicle License Fees to the ERAF fund and changed the allocation of funds to cities from a per capita computation to the change in the assessed valuation of property. The foundation of the fee is not based on the tax rates established by the City and as such is not considered to be property tax. Because this revenue is under the control of the state it would be considered a "shared" revenue rather than an "own-source" revenue.
- (3) The decline in sales tax reported in fiscal year 2005-06 is related to the implementation of the "Triple-Flip" and a take-back of revenues related to a change in the formula that was used to allocate funds to the cities. The amount of the take-back was \$720,000.
- (4) Documentary Transfer Tax has declined since fiscal year 2005-06. This decline is due to the combination of a decrease in the number of properties that transferred ownership and the decline in the value of properties being transferred.

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2013-14.

The following table sets forth the General Fund revenue projections for fiscal years 2013-14 and 2014-15, as set forth in the City's current budget.

Table 6
City of Moreno Valley
General Fund Revenue Projections
Fiscal Years 2013-14 and 2014-15

Fiscal Years	<u>2013-14</u>	<u>2014-15</u>
Taxes:		
Property taxes	\$ 9,647,100	\$ 9,803,900
Property taxes in lieu of VLF	13,640,000	13,890,000
Utility taxes	16,114,000	16,428,000
Sales taxes	15,570,000	16,420,000
Franchise Fees	5,250,000	5,375,000
Franchise Fees in-lieu	190,000	200,000
Other taxes	1,300,000	1,360,000
Business Gross Receipts	1,225,000	1,250,000
Charges for services	8,869,395	8,977,274
Use of money and property	2,688,000	2,589,600
Licenses and permits	1,514,000	1,519,200
Fines and forfeitures	601,500	606,500
Intergovernmental	265,000	235,000
Transfers in	967,341	126,489
Miscellaneous	<u>51,400</u>	<u>51,400</u>
Total Revenue Budget	<u>\$77,892,736</u>	<u>\$78,832,363</u>

Source: City of Moreno Valley Operating Budget, Fiscal Years 2013-14 and 2014-15.

Property Taxes and Property Taxes In Lieu of Vehicle License Fees

Property taxes represent approximately 12% of the City's General Fund revenue budget for fiscal year 2013-14. When combined with property tax in-lieu of VLF, which represents approximately 18% of total budgeted General Fund revenues, property tax becomes the City's largest revenue source and approximately 30% of the City's General Fund revenue budget for fiscal year 2013-14.

The VLF for property tax swap is a method employed by the State to distribute VLF through growth in assessed valuation. The method, which was implemented to provide other State General Fund backing to schools for the loss of the Educational Revenue Augmentation Fund ("ERAF"), has had a positive impact on the finances of the City. In past years, the VLF would have been distributed to the City based primarily on population increase percentages. For a city with a rapidly growing assessed valuation, the new formula means additional revenues.

Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding March 1 (January 1 beginning for fiscal year 2000-01). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and March 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of ½ % per month to the time of redemption, plus costs

and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of ½% attaches to them on the first day of each month until paid. The County has four methods of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

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.

Teeter Plan

The Board of Supervisors of Riverside County has previously approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the counties apportion secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including cities, for which the counties act as the tax-levying or tax-collecting agency. The Teeter Plan was effective beginning in fiscal year 1994. The City participates in the Teeter Plan.

Assessed Valuation of Property

Set forth in the table below is a listing of the City’s assessed valuations for secured and unsecured property within the City for fiscal years 2008-09 through 2012-13.

**Table 7
City of Moreno Valley
Assessed Value of All Taxable Property
Fiscal Years 2008-09 through 2012-13**

Fiscal Year (Ended June 30)	Secured Value	Unsecured Value	Total Assessed Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate
2009	\$13,132,444	\$243,521	\$13,375,965	\$154,973	\$13,220,992	.00131%
2010	10,625,910	236,904	10,862,814	154,289	10,708,525	.00160
2011	10,516,338	238,786	10,755,124	227,178	10,527,946	.00164
2012	10,561,585	271,336	10,832,921	236,235	10,596,686	.00258
2013	11,042,637	352,337	11,394,974	264,161	11,130,813	.00177

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Set forth in the table below is a listing of the 20 largest secured property taxpayers for fiscal year 2012-13.

**Table 8
City of Moreno Valley
Twenty Largest Secured Property Taxpayers
Fiscal Year 2012-13**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2012-13 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation ⁽¹⁾</u>
1.	Walgreen Company	Distribution	\$135,988,143	1.31%
2.	Stonegate 552	Residential	80,994,352	.78%
3.	IIT Inland Empire Logistics	Industrial	76,549,021	.74%
4.	Broadstone at Valley View	Residential	60,240,000	.58%
5.	2250 Town Circle Holdings	Commercial	45,716,800	.44%
6.	Day Street Apartments	Residential	44,752,821	.43%
7.	Buckhead Cactus Commerce	Commercial	36,771,000	.35%
8.	WFD Towngate Investment	Commercial	33,939,000	.33%
9.	Weingarten Stoneridge	Industrial	31,491,722	.30%
10.	Towngate Apartments	Residential	30,122,417	.29%
11.	Target Corporation	Commercial	24,000,372	.23%
12.	WalMart Real Estate Trust	Commercial	22,167,997	.21%
13.	Radwan Talat	Commercial	20,520,958	.20%
14.	Costco Wholesale Corp	Commercial	18,839,791	.18%
15.	Moreno Valley Festival Ltd	Commercial	16,752,765	.16%
16.	Harold Beral	Commercial	16,501,509	.16%
17.	Lowes HIW Inc	Commercial	18,991,680	.18%
18.	Gateway Company	Commercial	15,431,903	.15%
19.	Sears Roebuck & Co	Department Store	14,023,702	.13%
20.	Macy's California	Department Store	13,871,969	.13%

(1) Total fiscal year 2012-13 local secured assessed valuation = \$10,398,564,753.
Source: City.

Direct and Overlapping Debt

The ability of land owners within the City to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed on the applicable land. The statement of direct and overlapping debt (the "Debt Report") set forth on the following page was prepared by California Municipal Statistics, Inc. as of June 30, 2013. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The City takes no responsibility for its completeness or accuracy.

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Table 9
City of Moreno Valley
Statement of Direct and Overlapping Debt
Fiscal Year 2012-13

2012-13 Assessed Valuation: \$10,810,828,113

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/13	% Applicable (1)	City's Share of Debt 6/30/13
Metropolitan Water District	\$165,085,000	0.514%	\$ 848,537
Eastern Municipal Water District, I.D. No. U-22	3,609,000	100.	3,609,000
Riverside City Community College District	229,362,310	14.373	32,966,245
Moreno Valley Unified School District	39,508,521	82.384	32,548,700
San Jacinto Unified School District	43,735,786	0.489	213,868
Val Verde Unified School District	74,971,948	37.465	28,088,240
Moreno Valley Unified School District Community Facilities District No. 88-1	4,960,000	100.	4,960,000
Moreno Valley Unified School District Community Facilities District No. 2002-1	7,545,000	100.	7,545,000
Moreno Valley Unified School District Community Facilities District No. 2003-1 & 2	10,605,000	100.	10,605,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	3,035,000	100.	3,035,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,365,000	100.	5,365,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,895,000	100.	3,895,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,870,000	100.	4,870,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	27,005,000	100.	27,005,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,950,000	100.	23,950,000
Val Verde Unified School District Community Facilities District No. 98-1	21,710,000	100.	21,710,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,550,000	100.	2,550,000
Eastern Municipal Water District Community Facilities Districts	14,505,000	100.	14,505,000
City of Moreno Valley Community Facilities District No. 3	105,000	100.	105,000
City of Moreno Valley Community Facilities District No. 5	5,770,000	100.	5,770,000
City of Moreno Valley Community Facilities District No. 87-1	7,525,000	100.	7,525,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	3,055,000	100.	3,055,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$244,724,590
Less: Moreno Valley Community Facilities District No. 3 & 87-1 (100% supported from tax increment revenues)			<u>7,630,000</u>
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			\$237,094,590
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$640,243,149	5.361%	\$ 34,323,435
Riverside County Pension Obligations	346,790,000	5.361	18,591,412
Riverside County Board of Education Certificates of Participation	3,900,000	5.361	209,079
Mt. San Jacinto Community College District General Fund Obligations	11,675,000	0.016	1,868
Moreno Valley Unified School District Certificates of Participation	18,585,000	82.384	15,311,066
San Jacinto Unified School District Certificates of Participation	41,865,000	0.489	204,720
Val Verde Unified School District Certificates of Participation	81,525,000	37.465	30,543,341
City of Moreno Valley General Fund Obligations	72,301,000	100.	72,301,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$171,485,921
Less: Riverside County self-supporting obligations			<u>584,067</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$170,901,854
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>	 \$51,046,585	 100. %	 \$51,046,585
 TOTAL DIRECT DEBT			 \$72,301,000
TOTAL GROSS OVERLAPPING DEBT			\$394,956,096
TOTAL NET OVERLAPPING DEBT			\$386,742,029
 GROSS COMBINED TOTAL DEBT			 \$467,257,096
NET COMBINED TOTAL DEBT	(2)		\$459,043,029

- (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 the overlapping district's assessed value that is within the boundaries of the city divided by the 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.

Ratios to 2012-13 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt.....	2.26%
Total Net Overlapping Tax and Assessment Debt.....	2.19%
Total Direct Debt (\$72,301,000).....	0.67%
Gross Combined Total Debt.....	4.32%
Net Combined Total Debt.....	4.25%

Ratios to Redevelopment Incremental Valuation (\$2,025,486,679):

Total Overlapping Tax Increment Debt.....	2.52%
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Source: City, from data provided by California Municipal Statistics, Inc.

Utility Taxes

The City imposes a utility users tax. This tax accounted for approximately 19% of the City's General Fund revenue for the fiscal year ended June 30, 2013, and approximately 21% of the City's fiscal year 2013-14 General Fund budget. The City's utility users tax was enacted by the City Council in 1991 and ratified by the voters in 1996. There have been three attempts (in 1996, 2002 and 2004) to rescind the utility users tax, the most recent occurring at the November 2004 elections. The percentage of voters in favor of the utility users tax (those voting against the initiative to rescind the utility users tax) was 56.4% at the November 2004 election. Although there have been no further attempts by voters to rescind the utility users tax, there could be future attempts to rescind the utility users tax, in whole or in part, and there can be no assurance the utility users tax will remain in effect.

Sales and Use Taxes

Sales tax is collected and distributed by the State Board of Equalization. The City receives an amount equal to one percent (1.00%) of taxable sales within its jurisdiction. Sales tax receipts plus the State's "Triple Flip" formula (see below) that reimburses city governments' sales tax with property tax based on growth in assessed valuation, comprises approximately 20% of the City's budgeted General Fund revenue for the fiscal year 2013-14 budget. Automobile sales and retail sales at the regional mall located within the City contribute significantly to this revenue source. Sales and use taxes are, by their nature, a volatile source of revenues based on economic conditions. However, sales and use taxes have been a relatively steady source of revenues for the City in the past five fiscal years.

As part of the State's 2004 budget package, the State Legislature adopted a mechanism to fund the State's economic recovery bond program with a 0.25 cent sales tax. Under a mechanism commonly known as the "Triple Flip" and outlined in Revenue and Taxation Code Section 97.68, the local Bradley Burns Sales and Use Tax rate is reduced by 0.25 cent. This 0.25 cent sales tax is used to repay the State's outstanding economic recovery bonds. Cities and counties are then provided with *ad valorem* property tax revenues in lieu of these revenues. The State Director of Finance notifies each county auditor of the amount of sales and use tax revenue loss to each city and county as a result of the Triple Flip. Each County Auditor is then required to allocate compensating revenues to cities and the county. These compensating revenues are transferred from the *ad valorem* property tax revenues that would otherwise be allocated to the county's ERAF. See also "RISK FACTORS – State Budget."

Other Revenue Sources

Other revenues sources of the City's General Fund are described below.

Other Tax Revenues. In addition to *ad valorem* taxes on real property and sales and use taxes, the City receives other local taxes and fees, certain of which are described below. All of the following taxes were enacted prior to January 1, 1995, and, except for a voter-approved increase in the transient occupancy tax, none were imposed, increased, or extended on or after January 1, 1995. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATION."

Transient Occupancy Taxes. The City levies an 8% transient occupancy tax on hotel and motel bills.

Franchise Fees. The City levies a franchise fee on its cable television, trash collection, and utilities franchise.

Business License Fees. The City levies business license fees based on gross annual receipts and type of business enterprise.

Property Transfer Tax. The City collects property transfer tax when real property changes ownership.

Electric Utility Charges. The City's electric utility began servicing customers in February 2004, and by the first fiscal year-end, was servicing nearly 250 new homes. As of December 2012, the total number of customers exceeded 5,659. The utility was established for two major reasons: economic development and the health and stability of the City's General Fund. The City's electric utility is only available for new construction within the City. The City may offer incentives as a way to attract new businesses and jobs to the City. A November 2004 voter initiative with the intent of restricting the use of surplus electric utility funds and regulating its operations failed.

Development Impact Fees. The City receives fees from developers in connection with the approval of new development projects for the purpose of defraying all or a portion of the cost of certain public facilities related to the particular development project. Development impact fees are a special revenue of the City and cannot be used for purposes unrelated to the impact of the development for which such development impact fees were collected. Consequently, development impact fees are not available for the payment of Base Rental Payments. Development impact fees collected in fiscal year 2012-13 totaled \$1,317,514.

License and Permit Fees. License and permit fees consist primarily of business license fees and fees for building construction permits, plan checks, animal licensing, and fire permits.

Fines, Forfeitures and Penalties. Fines, forfeitures, and penalties include parking citations and other fines for municipal code violations.

Investment of Earnings. Funds held by the City are invested in accordance with the City's Statement of Investment Policy (the "Investment Policy") prepared by the Treasurer as authorized by Section 53601 of the California Government Code. A copy of the City's current Investment Policy is attached as Appendix D.

Employee Pension Plan (PERS)

Plan Description. The City's defined benefit pension plan, Public Employees Retirement System ("PERS"), provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System ("CalPERS"), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the California Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

Funding Policy. Active plan members in PERS are required to contribute 8.00% of their annual covered salary as of January 2008. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate is

19.344% for fiscal year 2011-12. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost. [CITY TO UPDATE PER 2013 CAFR:] For fiscal year 2012-13, the City's annual pension cost was \$ _____. The City also contributed \$ _____ on behalf of the employees for the employee contribution. The required contribution for fiscal year 2012-13 was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases for employees that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, (c) 3.25% cost of living adjustment. Both (a) and (b) include an inflation component of 3.00%. The actuarial value of PERS assets was determined using a technique that smoothes the effect of short-term volatility in the fair value of investments over a 15-year period. The PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012 was 23 years.

Set forth in the table below is the annual pension cost of the City for fiscal year 2009-10 through fiscal year 2012-13.

Table 9
City of Moreno Valley
Annual Pension Cost
Fiscal Year 2009-10 through Fiscal Year 2012-13

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Fiscal Year</u> <u>(Ended June 30)</u>	<u>Annual Pension</u> <u>Cost ("APC")</u>	<u>Percentage of APC</u> <u>Contributed</u>
2010	\$5,233,518	100%
2011	5,214,878	100
2012	5,402,864	100
2013	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Set following table shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability ("UAAL") to payroll, and presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Table 10
City of Moreno Valley
Funded Status of Employee Pension Plan

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Valuation Date</u>	<u>Entry Age Normal</u> <u>Accrued Liability</u>	<u>Actuarial Value</u> <u>of Assets</u>	<u>Unfunded</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as</u> <u>Percentage of</u> <u>Payroll</u>
June 30, 2009	\$109,758,482	\$78,175,287	\$31,583,195	71.2%	\$26,384,952	119.7%
June 30, 2010	120,692,084	85,693,181	34,998,903	71.0	23,670,851	147.9
June 30, 2011	132,322,141	92,912,456	39,409,685	70.2	20,743,000	190.0
June 30, 2012	_____	_____	_____	_____	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Other Post Employee Benefits (OPEB)

Plan Description. The City's defined benefit postemployment healthcare plan provides a portion of certain health care for retired employees. In accordance with City policy, employees who retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability) and are not temporary employees, are eligible for these benefits. In June 2009, the City established an irrevocable trust fund to begin funding the City's unfunded liability through the California Employers' Retiree Benefit Trust ("CERBT"), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State. A menu of benefit provisions, as well as other requirements, are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Council. The City is required to contribute the Annual Required Contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The current ARC rate is 7.00% of the annual covered payroll.

Annual OPEB Cost. [UPDATE DATA PER 2013 CAFR:] For fiscal year 2011-2012, the City's annual OPEB cost was \$1,615,000. The required contribution for the fiscal year was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases for employees of 3.25%, and (c) an annual healthcare cost increase of 4.5%. Both (a) and (b) include an inflation component of 3.00%. The amortization method is the level percent of payroll. The amortization period is a 30 year fixed (closed) period for the initial unfunded accrued actuarial liability. There are 26 years remaining as of June 30, 2012.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Table 11
City of Moreno Valley
Annual OPEB Cost
(Fiscal Year 2012-13)

[CITY TO UPDATE TABLE PER 2013 CAFR:]

Annual OPEB Cost (Expense)	\$1,615,000
Contributions (Including Premiums/Benefits Paid)	1,165,000
Increase in Net OPEB Obligation	450,000
Net OPEB Obligation – Beginning of Year	--
Net OPEB Obligation – End of Year	450,000

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts 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.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009-10 through fiscal year 2012-13 are set forth in the following table:

Table 12
City of Moreno Valley
Annual OPEB Costs
Fiscal Year 2009-10 through and Fiscal Year 2012-13

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Fiscal Year</u> <u>(Ended June 30)</u>	<u>Annual OPEB Cost</u> <u>("AOC")</u>	<u>Percentage of AOC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2010	\$1,425,000	100%	--
2011	1,564,000	100	--
2012	1,615,000	72	\$450,000
2013	_____	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Set following table provides the funded status of OPEB.

Table 13
City of Moreno Valley
Funded Status of OPEB

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Valuation Date</u>	<u>Actuarial</u> <u>Accrued Liability</u>	<u>Actuarial Value</u> <u>of Assets</u>	<u>Unfunded</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as</u> <u>Percentage of</u> <u>Payroll</u>
June 30, 2008	\$ 9,338,000	--	\$ 9,338,000	0.0%	\$29,794,978	31.3%
January 1, 2010	13,600,000	\$2,386,000	11,214,000	17.5	22,465,000	49.9
June 30, 2011	11,670,000	4,428,000	7,242,000	37.9	23,195,000	31.2
[June 30, 2012]	_____	_____	_____	_____	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Liability Insurance

Risk exposures to the assets of the City are managed through a combination of self-insured retention and excess coverage. The City believes they have current assets adequate to cover the actuarially determined liability for general liability and worker's compensation claims, including estimated claims incurred but not reported.

The City is a member of CSAC Excess Insurance Authority. The Authority is a member of a directed joint powers insurance pool, which has been operational since October 1979. Current membership includes 53 of the 58 counties in California and 90 members of the California Public Entity Insurance Authority (CPEIA). The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages.

The City bears all of the costs associated with the excess workers' compensation and employer's liability programs of the Authority. For worker's compensation, the City has a self-insured retention of \$300,000 per occurrence. For employer's liability, the City bears all of the costs of each occurrence. The City has a pooled retention of \$5,000,000 each occurrence, a \$45,000,000 reinsurance layer in excess of the \$5,000,000 pooled retention per occurrence for worker's compensation claims.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There has been no significant reduction in pooled or insured liability coverage from coverage in the prior year.

Pending Litigation

There are several lawsuits pending against the City. The outcome and eventual liability of the City, if any, in these cases is not known at this time. None of such pending lawsuits as are known to the City challenges the issuance of the Bonds. City management estimates that the potential claims against the City, not covered by insurance or self-insurance reserves, resulting from such litigation would not materially affect the financial statements of the City.

THE FACILITIES

The Facilities are comprised of [two] separate components located within the City.

**[CITY TO PROVIDE DESCRIPTION OF THE COMPONENTS OF THE FACILITIES,
INCLUDING SIZE, LOCATION, AND ESTIMATED VALUE]**

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, 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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds, which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority and the City have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond

Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration's proposed 2014 budget includes a legislative proposal which, for tax years beginning after December 31, 2013, would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Authority and the City have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the City or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the City and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the City or the Beneficial Owners to incur significant expense.

RATING[S]

[Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies ("Standard & Poor's"), has assigned its municipal bond rating of "___" to the Bonds, based on the issuance of the Bond Insurance Policy by the Bond Insurer. In addition,] Standard & Poor's has assigned a[n underlying] municipal bond rating of "___" to the Bonds. Such rating[s] reflect[s] only the views of the rating agency furnishing the same and any desired explanation of the significance of such rating[s] should be obtained

from the rating agency at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance the rating[s] assigned to the Bonds will continue for any given period of time or that such rating[s] will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the foregoing rating[s] may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The City will covenant in the Continuing Disclosure Certificate to provide certain financial information and operating data relating to the City and the Authority and notices of certain events listed therein. Such information and notices will be filed by the City with the Municipal Securities Rulemaking Board. The specific nature of the information to be provided is set forth in the Continuing Disclosure Certificate, a form of which is attached hereto as Appendix F. This covenant has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5), as amended ("Rule"), adopted by the Securities and Exchange Commission in compliance with the Securities and Exchange of 1934. See APPENDIX F – Form of Continuing Disclosure Certificate.

In the previous five years the City and its related entities have filed each annual report required by their respective continuing disclosure undertakings in a complete and timely manner pursuant to the Rule. In the previous five years, the City and its related entities failed to file certain material 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 and, during the previous five years, all other material event filings required to be made by the City and its related entities pursuant to their respective continuing disclosure undertakings have been made in a timely manner pursuant to the Rule.

UNDERWRITING

The Bonds are being purchased by E. J. De La Rosa & Co., Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (which represents the aggregate principal amount of the Bonds, less an Underwriter's discount of \$_____, [less/plus] a net original issue [discount/premium] of \$_____).

The contract of purchase pursuant to which the Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices or yields different from the prices or yields stated on the cover page of this Official Statement. In addition, the offering prices or yields may be changed from time to time by the Underwriter.

Although the Underwriter expects to maintain a secondary market in the Bonds after the initial offering, no guarantee can be made that such a market will develop or be maintained by the Underwriter or others.

NO LITIGATION

[CITY TO CONFIRM:] The City and the Authority will certify, and the City Attorney will render opinions on behalf of the City and the Authority upon the issuance of the Bonds to the effect that, there is no action, suit, or proceeding known to the City or the Authority to be pending or threatened, restraining, or enjoining the issuance of the Bonds or the execution or delivery of the Trust Agreement, the Facilities Sublease, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City or the Authority taken with respect to any of the foregoing or that will materially adversely affect the City’s ability to pay Base Rental Payments when due.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by Suzanne Bryant, the City Attorney. Certain matters will be passed upon for the Underwriter by Goodwin Procter LLP, Los Angeles, California, Underwriter’s Counsel. The proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto. Neither Bond Counsel nor Underwriter’s Counsel undertakes any responsibility for the accuracy, completeness, or fairness of this Official Statement.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds and of statutes and documents contained in this Official Statement do not purport to be complete, and reference is made to such statutes and documents for full and complete statements of their provisions.

The preparation and distribution of this Official Statement have been authorized by the Authority and the City.

MORENO VALLEY PUBLIC FINANCING
AUTHORITY

By: _____
Chair

CITY OF MORENO VALLEY

By: _____
Mayor

APPENDIX A

**SUMMARY OF CERTAIN PROVISIONS OF THE
PRINCIPAL LEGAL DOCUMENTS**

The following is a brief summary of certain provisions of the Trust Agreement and the Facilities Sublease. This summary does not purport to be complete and is qualified in its entirety by reference to said documents.

[TO BE PROVIDED BY BOND COUNSEL]

APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF MORENO VALLEY

The Bonds do not constitute a general obligation debt of the City of Moreno Valley (the “City”), and the City has not pledged its full faith and credit or its taxing power to the repayment of the Bonds. The following information is presented for informational purposes only.

General

The City is located in Riverside County, California (“Riverside County”), approximately 66 miles southeast of the City of Los Angeles and approximately 100 miles north of the City of San Diego. The City covers approximately 50 square miles at an average elevation of 1,631 feet above sea level. The City has a temperate climate, with a mean average temperature of 65 degrees Fahrenheit and average annual rainfall of 10.67 inches. The City currently employs 762 full time employees. Population growth in the City recently has slowed due to the economic downturn. However, with a current population of approximately 196,495, the City continues to be the second largest city in Riverside County. The City is located in the Inland Empire, which consists of Riverside and San Bernardino Counties. The Inland Empire had experienced a vibrant economic environment from the mid-1990’s to the mid-2000’s, during which period the City experienced strong residential and commercial growth. The rate of such residential and commercial growth recently has slowed considerably due to the economic downturn.

For six years, from 2002 to 2008, the City experienced double-digit growth in many industries that generate revenue for the City. During such six-year period, assessed valuations of property increased by 136%. However, assessed valuations of property decreased in the City during fiscal year 2009-10 and have continued to decline through fiscal year 2010-11. Beginning in fiscal years 2011-12 and 2012-13, the City has experienced slow growth in assessed valuation that is expected to continue for the next few fiscal years.

Government

The City was incorporated in 1984 and operates as a general law city with a council/manager form of government. The five members of the City Council of the City (the “Moreno Valley City Council”) are elected by district for four-year overlapping terms. The Moreno Valley City Council elects one of its members as Mayor and another as Mayor Pro-Tem on an annual basis. The current members of the Moreno Valley City Council, and their respective offices, are listed below:

<u>Name</u>	<u>Office</u>
Tom Owings	Mayor
Jesse L. Molina	Mayor Pro Tem
Richard A. Steward	Councilmember
Dr. Yxstian Gutierrez	Councilmember
Victoria Baca	Councilmember

Population

The following table describes the population in the City for the calendar years 2004 through 2013.

**City of Moreno Valley
Population
Calendar Years 2004 through 2013**

[CITY TO COMPLETE PER 2013 CAFR:]

<u>January 1</u>	<u>Population</u>
2004	155,105
2005	165,238
2006	174,565
2007	180,466
2008	183,860
2009	186,301
2010	188,537
2011	195,216
2012	196,495
2013	

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Labor Force and Unemployment

According to State of California Employment Development Department statistics, in May 2013, the City had a labor force of approximately 89,100 workers and an unemployment rate of approximately 9%. For the same period, Riverside County had a labor force of approximately 934,000 workers and an unemployment rate of approximately 9%.

Major Employers

The following table describes the largest employers within the City as of June 2013.

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employment</u>
March Air Reserve Base	Military Reserve Base	8,600	26.12%
Moreno Valley Unified School District	Public Schools	3,366	10.22
Riverside County Regional Medical Center	County Hospital	2,600	7.9
Ross Stores	Retail Distribution	1,630	4.95
Moreno Valley Mall	Retail Mall	1,365	4.15
Kaiser Permanente Community Hospital	Hospital/Medical Services	944	2.87
City of Moreno Valley	Municipal Government	771	2.34
Walgreens Co.	Retail Distribution	685	2.08
Val Verde Unified School District (MV only)	Public Schools	674	2.05
Skechers USA	Retail Distribution	600	1.82

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution (“Article XIII A”). Article XIII A limits *ad valorem* taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations that impact the residents of the City are comprised of debts incurred by Eastern Municipal Water District, Metropolitan Water District, Moreno

Valley Unified School District, Nuview School District, Perris Union High School District, Riverside Community College District, San Jacinto Unified School District, and Val Verde Unified School District (collectively, the “City of Moreno Valley Voter-Approved Obligations”). The following table describes the City’s direct and overlapping property tax rates for fiscal years 2002-03 through 2012-13.

**City of Moreno Valley
Direct and Overlapping Property Tax Rates
Fiscal Years 2002-03 through 2012-13**

<u>Fiscal Year Ended June 30</u>	<u>Article XIII A Basic Tax Rate</u>	<u>City of Moreno Valley Voter-Approved Obligations</u>	<u>Total Direct and Overlapping Property Tax Rates</u>
2003	1.00%	.09785%	1.09785%
2004	1.00	.08610	1.08610
2005	1.00	.15079	1.15079
2006	1.00	.13170	1.13170
2007	1.00	.11470	1.11470
2008	1.00	.18585	1.18585
2009	1.00	.23281	1.23281
2010	1.00	.25949	1.25949
2011	1.00	.29430	1.29430
2012	1.00	.31618	1.31618
2013	1.00	.37767	1.37767

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Property Tax Levies, Collections, and Delinquencies

In Riverside County, property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll becomes tax delinquent on June 30. Such property may thereafter be prepaid by payment of the delinquent taxes plus the delinquency penalty, plus a prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes remain unpaid for a period of five years or more, the property is subject to sale by the Riverside County Tax Collector.

In Riverside County, property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the Riverside 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 record in the Riverside County Recorder’s office in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvements, or possessory interests belonging or assessed to the taxpayer.

Riverside County has adopted the Teeter Plan pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code (the “Teeter Plan”). The Teeter Plan permits counties to use a method of apportioning taxes whereby all local agencies, including cities, receive from such counties 100% of their respective share of the amount of secured ad valorem taxes levied, without regard to actual collections of the taxes levied. So long as the Teeter Plan is continued within Riverside County, the local agencies within Riverside County (including the City) are, in effect, guaranteed the full amount of their respective share of the amount of secured *ad valorem* property taxes levied.

The following table details the City's property tax levies and collections for fiscal years 2006-07 through 2012-13.

**City of Moreno Valley
Property Tax Levies and Collections
Fiscal Years 2006-07 through 2012-13**

Year Ended June 30	Taxes Levied for the Fiscal Year ⁽¹⁾	Taxes Collected Within the Fiscal Year of Levy	Percent of Levy
2007	\$35,606,935	\$39,141,295	109.93%
2008	41,349,349	43,457,010	105.10
2009	36,524,643	41,165,168	112.71
2010	31,875,985	35,492,693	111.35
2011	30,099,696	33,658,226	111.82
2012	35,046,104	39,027,115	111.36
2013	27,035,993	31,072,148	114.93

- (1) Amounts include City property taxes, redevelopment tax increment, and in-lieu vehicle license fees.
 (2) Beginning in fiscal year 2012-13, redevelopment tax increment was excluded from the calculation of taxes levied due to the dissolution of the Community Redevelopment Agency of the City of Moreno Valley.
 Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Assessed Property Values

The following table details the assessed value of the secured and unsecured real property within the City for fiscal years 2003-04 through 2012-13.

**City of Moreno Valley
Assessed Value of Taxable Property
Fiscal Years 2003-04 through 2012-13**

Year Ended June 30	Assessed Value of Secured Real Property	Assessed Value of Public Utility Property	Assessed Value of Unsecured Real Property	Total Assessed Value
2004	\$ 6,201,783,053	\$273,900	\$145,640,727	\$ 6,347,697,680
2005	7,228,795,754	273,900	144,565,799	7,373,635,453
2006	9,073,353,798	273,900	154,044,212	9,227,671,910
2007	11,209,994,361	351,600	164,322,582	11,374,668,543
2008	13,272,082,125	351,600	197,971,302	13,470,405,027
2009	13,297,708,504	351,600	231,457,769	13,529,517,873
2010	10,769,479,454	709,625	240,052,170	11,010,241,249
2011	10,290,228,751	709,625	237,717,408	10,528,655,784
2012	10,326,588,963	709,625	270,096,944	10,597,395,532
2013	10,398,541,103	23,650	340,667,041	10,739,231,794

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Outstanding Debt

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during fiscal years 2006-07 through 2012-13 are set forth in the following table.

**City of Moreno Valley
Outstanding Debt
Fiscal Years 2006-07 through 2012-13
(Amounts expressed in thousands)**

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

Fiscal Year Ended June 30	Governmental Activities					Business-Type Activities		Total Primary Governmental Debt
	Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	Redevelopment Tax Allocation Bonds	Notes and Other	Total Governmental Debt	Lease Revenue Bonds	
2007	\$21,415	\$6,590	\$47,393	--	\$ 4,696	\$ 80,094	\$30,870	\$110,964
2008	18,925	6,040	42,157	\$43,495	4,318	114,935	30,870	145,805
2009	17,265	5,470	41,297	42,725	6,849	113,606	30,775	144,381
2010	15,525	4,875	40,378	42,605	6,668	110,051	30,285	140,336
2011	13,655	0 ⁽¹⁾	39,660 ⁽¹⁾	42,475	12,301	108,091	29,780	137,871
2012	11,870	0	38,775	0	12,406	63,051	29,245	92,296
2013	—	—	—	—	—	—	—	—

(1) In 2011, the City defeased the 1997 Lease Revenue Bonds and the 1997 City Hall Certificates of Participation with private placement financing.

Source: City of Moreno Valley Financial & Administrative Services Department.

Taxable Retail Sales

Consumer spending in calendar year 2012 resulted in 1,332,500,000 in taxable sales in the City, which is approximately 13% higher than calendar year 2011. The following table describes the total taxable sales in the City for calendar years 2006 through 2012.

**City of Moreno Valley
Taxable Retail Sales
Calendar Years 2006 through 2012
(000s omitted)**

<u>Year</u>	<u>Retail Stores</u>	<u>Total Outlets</u>
2006	\$1,218,440	\$1,307,961
2007	1,170,236	1,267,045
2008	1,064,374	1,154,650
2009	947,927	1,018,353
2010	994,464	1,067,546
2011	1,092,691	1,172,223
2012	1,214,400	1,332,500

Source for years 2006 through 2011: California State Board of Equalization.

Source for year 2012: City.

The following table describes the taxable sales in the City for each type of business for calendar year 2012.

**City of Moreno Valley
Taxable Retail Sales for Each Type of Business
Calendar Year 2012
(000s omitted)**

	<u>2012</u>
Motor Vehicle and Parts Dealers	\$ 223,905
Home Furnishings and Appliance Stores	41,495
Building Materials and Garden Equipment and Supplies	86,498
Food and Beverage Stores	90,857
Gasoline Stations	213,435
Clothing and Clothing Accessories Stores	89,157
General Merchandise Stores	264,865
Food Services and Drinking Places	180,038
Other Retail Group	<u>109,760</u>
Total Retail and Food Services	\$1,300,010
All Other Outlets	<u>32,490</u>
Total All Outlets ⁽¹⁾	\$1,332,500

(1) Totals may not add due to rounding.
Source: City.

Building Activity

The following table summarizes building activity valuations in the City during the fiscal years 2006-07 through 2012-13.

**City of Moreno Valley
Building Activity Valuations
Fiscal Years 2006-07 through 2012-13
(000s omitted)**

<u>Fiscal Year</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2009-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Residential Valuation	\$132,724	\$ 35,695	\$30,154	\$ 34,476	\$ 6,606	\$ 5,340	\$ 19,044
Commercial Valuation	<u>108,337</u>	<u>90,889</u>	<u>18,482</u>	<u>80,484</u>	<u>87,359</u>	<u>60,893</u>	<u>45,811</u>
Total Valuation	\$241,061	\$126,584	\$48,636	\$114,960	\$93,965	\$66,232	64,855

Source: City.

APPENDIX C

**CITY OF MORENO VALLEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013**

APPENDIX D

CITY OF MORENO VALLEY STATEMENT OF INVESTMENT POLICY

INVESTMENT POLICY

PURPOSE: The City Council of the City of Moreno Valley (City) and its related authorities and agencies recognizes its responsibility to properly direct the investments of funds under its care. It is the purpose of this policy to provide guidelines for the prudent investment of unexpended funds in a manner which allows for maximum security, while at the same time providing the best investment return to meet the daily cash flow demands of the City, and conform to all applicable statutes pertaining to the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy supersedes.

I. Scope

- A.** Investments for the City and its related authorities and agencies will be made on a pooled basis including the City of Moreno Valley the City of Moreno Valley Housing Authority, the Moreno Valley Community Services District, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Public Financing Authority, and the Moreno Valley Industrial Development Authority. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:
1. General Fund
 2. Special Revenue Funds
 3. Debt Service Funds
 4. Capital Project Funds
 5. Internal Service Funds
 6. Agency Funds
 7. Enterprise Funds
- B.** The City Council has the authority to allow investments that do not follow this policy as long as such investments are recommended by the City Manager and City Treasurer, and expressly authorized by the City Council.
- C.** At the time this policy is adopted, the portfolio may hold investments which were made in the past and in accordance with previous policies and existing State law, but do not meet the provisions of this policy. These past investments are grandfathered as permissible investments. The City may choose to hold these investments until maturity; however, their maturity cannot be extended without the expressed authorization of the City Council.
- D.** Funds excluded from this policy
1. **Bond Proceeds.** Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy. The overriding policy for the investment of bond proceeds will be dictated by the bond documents governing such funds as long as the documents are approved by the City Council or related governing board.
 2. **Deferred Compensation Plans.** Investments related to the City's deferred compensation plans are not subject to this policy since third-party administrators manage them and the individual plan participant's direct investment and mutual fund selection. Deferred compensation plans must be approved by the City Council.

II. Prudence

- A.** Prudent Investor Standard: Management of the City's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11-4/24/12

INVESTMENT POLICY

are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

- B.** Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

III. Objectives

- A.** The City’s investment philosophy sets the tone for its policies, practices, procedures and objectives that control the investment function. The investment of funds will be guided by the primary objectives of safety, liquidity and a reasonable market rate of return.
1. **Safety** – Safety of principal is the foremost objective of the investment program. The City will undertake investments in a manner that ensures the preservation of capital in the portfolio taken as a whole.
 2. **Liquidity** – The City will maintain sufficient cash and short-term investment instruments which, together with projected revenues, will provide sufficient liquidity so that the City will be able to meet all operating requirements which might be reasonably anticipated including an amount to cover reasonably estimated contingencies.
 3. **Reasonable market rate of return (Yield)** – The City’s investment portfolio will be designed with the objective to attain a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.
- B.** The investment function will have the ongoing objectives of: assuring compliance with Federal, State and local laws governing the investment of public funds, maintaining reserves for long-term projects and contingencies, and establishing quality standards and limits related to the type of investments made and with which institutions investments are placed.

IV. Delegation of Authority

- A.** The City of Moreno Valley Municipal Code specifies that the City Council will appoint the City Treasurer. By resolution, the City Council has appointed the Financial & Administrative Services Director to serve as the City Treasurer. The Treasurer serves as the chief investment officer for the City and is authorized to invest or deposit the City’s funds in accordance with this policy, California Government Code Sections 53600 and 53630 et seq., and all other related Federal and State laws. The City Treasurer also serves as the Treasurer for the City of Moreno Valley Housing Authority, the Moreno Valley Public Financing Authority, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Community Services District and other related City entities. In the absence of the City Treasurer, and unless otherwise delegated, the Treasury Operations Division Manager/Assistant City Treasurer will serve as the Acting Treasurer. The City Treasurer may appoint

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December 17, 1996

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INVESTMENT POLICY

deputy treasurers to act on behalf of the City. The City Treasurer will provide written authorization in delegating any of his/her authority.

- B. The City Manager will provide periodic oversight to the investment function which includes but is not limited to reviewing monthly investment reports issued by the City Treasurer.
- C. The City Council's primary responsibilities over the investment function include approving the Investment Policy, annually reviewing such policy, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and other unique financing transactions, and authorizing any deviations from the City's investment policies.
- D. The Finance Sub-Committee of the City Council will provide oversight to the investment function through the periodic review of the investment report at their committee meetings.
- E. The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

V. Investment Procedures

- A. The City Treasurer shall establish internal procedures for the operation of the investment program consistent with this policy. These procedures shall include, but are not limited to, the following items:
 - 1. Safekeeping
 - 2. Master repurchase agreements
 - 3. Wire transfer agreements
 - 4. Collateral/Depository agreements
 - 5. Broker/Dealer relationships
- B. Cash handling and cash management are integral components of an effective investment management program. In keeping with the Administrative Policy on Cash Control, the aforementioned procedure manual shall include references to the following:
 - 1. Cash collection practices
 - 2. Depository practices
 - 3. Cash flow issues
 - 4. Cash flow projections
 - 5. Anti-theft/Anti-fraud practices
 - 6. Banking agreements
 - 7. Accounting practices
- C. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.
- D. Allocation of Pool Interest
 - 1. All interest earnings related to the investment pool will be allocated to the General Fund unless specifically directed by Federal or State statute, City Council directive or contractual agreement.
 - 2. The allocation methodology will be maintained by the City Treasurer.

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December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11-4/24/12

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VI. Ethics and Conflict of Interest

- A. All officials, staff members and consultants, involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which may impair their ability to make impartial investment decisions. Officials, staff members, and consultants, will disclose to the City Manager any financial interests with a financial institution, provider, dealer or broker that conducts business with the City.
- B. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the City's cash and investment portfolio.
- C. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers and dealers will disclose any fee sharing arrangements or fee splitting to the City Manager prior to the execution of any transactions. The providers must disclose the percentage share and approximate dollar amount share to the City prior to the execution of any transactions.

VII. Investment Controls

- A. The City Manager shall oversee and ensure that the City Treasurer implements and maintains a system of internal investment controls and segregated responsibilities of the investment function in order to prevent the following:
 - 1. Fraud
 - 2. Theft
 - 3. Loss of principal
 - 4. Loss of control over funds
 - 5. Inaccurate reporting
 - 6. Negligence
 - 7. Over-reliance on a single employee for investment decisions
- B. Internal controls should include but are not limited to (for a more specific list of internal controls see the investment management plan):
 - 1. Segregation of duties (e.g., the purchaser of investments is different than the person recording the transaction)
 - 2. Reconciliation of investment report and cash balances
 - 3. Dual authorization of transactions
- C. An external auditor will review the investment program annually in order to provide reasonable assurance that policy and procedures are complied with.

VIII. Authorized Financial Dealers and Institutions

- A. The City Treasurer will obtain financial information from qualified institutions to determine if the institution markets in securities appropriate to the City's needs, can assign qualified sales representatives, and can provide written agreement to abide by the conditions set forth in the City of Moreno Valley Investment Policy.
- B. The City Treasurer will maintain a list of financial institutions and broker/dealers authorized to provide investment services to the City who are authorized to provide investment services in the State of California. An eligible designation does not guarantee that the City will do business with the firm or institution.

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11; 4/24/12

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- C. The following criteria will be used in determining investment providers
1. Broker/Dealers: The purchase by the City of any investment other than those purchased directly from the issuer shall be purchased from a broker/dealer firm designated as a "Primary Government Dealer" by the Federal Reserve Bank of New York or a regional dealer that qualifies under SEC Rule 15C3-1 (uniform net capital rule).
 2. Banks: The City shall purchase securities from banks which meet all of the following criteria:
 - a. Nationally or State chartered banks
 - b. Registered as investment securities dealers with the Securities and Exchange Commission
 - c. Independently rated "A" or higher by two nationally recognized statistical ranking organizations
 3. Investment Bankers, Underwriters and Financial Advisors: The purchase by the City of any investments from these providers in the course of completing a bond transaction must be expressly authorized by the City Council after such a provider discloses their commission, spread or fee in approximate dollar amount. Otherwise, the acquisition of such investments must be procured from the broker/dealers customarily used by the City.
 4. The Federal Reserve Bank: Direct purchases of Treasury bills, notes and bonds from the U.S. Federal Reserve Banks branches are allowed and are exempt from quality requirements.
- D. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must provide the following information to the City Treasurer:
1. A completed City of Moreno Valley Broker/Dealer Questionnaire
 2. Audited financial statements
 3. Proof of Financial Industry Regulatory Authority (FINRA) certification
 4. Trading resolution
 5. Proof of state registration
 6. Certification of having read and willingness to comply with City's investment policy.
- E. The City Treasurer will conduct an annual review of the financial condition and registrations of brokers/dealers on the City's approved list.
- F. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which or with which the City invests.
- G. Certificates of deposit will not be placed with an institution once it has received a Cease and Desist order from any bank regulatory agency.

IX. Authorized and Suitable Investments (with quality and limitation guidelines)

- A. The California Government Code sections 53600 et seq. governs the allowable investments into which a local government agency can enter. These Government Code sections also stipulate as to the portfolio percentage limits and investment quality standards for some but not all permitted investments. The Government Code sections provide a starting point for establishing the City quality standards, percentage limits and maturity levels. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

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December 17, 1996

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B. Whenever a maximum allowable percentage of the portfolio is stipulated for any type of security as detailed below, the limit or maximum allowable is determined by the portfolio size or composition at the close of the date on which the security is purchased.

C. Following is a table summarizing allowable investments for the City. This table summarizes and is consistent with California Government Code Sections 53600 and 53630 et seq.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	— none —	— none —
U.S. Treasury Obligations	5 years	— none —	— none —
State Obligations — CA and Others	5 years	— none —	— none —
CA Local Agency Obligations	5 years	— none —	— none —
U.S. Agency Obligations	5 years	— none —	— none —
Bankers' Acceptances	180 days	40%	— none —
Commercial Paper —Select Agencies	270 days	25% of the agency's invested funds	"A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Commercial Paper —Other Agencies	270 days	40% of the agency's invested funds	A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Negotiable Certificates of Deposit	5 years	30%	— none —
CD Placement Service	5 years	30%	— none —
Repurchase Agreements	1 year	— none —	— none —
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	— none —
Medium-Term Notes	5 years	30%	"A" rating
Mutual Funds and Money Market Mutual Funds	n/a	20%	Multiple
Collateralized Bank Deposits	5 years	— none —	— none —
Mortgage Pass-Through Securities	5 years	20%	"AA" rating
Bank/Time Deposits	5 years	— none —	— none —
County Pooled Investment Funds	n/a	— none —	— none —
Joint Powers Authority Pool	n/a	— none —	Multiple
Local Agency Investment Fund (LAIF)	n/a	— none —	— none —

D. Investment Pools: A thorough investigation of an Investment Pool account is required prior to investing, and on a continual basis. The investigation must include information, if available, on the following items before investing:

1. A description of eligible investment securities, and a written statement of investment policy.
2. A description of interest calculations and distribution and how gains and losses will be treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often the securities are priced and the program audited.

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December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11; 4/24/12

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4. A description of who may invest in the program, how often and what is the allowable size of deposits and withdrawals, and any limitations as to number of transactions.
 5. A schedule for receiving statements and portfolio listings.
 6. Are reserves, retained earnings, etc. utilized by the pool?
 7. Is the pool eligible for bond proceeds and/or will it accept such proceeds?
- E. Repurchase Agreements are legal and authorized by policy. In order to invest in repurchase agreements the City must obtain a signed Master Repurchase Agreement from the participating bank or broker/dealer.
- F. Prohibited Investment Transactions and Derivatives:
1. The Government Code specifically prohibits certain types of investment instruments for municipalities. In addition to those prohibitions, the following investments are not permitted:
 - a. Reverse Repurchase Agreements
 - b. Financial futures or financial option contracts
 - c. Security lending
 2. Additionally the City shall not invest in any security that could result in zero interest accrual if held to maturity.
 3. Due to the complexity of the securities market and ever-changing market conditions, it is difficult to define derivatives and specifically prohibit their acquisition. Therefore, the City desires to limit the potential risk of derivatives by specifically prohibiting the most common types of derivatives with certain market exposures. These prohibited derivatives include but are not limited to: inverse floaters, interest only securities derived from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, futures contracts, interest rate futures contracts, foreign currency futures contracts, option based derivatives, option contracts, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.
 4. Leveraging
 - a. The City may not purchase investments on a margin or through a margin account.
 - b. The General Portfolio may not be leveraged by more than 30% through the issuance of tax and revenue anticipation notes (TRANS). The proceeds of any TRANS issue are to be invested in accordance with the guidelines in this policy, with investment maturities not to exceed the life of the TRANS.
 - c. The City may not leverage its investments through the use of reverse repurchase agreements.

X. Collateralization

- A. Bank Deposits: Under provisions of the Government Code, California banks and savings and loan associations are required to secure the City's deposits by pledging government securities with a value of 110% of principal and accrued interest. State law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.

 Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11-4/24/12

INVESTMENT POLICY

- B. Certificates of Deposit:**
1. The market value of securities that underlay certificates of deposit shall be valued at 110% of the market value of principal and accrued interest.
 2. The City Treasurer, at his/her discretion may waive the collateral requirement for deposits up to the maximum dollar amount which are covered by the Federal Deposit Insurance Corporation.
- C. Repurchase Agreements**
1. The market value of securities that underlay certificates of deposit shall be valued at 102% of the market value of principal and accrued interest.
 2. The value shall be adjusted no less than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back to 102% no later than the next business day.
- D.** A clearly marked evidence of ownership, safekeeping receipt, must be supplied to the City and retained.
- E.** The City chooses to limit collateral to US Treasuries.
- F.** Collateral will always be held by an independent third-party with whom the entity has a current written custodial agreement.
- G.** The right of collateral substitution is granted based on the approval of the City Treasurer and City Manager.

XI. Safekeeping, Custody and Competitive Bids

- A.** Third-party safekeeping is required for all investments. Securities may be maintained by a banking institution or a broker/dealer firm for safekeeping as long as the securities are held in the City's name.
- B.** Third-party safekeeping arrangements will be approved by the City Treasurer and will be corroborated by a written custodial agreement.
- C.** All investment transactions of the City will be conducted using standard delivery vs. payment (DVP) procedures.
- D.** All securities held by the safekeeping custodian on behalf of the City shall have the City of Moreno Valley as the registered owner, and all interest and principal payments and withdrawals shall indicate the City of Moreno Valley as the payee.
- E.** All bank deposits will be FDIC insured or deposited with institutions that comply with the State collateral requirements for public funds.
- F.** Securities used as collateral for repurchase agreements with a maturity from one to seven days can be held in safekeeping by a third party bank trust department or by the broker/dealer's safekeeping institution, acting as the agent for the City, under the terms of a custody agreement executed by the selling institution and by the City specifying the City's "perfected" ownership of the collateral.

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11; 4/24/12

INVESTMENT POLICY

- G. All investment transactions shall be conducted on a competitive basis with quotes from a minimum of three brokers or financial institutions when possible.

XII. Diversification and Credit Risk Management

- A. Investments contained within the portfolio will be diversified by security type, institution and maturity.
- B. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio.
- C. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.
- D. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences; and,
- E. If securities owned by City are downgraded by any nationally recognized statistical ratings organization to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
1. If a security is downgraded, the City Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 2. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

XIII. Maximum Maturities

- A. The City Treasurer will maintain sufficient liquidity in cash and short-term investments, which together with projected revenue receipts will meet the cash flow requirements of the City for the upcoming six months.
- B. The City will not directly invest in securities maturing more than five years away from the settlement date. In any case, where a cash flow is matched with an investment which exceeds the five year limit, the investment must be approved by the City Council.
- C. The average weighted maturity of the general portfolio shall not exceed 3 years. The general portfolio does not include bond proceeds or deferred compensation funds.
- D. To the extent possible, longer-term investment maturities will be spaced so that a portion of such investments mature each year to cover unanticipated emergencies.

XIV. Performance Standards

- A. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints.
- B. The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on a market benchmark Index of similar securities, as determined by the City Treasurer.

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11-4/24/12

INVESTMENT POLICY

- C. Market Return (Benchmark): The City's investment strategy is active. Given this strategy, the basis used by the Treasurer to determine whether market return is being achieved shall be to identify a benchmark which reflects a portfolio structure that is comparable to the City's portfolio. *An example as it pertains to the long term portion of the portfolio would be the Bank of America Merrill Lynch Index of 1 to 5 Year Government securities.*

XV. Reporting

- A. The City Treasurer will provide a monthly report to the City Manager and City Council which will include the following information by security held at the end of the reporting period:
1. Investment Type
 2. Issuer
 3. Maturity Date
 4. Par Value
 5. Market Value
 6. Book Value
 7. Weighted Average Maturity
 8. Source of Market Valuation
 9. Monies maintained within the treasury
 10. Funds, investments and loans that are under the management of contracted parties
- B. Quarterly, and within 60 days of the completion of the quarter, the City Treasurer will submit a report to the City Council in open public meeting with the same investment information provided to the City Manager and City Council on a monthly basis with the addition of the following data:
1. A description of the compliance with the statement of investment policy, or manner in which the portfolio is not in compliance.
 2. A statement denoting the ability of the City to meet cash flow requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

XVI. Investment Policy Adoption

- A. Annually, the City Treasurer will render to the City Council a Statement of Investment Policy, including any changes or revisions, to be reviewed and approved at a public meeting.

XVII. Record Retention

- A. The following investment or cash management documents will be maintained in accordance with Chapter 2.60 of Title 2 of the City of Moreno Valley Municipal Code:
1. Investment Reports and supporting documentation
 2. Third-party statements of assets held
 3. Investment permanent files
 4. Market pricing documentation

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11; 4/24/12

APPENDIX E

FORM OF BOND COUNSEL OPINION

[TO BE PROVIDED BY BOND COUNSEL]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”), dated [Closing Date], is executed and delivered by the City of Moreno Valley (the “City”), on behalf of itself and the Moreno Valley Public Financing Authority (the “Authority”), in connection with the issuance by the Authority of \$_____ aggregate principal amount of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the “Bonds”). The Bonds are being issued pursuant to a Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

The Authority hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

This Disclosure Certificate is being executed and delivered by the City, for itself and on behalf of the Authority, for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions.

In addition to the definitions set forth in the Trust Agreement and in the Master Facilities Sublease, dated as of December 1, 2013 (the “Facilities Sublease”), by and between the Authority and the City, 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” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Annual Report Date” shall mean the date in each year that is nine (9) months after the end of the City’s Fiscal Year, the end of which, as of the date of this Disclosure Certificate, is June 30.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent that is so designated in writing by the City and which has filed with the then current Dissemination Agent a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement dated December ___, 2013, relating to the Bonds.

“Participating Underwriter” shall mean E. J. De La Rosa & Co., Inc., the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5), adopted by the Securities and Exchange Commission in compliance with the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2015, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) calendar days prior to each such Annual Report Date, the City shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the City. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City (which include information regarding the funds and accounts of the City), if any, may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the City's Fiscal Year changes, the City shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(b) If the City is unable to provide to MSRB an Annual Report by the date required in subsection (a), the City shall send to MSRB a notice in substantially the form attached hereto as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

- (i) provide any Annual Report received by it to the MSRB by the date required in subsection (a); and
- (ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Certificate, and stating the date the Annual Report was so provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City, which include information regarding the funds and accounts of the Authority, if any, for the most recent Fiscal Year of the City then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the City shall provide a notice of such modification to MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(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 rates for property within the City for the most recently completed Fiscal Year;
- (iii) property tax levies, collections, and delinquencies for the most recently completed Fiscal Year; and
- (iv) outstanding debt of the City for the most recently completed Fiscal Year, including tax increment, revenue, and lease indebtedness.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority, the City, or related public entities, that are available to the public on MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 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:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on any reserve fund for the Bonds reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;
- (v) substitution of any credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to the rights of Owners of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers for the Bonds;
- (ix) defeasances;
- (x) any release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) any bankruptcy, insolvency, receivership, or similar event of the Authority or the City [this Listed Event is considered to occur when any of the following occur: the appointment

of a receiver, fiscal agent, or similar officer for the Authority or the City 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 Authority or the City, or if such jurisdiction has been assumed by leaving the existing governing 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 Authority or the City];

(xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the City or the sale of all or substantially all of the assets of the Authority or 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, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above, the City shall as soon as possible determine if such event would be material under applicable federal securities laws. If the City determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(c) Upon and after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above), the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(d) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with MSRB, not in excess of ten (10) business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

(e) The City hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the City and that the Trustee or the Dissemination Agent shall not be responsible for determining whether the City's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the City, the Trustee, and the Dissemination Agent 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).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent may resign by providing thirty days written notice to the City and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the City. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the City in a timely manner and in a form suitable for filing.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City and the Dissemination Agent may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived; provided that the following conditions are satisfied:

(a) If the amendment or waiver is related to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the City or the type of business conducted thereby;

(b) The undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to such Trust Agreement with the consent of Owners or (ii) does not, in the opinion of the City or nationally recognized bond counsel, materially impair the interest of Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City and the Authority to meet their respective obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to MSRB.

Section 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 Annual Report or 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 Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Owner of a Bond, Participating Underwriter, or Trustee 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 a default under the Trust Agreement, 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.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent and its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities that it may incur arising out of or in the exercise or performance of its duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this section shall survive resignation or removal of the Dissemination Agent and payment of all of the Bonds. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the City pursuant to this Disclosure Certificate. The City shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

CITY OF MORENO VALLEY

Chief Financial Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Moreno Valley Public Financing Authority
Name of Bond Issue: Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013
Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the City of Moreno Valley (the “City”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated [Closing Date], executed by the City. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF MORENO VALLEY

By: _____
Authorized Signatory

[APPENDIX G]

[SPECIMEN BOND INSURANCE POLICY]

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: John Terell, Community & Economic Development Director

AGENDA DATE: December 10, 2013

TITLE: CITY FINANCIAL PARTICIPATION WITH CHAMBERS OF COMMERCE

RECOMMENDED ACTION

Recommendations:

1. Provide formal City financial support by joining the three Moreno Valley Chambers of Commerce at their corporate or higher level.

SUMMARY

Moreno Valley has three established Chambers of Commerce – The Moreno Valley Chamber of Commerce (MVCC), the Moreno Valley Hispanic Chamber of Commerce (MVHCC) and the Moreno Valley Black Chamber of Commerce (MVBCC). For the past several years, the City has had Agreements for Service with two of the chambers of commerce – the MVCC and the MVHCC. This is a practice used by many cities to partner with chambers of commerce to provide specified business outreach services and special business support programs. At a Study Session earlier this year, Council members expressed concerns with the current practice and requested alternatives to the relationship between the City and the Moreno Valley Chambers of Commerce.

This report recommends providing formal City financial support by joining the three Moreno Valley Chambers of Commerce at their corporate or high levels.

DISCUSSION

The funding levels for the Agreements for Services with the MVCC and the MVHCC were reduced in FY 2010/11 as part of the Deficit Elimination Plan. The present annual

compensation is \$18,090 for the MVCC and \$6,030 for the MVHCC. The MVBCC does not currently receive any formal City financial support, as the organization declined to enter into an Agreement for Service. In addition to the formal contracts, the City purchases tickets for City attendees at local Chamber events.

Chambers of Commerce provide important services to local business, including networking and promotional opportunities, information on local resources and providing a conduit for issues and concerns of the business community (individually or as a group). The Chambers are often the first point of contact for new businesses seeking to open in the City. Therefore, staff would recommend a level of formal City financial support to maintain and enhance the viability of Moreno Valley's Chambers of Commerce.

Current City economic development staff resources include a Management Analyst and a portion of the Director's and Department Administrative Assistant's time. Given the myriad of other City Council priorities, staff believes that a competitive process for the provision of general business support services may not be the best use of these limited resources to select and administer competitive contracts. Therefore, staff would recommend serious consideration of the third alternative – membership in Moreno Valley's Chambers of Commerce.

The Economic Development Subcommittee reviewed information relative to financial support for the Moreno Valley Chambers of Commerce on September 12, 2013 and October 10, 2013 after which they unanimously concurred with staff's recommendation to provide formal City financial support by joining the three Chambers at their corporate or higher level.

ALTERNATIVES

Potential alternatives to the current practice are as follows:

1. Provide no formal City financial support.
2. Provide formal City financial support pursuant to a Request for Proposals or similar process.
3. Provide formal City financial support by joining the three Chambers at their corporate or higher level.

All three Moreno Valley Chambers of Commerce offer a corporate membership ranging between \$300 and \$500 per year. The MVCC and the MVHCC both have several major events in the City each year, which offer sponsorship or attendance opportunities. The MVCC also offers different levels of corporate support, with the highest level being Gold. The Gold level provides a table at three major events and a variety of other recognition and promotion opportunities. The Gold level membership is \$10,000 per year. Current Gold level members are Riverside County Supervisor Marion Ashley, Visterra Credit Union and Waste Management of the Inland Valleys.

FISCAL IMPACT

Should the City Council concur in a membership support process, staff recommends the following specific elements:

1. Gold level membership in the MVCC and corporate membership in the MVBCC and the MVHCC. (MVCC = \$10,000; MVBCC = \$495 and MVHCC = \$300)
2. Table sponsorship/attendance for up to three MVBCC and MVHCC events held in the City, similar to the provisions of the MVCC Gold membership. Based on current memberships of the MVBCC and the MVHCC compared to the MVCC, the support beyond membership would be limited to \$1,500 per organization.

The current Economic Development budget includes \$24,120 for Chamber of Commerce contracts/support. The recommendation outlined above would cost between \$12,000 and \$15,000. The balance of the budget could be used for other Chambers of Commerce related services on a case-by-case basis or diverted to other services to the local business community. Those additional services would be sought through a request for proposal process.

CITY COUNCIL GOALS

City financial support of the Moreno Valley Chambers of Commerce promotes advocacy by developing cooperative intergovernmental and corporation relationships and contributes to a positive business environment for the development of Moreno Valley's future.

NOTIFICATION

Representatives from the three Moreno Valley Chambers of Commerce received notification of this agenda item.

Prepared By:
John Terell
Community & Economic Development Dir.

Department Head Approval:
John Terell
Community & Economic Development Dir.

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council and Mayor and City Council, acting in their capacity as President and Board of Directors of the Moreno Valley Community Services District

FROM: Michael McCarty, Director of Parks and Community Services

AGENDA DATE: December 10, 2013

TITLE: LASSELLE SPORTS PARK - EXECUTION OF EASEMENT DEEDS FOR WATER AND SEWER PURPOSES TO EASTERN MUNICIPAL WATER DISTRICT

RECOMMENDED ACTION

Recommendations:

1. Authorize the Mayor to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-260-016.
2. Authorize the President of the Community Services District (CSD) to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
3. Authorize the President of the CSD to execute the Easement Deed for Sewer Man-hole Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
4. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
5. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024 and 312-130-025.
6. Direct the City Clerk to forward the signed Easement Deeds to Eastern Municipal Water District for further processing and recordation.

SUMMARY

This report recommends authorization to execute easement deeds for water and sewer purposes to Eastern Municipal Water District for Lasselle Sports Park.

DISCUSSION

As part of the approval process for obtaining water and sewer permits and service for Lasselle Sports Park, the City and CSD are required to provide easements for access to pipeline and related appurtenances within the property. The easements required are for recycled water and access easement and sewer and man-hole access easement.

The Moreno Valley Ranch Development Agreement required the master developer to provide a sports park on Lasselle Street. Since the developer defaulted, the City acquired the property the developer dedicated, therefore being the entity that would grant easements for utilities. A smaller portion of the park site was acquired by the CSD for use as a parking lot for the park. The water and sewer lines and man-hole access are within the park, which consist of two parcels (one City, one CSD), serving the park. The Easement Deeds will provide EMWD the legal authorization to maintain their utilities and appurtenances. The easements are for the access, maintenance, operation, and repair of underground recycled water and sewer utilities. The proposed easements vary in width and length.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this Staff Report.

This alternative will allow the City and CSD to provide Eastern Municipal Water District access to their facilities as identified and essential for obtaining a final for the park project.

2. Do not approve and authorize the recommended actions as presented in this Staff Report. This alternative will not allow the City and CSD to obtaining a final for the project and acquire services for the park.

FISCAL IMPACT

No fiscal impact.

NOTIFICATION

Publication of the agenda.

ATTACHMENTS

Attachment 1 through 5 – Easement Deed and Exhibits

Prepared By:
Tony Hetherman
Parks Projects Coordinator

Department Head Approval:
Michael McCarty
Director of Parks and Community Services

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RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in Presence of
Notary & Notarized.

No Recording Fee Required Pursuant to Government Code Section 27383

APN 312-260-016
W.O: 12946
RB- 5583-5584

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

CITY OF MORENO VALLEY,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate, a pipeline or pipelines and other facilities, including, but not limited to, measuring devices, air valves, blow-offs, test stations and service connection structures, appurtenant to the pipeline or pipelines for reclaimed water transmission and distribution, together with the right of access and for road purposes, including the use of vehicular traffic for any purpose, in, on, over, under, upon, along, through and across the property hereinafter described, together with reasonable right of access to and from said easement for the purpose of exercising the rights granted in said easement. Grantee has the right, but not the duty to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to install the facilities provided for under the term of the easement granted herein: and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said pipeline or pipelines, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

Notwithstanding the foregoing, the surface of the ground with respect to the distance from the ground surface to the top of any pipes, as of the date of this easement, shall not be changed by any party other than Grantee, if it results in:

- (a) "Cutting" or removing the soil, which leaves less than thirtysix (36) inches of soil over the top of the pipe; and
- (b) "Hauling" in of soil or "filling" which will leave more than six (6) feet of soil over the top of any pipe.

It is understood that the permanent easements and the rights of way above described shall be acquired subject to the rights of the Grantor, Grantor's successors, heirs and assigns, to use the surface of the real property within the boundaries of such easements and rights of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

Grantee, its successors and assigns, shall restore, or cause to be restored, the surface or subsurface of the real property hereinabove described to the condition said property was in as of the time of performance of any enlargement, construction, reconstruction, removal and replacement, operation, inspection, maintenance, repair, improvement and relocation, and such restoration shall be performed with due diligence and dispatch.

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____, 20____.

GRANTOR (S): CITY OF MORENO VALLEY

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

CITY OF MORENO VALLEY

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATER DISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

**EASTERN MUNICIPAL WATER DISTRICT
RECYCLED WATER AND ACCESS EASEMENT**

W.O.: 12946
APN: 312-260-016
GRANTOR: CITY OF MORENO VALLEY

LEGAL DESCRIPTION

PARCEL A

That portion of Parcel 1 of Parcel Map No. 30352, in the City of Moreno Valley, County of Riverside, State of California, as shown on the map filed in Book 202, Pages 93 through 95, inclusive, of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land, 40.00 feet in width, lying 20.00 feet on each side of the following described centerline:

Commencing at the northwesterly corner of said Parcel 1;

Thence along the northerly line of said Parcel 1, South 88°30'19" East, 113.04 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said northerly line, South 00°35'45" West, 175.14 feet;

Thence South 45°35'45" West, 63.78 feet;

Thence South 01°35'56" West, 701.86 feet;

Thence South 46°35'56" West, 63.33 feet;

Thence South 00°35'45" West, 7.95 feet to the **POINT OF TERMINUS** on the southerly line of said Parcel 1, being distant South 88°30'50" East, 10.12 feet from the southwesterly corner of said Parcel 1.

The sidelines of the above described strip of land shall be extended or shortened to begin or terminate at the northerly, southerly and westerly lines of said Parcel 1.

The above described parcel contains 0.925 acres, more or less.

PARCEL B

That portion of Parcel 1 of Parcel Map No. 30352, in the City of Moreno Valley, County of Riverside, State of California, as shown on the map filed in Book 202, Pages 93 through 95, inclusive, of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land 40 feet in width, lying 20.00 feet on each side of the following described centerline:

Commencing at the northwesterly corner of said Parcel 1;

EXHIBIT A: RECYCLED WATER AND ACCESS EASEMENT

W.O.: 12946

APN: 312-260-016

Thence along the northerly line of said Parcel 1, South 88°30'19" East, 113.04 feet;

Thence leaving said northerly line, North 00°35'45" East, 7.44 feet;

Thence North 46°35'56" East, 26.79 feet;

Thence South 88°24'04" East, 180.92 feet;

Thence South 45°00'00" East, 37.79 feet to said northerly line, and the **TRUE POINT OF BEGINNING**;

Thence continuing South 45°00'00" East, 17.27 feet;

Thence North 90°00'00" East, 93.03 feet to the easterly line of said Parcel 1 and the **POINT OF TERMINUS**.

The sidelines of the above described strip of land shall be extended or shortened to begin or terminate at the northerly and easterly lines of said Parcel 1.

The above described parcel contains 0.084 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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



John C. Bentley, P.L.S.7223
David Evans and Associates, Inc.
4200 Concourses, Suite 200
Ontario, CA 91764
(909) 481-5750

7-10-13
Date



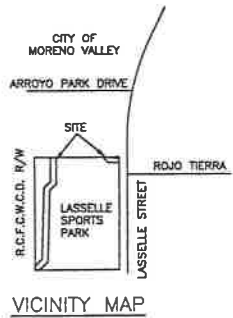
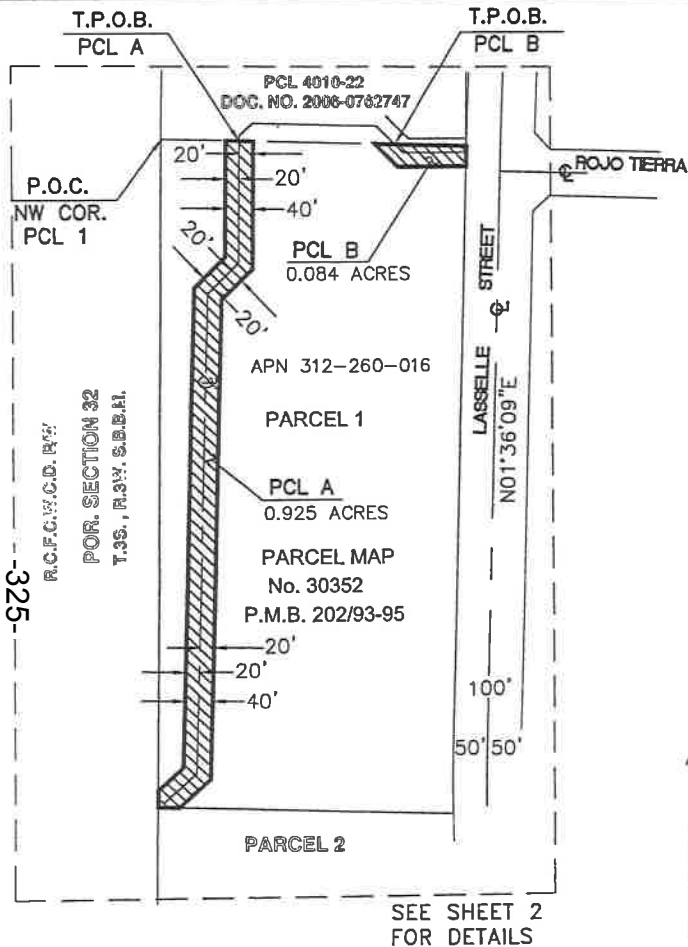
EXHIBIT 'B'

PREPARED BY ME OR UNDER MY DIRECTION.

John C. Bentley
 JOHN C. BENTLEY, PLS 7223 DATE 7-10-13
 EXP. DATE: 12/31/2014



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.481.5750



CURVE DATA			
CURVE	DELTA	LENGTH	RADIUS
C1	00°01'33"	2.73'	6050.00'

LINE DATA		
LINE	BEARING	DISTANCE
L1	S00°35'45"W	175.14'
L2	S45°35'45"W	63.78'
L3	S88°30'19"E	40.00'
L4	S45°35'45"W	63.98'
L5	N45°35'45"E	63.57'
L6	N01°36'09"E	39.60'
L7	N86°14'19"W	1.17'
L8	N00°35'45"E	7.44'
L9	N46°35'56"E	26.79'
L10	N01°36'09"E	6.69'
L11	N90°00'00"E	100.75'
L12	N45°00'00"E	17.27'
L13	N88°30'19"W	29.05'
L14	N45°00'00"W	46.63'
L15	N90°00'00"E	93.03'
L16	N01°36'09"E	20.01'
L17	N88°30'19"W	104.38'
L18	OMITTED	
L19	OMITTED	
L20	OMITTED	
L21	S46°35'56"W	63.33'
L22	S00°35'45"W	7.95'
L23	S46°35'56"W	62.81'
L24	N46°35'56"E	49.80'
L25	N88°30'50"W	30.35'
L26	N00°35'52"E	25.83'
L27	S88°30'50"E	10.12'
L28	S88°24'04"E	180.92'
L29	S45°00'00"E	37.79'

PROPERTY DESCRIPTION

IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCEL 1 OF PARCEL MAP NO. 30352, P.M.B. 202/93-95, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

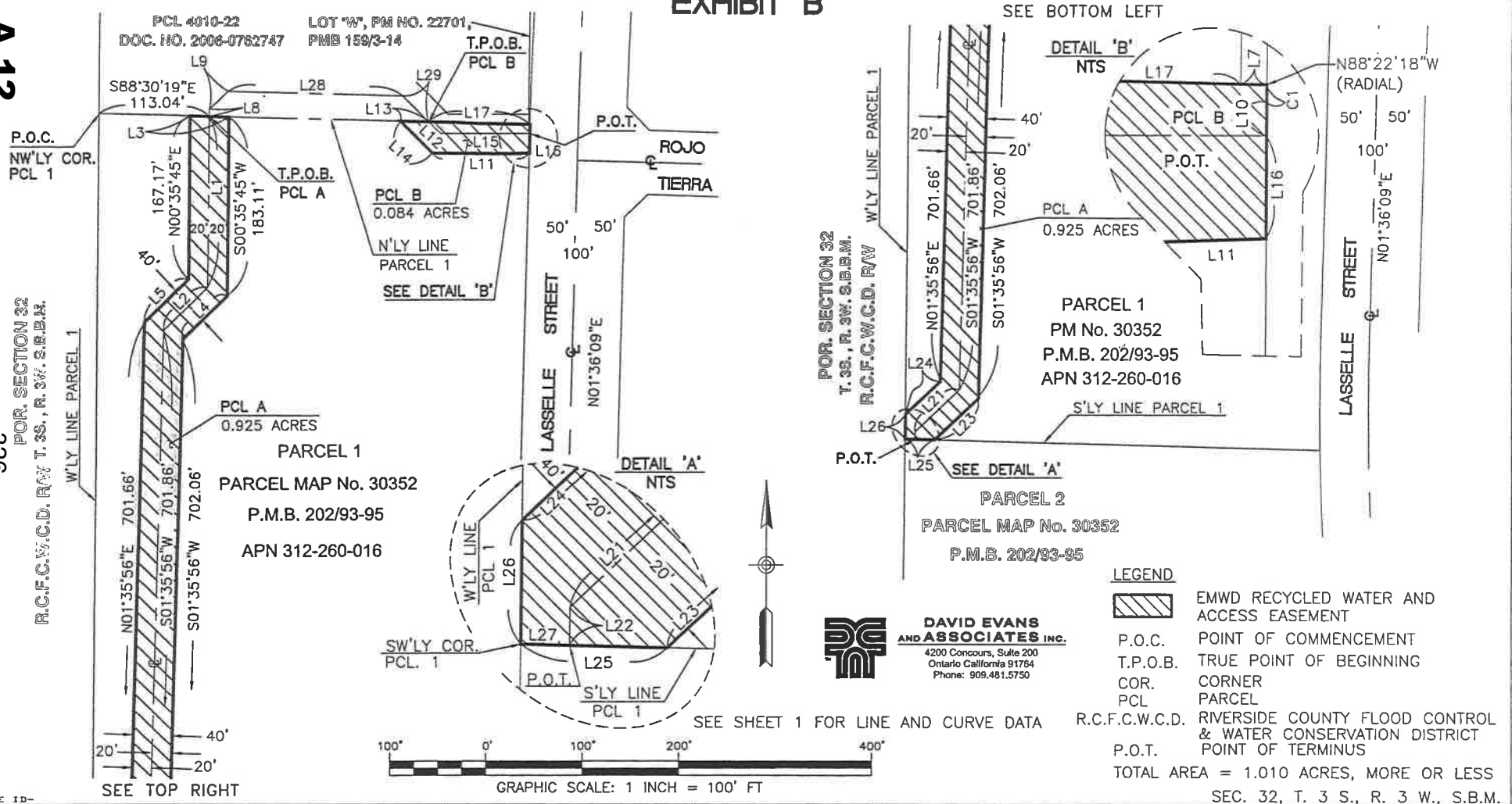
LEGEND

- EMWD RECYCLED WATER AND ACCESS EASEMENT
 - P.O.C. POINT OF COMMENCEMENT
 - T.P.O.B. TRUE POINT OF BEGINNING
 - COR. CORNER
 - PCL PARCEL
 - P.O.T. POINT OF TERMINUS
- TOTAL AREA = 1.010 ACRES, MORE OR LESS
 SEC. 32, T. 3 S., R. 3 W., S.B.M.

Item No. A.12

REVISIONS				REFERENCES			SCALE NOT TO SCALE		DATE		EASTERN MUNICIPAL WATER DISTRICT		RIVERSIDE COUNTY, CALIFORNIA	
DATE	INITIAL	DESCRIPTION	APP'VD	PMB 202/93-95	DESIGNED	RMVE	8/30/11			EMWD GRANT OF EASEMENT PLAT		W. D.	12946	
				RS 65/54-62	DRAWN	RMVE	8/30/11			CITY OF MORENO VALLEY		C. D.		
				PMB 159/3-14	TRACED	JCBE	6/04/13					COORD.		
					CHECKED	DRCR	6/05/13					SHT.	1 OF 2	
					APPROVALS		RECORDING DATA				APPROVED <i>[Signature]</i> 07-18-2013		RB- 5583	
				L.A.M. 7/17/13	ENGINEERING		RIGHT OF WAY		INST. NO.	DATE				

EXHIBIT 'B'



POR. SECTION 32
T. 3S., R. 3W. S.B.M.
R.C.F.C.W.C.D. RW

DAVID EVANS AND ASSOCIATES INC.
4200 Concourse, Suite 200
Ontario California 91764
Phone: 909.481.5750

LEGEND

- EMWD RECYCLED WATER AND ACCESS EASEMENT
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- COR. CORNER
- PCL PARCEL
- R.C.F.C.W.C.D. RIVERSIDE COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
- P.O.T. POINT OF TERMINUS

TOTAL AREA = 1.010 ACRES, MORE OR LESS
SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVIEWS				REFERENCES			SCALE AS SHOWN			EASTERN MUNICIPAL WATER DISTRICT	
NO.	DATE	INITIAL	DESCRIPTION	APP'VD			DESIGNED	AS SHOWN	DATE	RIVERSIDE COUNTY, CALIFORNIA	
					PMB 202/93-95		RMVE		8/30/11	w. d. 12946	
					RS 65/54-62		RMVE		8/30/11	c. d.	
					PMB 159/3-14		JCBE		6/04/13	COORD.	
							DRCR		6/05/13	SHT. 2 OF 2	
				APPROVALS			RECORDING DATA			APPROVED 07-18-2013 EASTERN MUNICIPAL WATER DISTRICT DATE	
				L.A.M. 7/19/13			INST. NO.				
				ENGINEERING			RIGHT OF WAY				

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in Presence of
Notary & Notarized.

No Recording Fee Required Pursuant to Government Code Section 27383

APN: 312-130-024
W.O: 12946
RB- 5581-5582

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate, a pipeline or pipelines and other facilities, including, but not limited to, measuring devices, air valves, blow-offs, test stations and service connection structures, appurtenant to the pipeline or pipelines for reclaimed water transmission and distribution, together with the right of access and for road purposes, including the use of vehicular traffic for any purpose, in, on, over, under, upon, along, through and across the property hereinafter described, together with reasonable right of access to and from said easement for the purpose of exercising the rights granted in said easement. Grantee has the right, but not the duty to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to install the facilities provided for under the term of the easement granted herein: and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said pipeline or pipelines, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

Notwithstanding the foregoing, the surface of the ground with respect to the distance from the ground surface to the top of any pipes, as of the date of this easement, shall not be changed by any party other than Grantee, if it results in:

- (a) "Cutting" or removing the soil, which leaves less than thirtysix (36) inches of soil over the top of the pipe; and
- (b) "Hauling" in of soil or "filling" which will leave more than six (6) feet of soil over the top of any pipe.

It is understood that the permanent easements and the rights of way above described shall be acquired subject to the rights of the Grantor, Grantor's successors, heirs and assigns, to use the surface of the real property within the boundaries of such easements and rights of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

Grantee, its successors and assigns, shall restore, or cause to be restored, the surface or subsurface of the real property hereinabove described to the condition said property was in as of the time of performance of any enlargement, construction, reconstruction, removal and replacement, operation, inspection, maintenance, repair, improvement and relocation, and such restoration shall be performed with due diligence and dispatch.

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____, 20____.

GRANTOR (S): MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATER DISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"
EASTERN MUNICIPAL WATER DISTRICT
RECYCLED WATER AND ACCESS EASEMENT

W.O.: 12946

APN: 312-130-024

GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

A portion of Parcel 4010-22, in the City of Moreno Valley, County of Riverside, State of California, as described in the Grant Deed to the Moreno Valley Community Services District recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, together with a portion of Lot 'W' of Parcel Map No. 22701, as per map filed in Book 159, Pages 3 through 14 inclusive of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land, 40.00 feet in width, lying 20.00 feet on each side of the following described centerline:

COMMENCING at the northwest corner of Parcel 1 of Parcel Map No. 30352, as per map filed in Book 202, Pages 93 through 95, inclusive, of Parcel Maps in said Office of the County Recorder of said County;

Thence along the northerly line of said Parcel 1, South 88°30'19" East, 113.04 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said northerly line North 00°35'45" East, 7.44 feet;

Thence North 46°35'56" East, 26.79 feet;

Thence South 88°24'04" East, 180.92 feet;

Thence South 45°00'00" East, 37.79 feet to said northerly line;

Thence continuing South 45°00'00" East, 17.27 feet;

Thence North 90°00'00" East, 93.03 feet to the **POINT OF TERMINUS** on the easterly line of said Parcel 1;

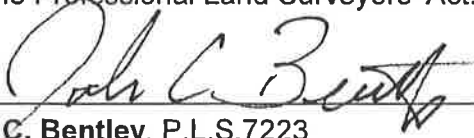
The sidelines of the above described strip of land shall be extended or shortened to begin at the northerly line of said Parcel 1 and to terminate at the easterly line of said Lot 'W'.

The above described parcel contains 0.250 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

EXHIBIT A; RECYCLED WATER AND ACCESS EASEMENT
W.O.: 12946
APN: 312-130-024

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



Date 7-10-13

John C. Bentley, P.L.S.7223
David Evans and Associates, Inc.
4200 Concourse, Suite 200
Ontario, CA 91764
(909) 481-5750



-33-

R.C.F.C.W.C.D. R/W
POR. SECTION 32
T. 3S., R. 3W., S.B.M.

DOC. NO. 2006-0762747, O.R.

REC. 10/17/2006
APN 312-130-024
RS 65/54-62

POR. PCL. POR. PCL 4010-25

LOT 'W'
PM No. 22701
P.M.B. 159/3-14

EXHIBIT 'B'

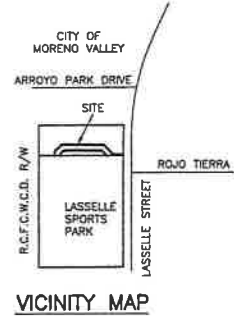
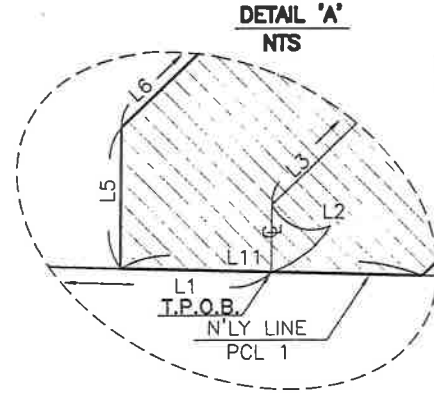
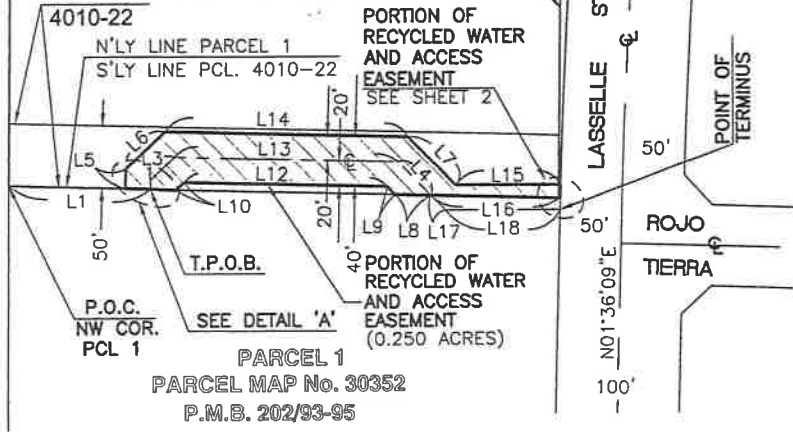
PREPARED BY ME OR UNDER MY DIRECTION.

John C. Bentley
JOHN C. BENTLEY, PLS #223
EXP. DATE: 12/31/2014

7-10-13
DATE

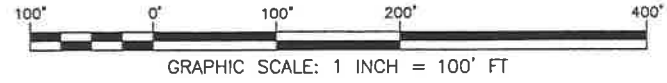


**DAVID EVANS
AND ASSOCIATES INC.**
4200 Concourse, Suite 200
Ontario California 91764
Phone: 909.481.5750



LINE DATA		
LINE	BEARING	DISTANCE
L1	S88°30'19"E	113.04'
L2	N00°35'45"E	7.44'
L3	N46°35'56"E	26.79'
L4	S45°00'00"E	37.79'
L5	N00°35'45"E	15.61'
L6	N46°35'56"E	43.57'
L7	S45°00'00"E	54.74'
L8	N88°30'19"W	29.05'
L9	N45°00'00"W	8.76'
L10	S46°35'56"W	8.97'
L11	N88°30'19"W	40.76'
L12	N88°24'04"W	164.67'
L13	S88°24'04"E	180.92'
L14	S88°24'04"E	197.16'

LINE DATA		
LINE	BEARING	DISTANCE
L15	N90°00'00"E	85.32'
L16	S88°30'19"E	104.38'
L17	N45°00'00"E	17.27'
L18	N90°00'00"E	93.03'



GRAPHIC SCALE: 1 INCH = 100' FT

PROPERTY DESCRIPTION

IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCEL 4010-22 DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

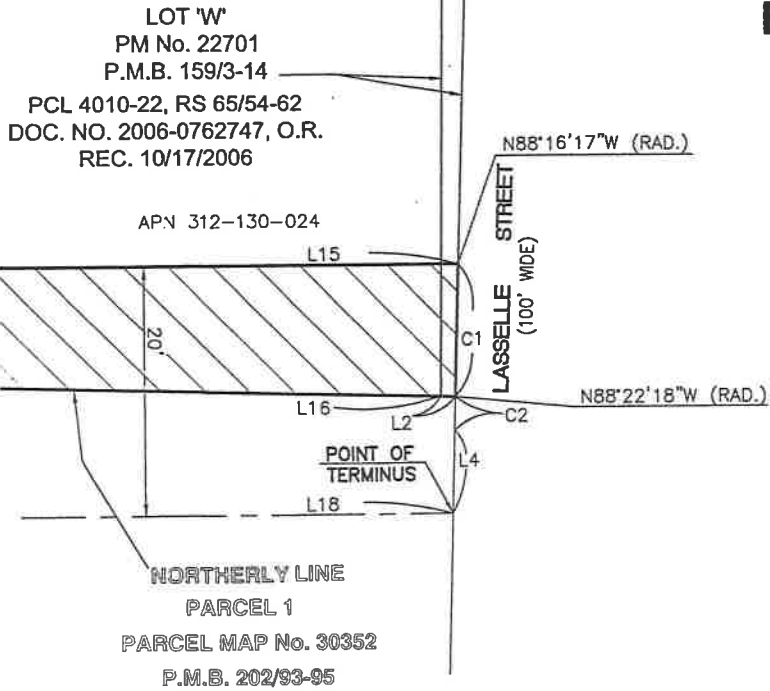
- EMWD RECYCLED WATER AND ACCESS EASEMENT
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- COR. CORNER
- PCL PARCEL
- P.O.T. POINT OF TERMINUS
- TOTAL AREA RECYCLED WATER EASEMENT = 0.250 ACRES

SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVISIONS				REFERENCES			SCALE AS SHOWN		DATE		EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA		W. D. 12946
DATE	INITIAL	DESCRIPTION	APP' VD	PMB 202/93-95	DESIGNED	RMVE	8/30/11			EMWD GRANT OF EASEMENT PLAT		C. D.	
				PMB 159/3-14	DRAWN	JCBE	6/05/13			PROPERTY OF:		COORD.	
				RS 65/54-62 2006-0762746, O.R.	TRACED					MORENO VALLEY COMMUNITY SERVICES DISTRICT		SHT. 1 OF 2	
				DOC. NO. 2006-0762746, O.R.	CHECKED	DRCR	6/06/13			APPROVED <i>John C. Bentley</i> 07-18-2013		DATE	RB- 5581
				APPROVALS		RECORDING DATA							
				L.A.M. 71713	INST. NO.								
				ENGINEERING	RIGHT OF WAY	DATE							

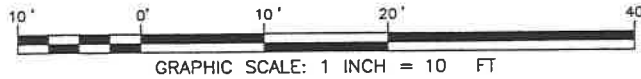
Item No. A.12

EXHIBIT 'B'



CURVE DATA			
CURVE	DELTA	LENGTH	RADIUS
C1	00°06'01"	10.59'	6050.00'
C2	00°01'33"	2.73'	6050.00'

LINE DATA		
LINE	BEARING	DISTANCE
L1	OMITTED	
L2	N86°14'19"W	1.17'
L3	OMITTED	
L4	N01°36'09"E	10.49'



LEGEND

- EMWD RECYCLED WATER AND ACCESS EASEMENT
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- COR. CORNER
- PCL PARCEL
- P.O.T. POINT OF TERMINUS
- TOTAL AREA RECYCLED WATER EASEMENT = 0.250 ACRES

SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVISIONS				REFERENCES			SCALE AS SHOWN			EASTERN MUNICIPAL WATER DISTRICT		
NO.	DATE	INITIAL	DESCRIPTION	APP' VD	PMB 202/93-95	DESIGNED	RMVE	8/30/11	RIVERSIDE COUNTY, CALIFORNIA			
					PMB 159/3-14 DOC. NO.	DRAWN	JCBE	5/06/13	EMWD GRANT OF EASEMENT PLAT			
					RS 65/54-62 2006-0762746, O.R.	TRACED			PROPERTY OF:			
					DOC. NO. 2006-0762747, O.R.	CHECKED	DRCR	5/06/13	MORENO VALLEY COMMUNITY SERVICES DISTRICT			
					APPROVALS			RECORDING DATA				
					L.A.M. 7/17/13	INST. NO.			APPROVED 07-18-2013			
					ENGINEERING	RIGHT OF WAY	DATE		EASTERN MUNICIPAL WATER DISTRICT DATE			
									SHT. 2 OF 2			
									RB- 5582			

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in
Presence of Notary & Notarized.

APN: 312-130-024
W.O: 12946
RB-

No Recording Fee Required Pursuant to Government Code Section 27383

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, repair, improve and relocate, roadway facilities for access and road purposes, including the use of vehicular traffic for any purpose. Grantee has the right, but not the duty, to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over, and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to build adequate access facilities including a paved road, if desired, provided for under the term of the easement granted herein; and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said access improvements, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed, or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

It is understood that Grantor, Grantor's successors, heirs and assigns, may also use the surface of the real property within the boundaries of such easements for access and right of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

IN WITNESS WHEREOF, this instrument has been executed the day of _____, 20__.

GRANTORS: MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20___ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATERDISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

EASTERN MUNICIPAL WATER DISTRICT
ACCESS EASEMENT

W.O.: 12946
APN: 312-130-024
GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

In the City of Moreno Valley, County of Riverside, State of California, being portions of Parcels 4010-22 and 4010-25, as described in the Quitclaim Deed to Moreno Valley Community Services District, recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, described as follows:

Commencing at the southwest corner of the parcel of land described in said Quitclaim Deed;

Thence along the westerly line of said parcel of land, North 00°36'40" East, 46.59 feet;

Thence leaving said westerly line South 88°23'56" East, 24.92 feet to the **TRUE POINT OF BEGINNING**;

Thence North 01°36'04" East, 14.00 feet;

Thence South 88°23'56" East, 41.25 feet;

Thence South 01°36'04" West, 4.14 feet to the beginning of a curve, concave easterly and having a radius of 84.00 feet;

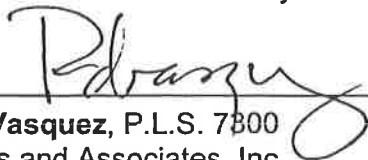
Thence along said curve, an arc distance of 9.89 feet through a central angle of 06°44'50";

Thence non-tangent to last said curve, North 88°23'56" West, 41.83 feet to the **TRUE POINT OF BEGINNING**.

The above described parcel contains 580 square feet, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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

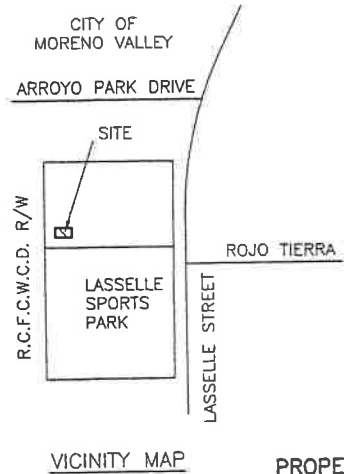
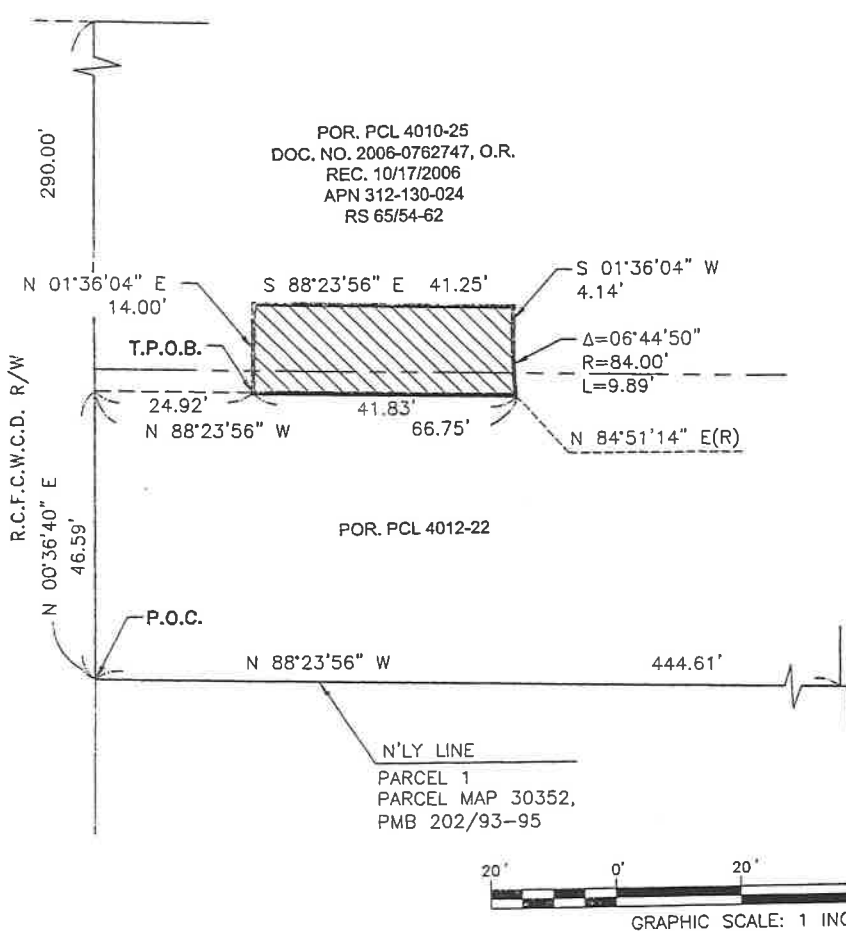


Robert D. Vasquez, P.L.S. 7300 Date
David Evans and Associates, Inc.
4200 Concours, Suite 200
Ontario, CA 91764, (909) 481-5750



EXHIBIT 'B'

PREPARED BY ME OR UNDER MY DIRECTION.



R. Vasquez 12-25-12

ROBERT D. VASQUEZ, PLS 7300 DATE
EXP. DATE: 12/31/2012

DAVID EVANS AND ASSOCIATES INC.
4200 Concourse, Suite 200
Ontario California 91764
Phone: 909.481.5750

PROPERTY DESCRIPTION

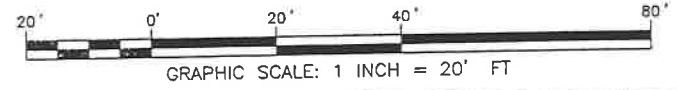
IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCELS 4010-22 AND 4010-25, DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, OFFICIAL RECORDS OF RIVERSIDE COUNTY.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

- EMWD ACCESS EASEMENT, AREA=580 SQ. FEET
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- P.O.T. POINT OF TERMINUS



APN: 312-130-024
SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVISIONS					REFERENCES			SCALE	AS SHOWN	DATE	EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA		v. d.
NO.	DATE	INITIAL	DESCRIPTION	APP. VD	PMB 202/93-95	DESIGNED	KXG	2/9/12			EMWD GRANT OF EASEMENT PLAT PROPERTY OF:		C. D.
					PMB 159/3-14	DRAWN	KXG	2/9/12			MORENO VALLEY COMMUNITY SERVICES DISTRICT		COORD.
					RS 65/54-62	TRACED	MARA	7/18/12			APPROVED <i>[Signature]</i> 12-31-2012		SHT. 1 OF 1
					DOC. NO. 2006-0762747, O.R.	CHECKED	JCBE	10/24/12			APPROVED <i>[Signature]</i> 12-31-2012		RB-
					APPROVALS			RECORDING DATA					
					L.A.M. 10/30/12	ENGINEERING	RIGHT OF WAY	DATE					

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in
Presence of Notary & Notarized.

APN: 312-130-024
W.O: 12946
RB-

No Recording Fee Required Pursuant to Government Code Section 27383

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, repair, improve and relocate, roadway facilities for access and road purposes, including the use of vehicular traffic for any purpose. Grantee has the right, but not the duty, to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over, and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to build adequate access facilities including a paved road, if desired, provided for under the term of the easement granted herein; and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said access improvements, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed, or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

It is understood that Grantor, Grantor's successors, heirs and assigns, may also use the surface of the real property within the boundaries of such easements for access and right of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

IN WITNESS WHEREOF, this instrument has been executed the day of _____, 20__.

GRANTORS: MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATERDISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

EASTERN MUNICIPAL WATER DISTRICT
ACCESS EASEMENT

W.O.: 12946

APN: 312-130-024

GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

In the City of Moreno Valley, County of Riverside, State of California, being those portions of Parcels 4010-22 and 4010-25, as described in the Quitclaim Deed to the Moreno Valley Community Services District, recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, together with a portion of Lot "W" of Parcel Map No. 22701, as shown on the map filed in Book 159, Pages 3 through 14 inclusive of Parcel Maps, in the Office of the County Recorder of said County, described as follows:

Commencing at the northeast corner of said Lot "W", being a point on a curve, concave easterly and having a radius of 6050.00 feet, to which a radial line bears South 85°37'27" East;

Thence southerly along the easterly boundary of said Lot "W" and said curve, an arc distance of 10.76 feet through a central angle of 00°06'07" to the **TRUE POINT OF BEGINNING**;

Thence continuing southerly along said easterly boundary and said curve, an arc distance of 33.03 feet through a central angle of 00°18'46";

Thence leaving said easterly boundary and non-tangent to last said curve, North 88°23'56" West, 52.55 feet to the beginning of a non-tangent curve, concave southwesterly and having a radius of 20.00 feet, to which a radial line bears North 58°14'03" East;

Thence northwesterly along last said curve, an arc distance of 19.77 feet through a central angle of 56°37'59";

Thence North 88°23'56" West, 265.30 feet to the beginning of a curve, concave southeasterly and having a radius of 15.00 feet;

Thence southwesterly along last said curve, an arc distance of 23.56 feet through a central angle of 89°59'43";

Thence South 01°36'04" West, 181.00 feet to the beginning of a curve, concave northeasterly and having a radius of 15.00 feet;

Thence southeasterly along last said curve, an arc distance of 23.56 feet through a central angle of 90°00'00";

Thence South 88°23'56" East, 5.66 feet;

EXHIBIT A; ACCESS EASEMENT
APN: 312-130-024, 025

Thence South 46°35'56" West, 33.85 feet;

Thence North 88°21'21" West, 15.67 feet;

Thence North 01°38'39" East, 13.53 feet;

Thence North 88°23'55" West, 14.19 feet;

Thence North 12°41'59" West, 1.10 feet to the beginning of a non-tangent curve, concave northeasterly and having a radius of 84.00 feet, to which a radial line bears North 77°18'01" East;

Thence northwesterly along last said curve, an arc distance of 20.97 feet through a central angle of 14°18'03";

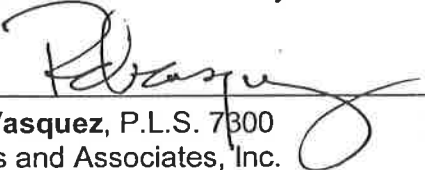
Thence North 01°36'04" East, 223.58 feet;

Thence South 88°23'56" East, 387.00 feet to the **TRUE POINT OF BEGINNING**.

The above described parcel contains 0.420 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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



Robert D. Vasquez, P.L.S. 7300 Date
David Evans and Associates, Inc.
4200 Concourse, Suite 200
Ontario, CA 91764
(909) 481-5750



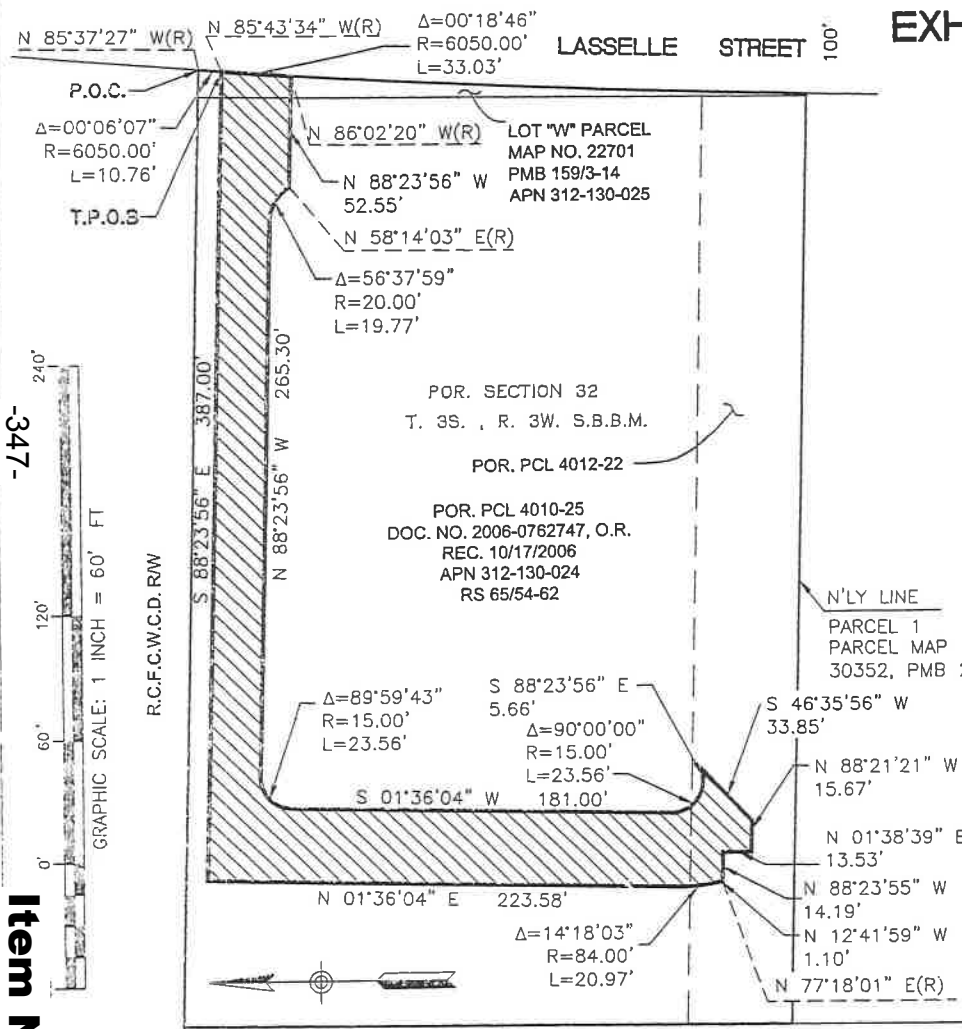


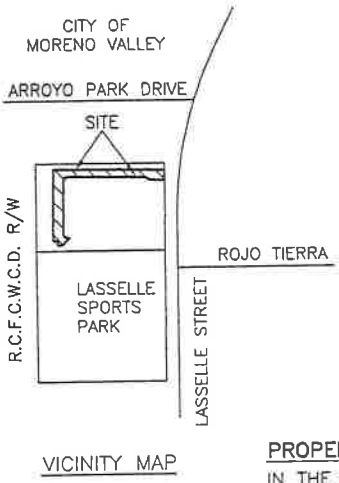
EXHIBIT 'B'

PREPARED BY ME OR UNDER MY DIRECTION.

ROBERT D. VASQUEZ, PLS 7300
 EXP. DATE: 12/31/2012

DATE

LICENSURE LAND SURVEYOR
 ROBERT D. VASQUEZ
 EX. 2-2-12



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.481.5750

New Attachment

PROPERTY DESCRIPTION
 IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCELS 4010-22 AND 4010-25, DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, RIVERSIDE COUNTY RECORDS, TOGETHER WITH A PORTION OF LOT "W" OF PARCEL MAP 22701, AS SHOWN ON THE MAP FILED IN BOOK 159, PAGES 3 THROUGH 14 INCLUSIVE OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS
 THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

EMWD ACCESS EASEMENT, AREA=0.420 ACRES

P.O.C. POINT OF COMMENCEMENT
 T.P.O.B. TRUE POINT OF BEGINNING
 P.O.T. POINT OF TERMINUS

APN: 312-130-024, 025
 SEC. 32, T. 3 S., R. 3 W., S.B.M.

-347-

Item No. A.12

REVISIONS				REFERENCES			SCALE AS SHOWN DATE		
DATE	INITIAL	DESCRIPTION	APP. VD	PMB 202/93-95	DESIGNED	KXG	2/9/12		
				PMB 159/3-14	DRAWN	KXG	2/9/12		
				RS 65/54-62	TRACED	MARA	7/18/12		
				DOC. NO. 2006-0762747, O.R.	CHECKED	JCBE	10/24/12		
				APPROVALS			RECORDING DATA		
				L.A.M. [Signature]			INST. NO.		
				ENGINEERING			DATE		
				RIGHT OF WAY					

EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA		W. D.	12946
EMWD GRANT OF EASEMENT PLAT PROPERTY OF:		C. D.	
MORENO VALLEY COMMUNITY SERVICES DISTRICT		COORD.	
APPROVED		SHT.	1 OF 1
EASTERN MUNICIPAL WATER DISTRICT		DATE	12-31-2012
		RB-	

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in Presence of
Notary & Notarized.

APN: 312-130-024, 025
W.O. OH
RB-

No Recording Fee Required Pursuant to Government Code Section 27383

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate, sewage transmission and collection facilities, including, but not limited to, gravity pipelines, pressure pipelines, manholes, connections, and appurtenant equipment for the collection and transmission of sewage, together with the right of access and for road purposes, including the use of vehicular traffic for any purpose, in, on, over, under, upon, along, through and across the property hereinafter described, together with reasonable right of access to and from said easement for the purpose of exercising the rights granted in said easement. Grantee has the right, but not the duty to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to install the facilities provided for under the term of the easement granted herein: and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said pipeline or pipelines, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

Notwithstanding the foregoing, the surface of the ground with respect to the distance from the ground surface to the top of any pipes, as of the date of this easement, shall not be changed by any party other than Grantee, if it results in:

- (a) "Cutting" or removing the soil, which leaves less than forty-eight (48) inches of soil over the top of the pipe; and
- (b) "Hauling" in of soil or "filling" which will leave more than twelve (12) feet of soil over the top of any pipe.

It is understood that the permanent easements and the rights of way above described shall be acquired subject to the rights of the Grantor, Grantor's successors, heirs and assigns, to use the surface of the real property within the boundaries of such easements and rights of way. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns, and each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

Grantee, its successors and assigns, shall restore, or cause to be restored, the surface or subsurface of the real property hereinabove described to the condition said property was in as of the time of performance of any enlargement, construction, reconstruction, removal and replacement, operation, inspection, maintenance, repair, improvement and relocation, and such restoration shall be performed with due diligence and dispatch.

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____, 20____.

GRANTOR (S): MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATER DISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California

County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"
EASTERN MUNICIPAL WATER DISTRICT
SEWER AND ACCESS EASEMENT

APN: 312-130-024, 025

GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

A portion of Parcel 4010-25, in the City of Moreno Valley, County of Riverside, State of California, described in the Grant Deed to the Moreno Valley Community Services District recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, together with a portion of Lot 'W' of Parcel Map No. 22701, as per map filed in Book 159, Pages 3 through 14 inclusive of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land, 30.00 feet in width, lying 15.00 feet on each side of the following described centerline:

COMMENCING at the southwest corner of said Document No. 2006-0762747;

Thence along the westerly line of said Document No. 2006-0762747, North 00°33'24" East, 229.97 feet to the **TRUE POINT OF BEGINNING**;

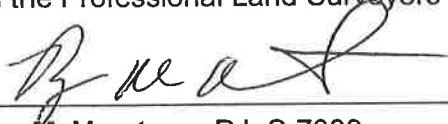
Thence leaving said westerly line South 88°34'06" East, 454.25 feet to the easterly line of said Lot 'W' and the **POINT OF TERMINUS**.

The sidelines of the above described strip of land shall be extended or shortened to begin at the westerly line of said Document No. 2006-0762747 and to terminate at the easterly line of said Lot 'W'.

The above described parcel contains 0.313 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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



3-12-2012

Date

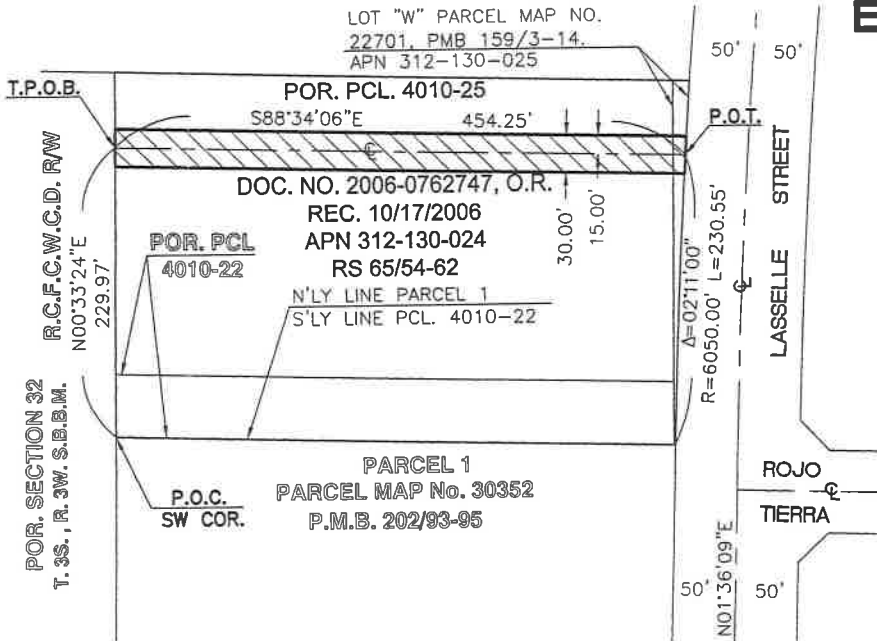
Ryan M. Versteeg, P.L.S.7809
David Evans and Associates, Inc.
4200 Concourses, Suite 200
Ontario, CA 91764
(909) 481-5750



-353-

Item No. A.12

EXHIBIT 'B'



PREPARED BY ME OR UNDER MY DIRECTION.

R. M. Versteeg
 RYAN M. VERSTEEG, PLS 7809 DATE 3-12-2012
 EXP. DATE: 12/31/2013



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.461.5750

PROPERTY DESCRIPTION

IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCEL 4010-25 DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, RIVERSIDE COUNTY RECORDS TOGETHER WITH A PORTION OF LOT "W" OF PARCEL MAP 22701, AS PER MAP FILED IN BOOK 159, PAGES 3 THROUGH 14 INCLUSIVE OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

- EMWD SEWER AND ACCESS EASEMENT, AREA=0.313 ACRES
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- P.O.T. POINT OF TERMINUS

SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVISIONS				REFERENCES			SCALE AS SHOWN		DATE		EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA	
DATE	INITIAL	DESCRIPTION	APP' VD	DESIGNED	AS SHOWN	DATE	DESIGNED	AS SHOWN	DATE	W. D.		
				PMB 202/93-95	DESIGNED	2/9/12	KXG	KXG	2/9/12			
				PMB 159/3-14	DRAWN	2/9/12	KXG	KXG	2/9/12			
				RS 65/54-62	TRACED							
				DOC. NO. 2006-0762746, O.R.	CHECKED	2/9/12	RMVE	RMVE	2/9/12			
				APPROVALS		RECORDING DATA				SHT. 1 OF 1		
				<i>L.A.M. 3/21/12</i>		INST. NO.		APPROVED <i>[Signature]</i> 03/28/2012		RB-		
				ENGINEERING		RIGHT OF WAY		DATE		EASTERN MUNICIPAL WATER DISTRICT		

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**MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013
(Report of: City Clerk Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.2

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MINUTES – SPECIAL MEETING OF NOVEMBER 26, 2013
(Report of: City Clerk Department)
Recommendation: Approve as submitted.

SEE AGENDA ITEM A.3

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council, acting in their capacity as President and Board of Directors of the Moreno Valley Community Services District

FROM: Michael McCarty, Director of Parks and Community Services

AGENDA DATE: December 10, 2013

TITLE: AUTHORIZE SUBMISSION OF APPLICATION FOR 21ST CENTURY COMMUNITY LEARNING CENTERS GRANT FOR FISCAL YEAR 2014/2015

RECOMMENDED ACTION

Recommendation:

1. Authorize the City Manager to submit an application to the California Department of Education for the 21st Century Community Learning Centers Grant for Fiscal Year 2014/2015.

SUMMARY

This report recommends applying for 21st Century Community Learning Centers grant funding that would allow the City, in partnership with THINK Together, Moreno Valley Unified School District (MVUSD) and Val Verde Unified School District (VVUSD), to provide after school care for additional students in kindergarten through grade nine and summer programming for approximately 2,000 students in the community.

DISCUSSION

The California Department of Education posted a request for applications (RFA) for 21st Century Community Learning Center Programs (CCLC). There are three program components for which 21st CCLC funding can be used through this RFA: After School Programs, Before School Programs, and Supplemental Programs. Core grants include funding for basic before and after school services; supplemental funding is for program services held at times other than before and after school, e.g., programs during vacation, weekends, intercession periods, and other out of school times.

Two optional grants are available on a competitive basis: Equitable Access and Family Literacy, as follows:

- An applicant may apply for optional grants of up to \$25,000 per school per year for ensuring equitable access to and participation in 21st CCLC programs based on the needs determined by the local community.
- An applicant may apply for optional grants of up to \$20,000 per school per year to provide family literacy services to support the adult family members of the students who will participate in the Cohort 9 21st CCLC Program, based on the needs determined by the local community.

There are several program improvement schools in the MVUSD and VVUSD that qualify for 21st CCLC funding. Upon Council's approval the Parks and Community Services Department plans to apply for all available funding for those school sites. In all the Department will be applying for approximately \$3,000,000 in grant funds for FY 2014/2015. Applicants awarded a grant will receive a five-year grant allocated in annual increments.

ALTERNATIVES

1. Authorize the City Manager to submit an application to the California Department of Education for the 21st Century Community Learning Centers grant for FY 2014/2015. This option will allow the City to expand its out-of-school time services to the students and families of Moreno Valley.
2. Do not authorize the City Manager to submit an application to the California Department of Education for the 21st Century Community Learning Centers grant for FY 2014/2015. This option will allow the City to continue serving students at the current level of 3,762 through the After School Education and Safety Grant.

FISCAL IMPACT

The City is applying for approximately \$3,000,000 in 21st Century Community Learning Centers Grant Funds for FY 2014/2015. The proposed grant would fund all program expenditures at 100 percent through direct grant funding. THINK Together will provide an amount of cash or in-kind local funds equal to not less than one-third of the total grant amount to meet the match requirement. **The 21st CCLC grant funds are restricted for the establishment or expansion of Community Learning Centers.** There is no impact to the General Fund. If awarded grant funds will be budgeted in the Fund 2202 FY 2014/2015 Operating Budget.

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

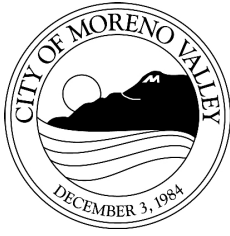
Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

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

Prepared By:
Patty Grube
Management Analyst

Department Head Approval:
Michael McCarty
Director of Parks and Community Services

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council and Mayor and City Council, acting in their capacity as President and Board of Directors of the Moreno Valley Community Services District

FROM: Michael McCarty, Director of Parks and Community Services

AGENDA DATE: November 26, 2013

TITLE: LASSELLE SPORTS PARK - EXECUTION OF EASEMENT DEEDS FOR WATER AND SEWER PURPOSES TO EASTERN MUNICIPAL WATER DISTRICT

RECOMMENDED ACTION

Recommendations:

1. Authorize the Mayor to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-260-016.
2. Authorize the President of the Community Services District (CSD) to execute the Easement Deed for Recycled Water and Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
3. Authorize the President of the CSD to execute the Easement Deed for Sewer Man-hole Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
4. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024.
5. Authorize the President of the CSD to execute the Easement Deed for Sewer Access Easement on Lasselle Sports Park A.P.N. 312-130-024 and 312-130-025.
6. Direct the City Clerk to forward the signed Easement Deeds to Eastern Municipal Water District for further processing and recordation.

SUMMARY

This report recommends authorization to execute easement deeds for water and sewer purposes to Eastern Municipal Water District for Lasselle Sports Park.

DISCUSSION

As part of the approval process for obtaining water and sewer permits and service for Lasselle Sports Park, the City and CSD are required to provide easements for access to pipeline and related appurtenances within the property. The easements required are for recycled water and access easement and sewer and man-hole access easement.

The Moreno Valley Ranch Development Agreement required the master developer to provide a sports park on Lasselle Street. Since the developer defaulted, the City acquired the property the developer dedicated, therefore being the entity that would grant easements for utilities. A smaller portion of the park site was acquired by the CSD for use as a parking lot for the park. The water and sewer lines and man-hole access are within the park, which consist of two parcels (one City, one CSD), serving the park. The Easement Deeds will provide EMWD the legal authorization to maintain their utilities and appurtenances. The easements are for the access, maintenance, operation, and repair of underground recycled water and sewer utilities. The proposed easements vary in width and length.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this Staff Report.

This alternative will allow the City and CSD to provide Eastern Municipal Water District access to their facilities as identified and essential for obtaining a final for the park project.

2. Do not approve and authorize the recommended actions as presented in this Staff Report. This alternative will not allow the City and CSD to obtaining a final for the project and acquire services for the park.

FISCAL IMPACT

No fiscal impact.

NOTIFICATION

Publication of the agenda.

ATTACHMENTS

Attachment 1 through 5 – Easement Deed and Exhibits

Prepared By:
Tony Hetherman
Parks Projects Coordinator

Department Head Approval:
Michael McCarty
Director of Parks and Community Services

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RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in Presence of
Notary & Notarized.

No Recording Fee Required Pursuant to Government Code Section 27383

APN 312-260-016
W.O: 12946
RB- 5583-5584

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

CITY OF MORENO VALLEY,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate, a pipeline or pipelines and other facilities, including, but not limited to, measuring devices, air valves, blow-offs, test stations and service connection structures, appurtenant to the pipeline or pipelines for reclaimed water transmission and distribution, together with the right of access and for road purposes, including the use of vehicular traffic for any purpose, in, on, over, under, upon, along, through and across the property hereinafter described, together with reasonable right of access to and from said easement for the purpose of exercising the rights granted in said easement. Grantee has the right, but not the duty to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to install the facilities provided for under the term of the easement granted herein: and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said pipeline or pipelines, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

Notwithstanding the foregoing, the surface of the ground with respect to the distance from the ground surface to the top of any pipes, as of the date of this easement, shall not be changed by any party other than Grantee, if it results in:

- (a) "Cutting" or removing the soil, which leaves less than thirtysix (36) inches of soil over the top of the pipe; and
- (b) "Hauling" in of soil or "filling" which will leave more than six (6) feet of soil over the top of any pipe.

It is understood that the permanent easements and the rights of way above described shall be acquired subject to the rights of the Grantor, Grantor's successors, heirs and assigns, to use the surface of the real property within the boundaries of such easements and rights of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

Grantee, its successors and assigns, shall restore, or cause to be restored, the surface or subsurface of the real property hereinabove described to the condition said property was in as of the time of performance of any enlargement, construction, reconstruction, removal and replacement, operation, inspection, maintenance, repair, improvement and relocation, and such restoration shall be performed with due diligence and dispatch.

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____, 20____.

GRANTOR (S): CITY OF MORENO VALLEY

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

CITY OF MORENO VALLEY

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATER DISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

**EASTERN MUNICIPAL WATER DISTRICT
RECYCLED WATER AND ACCESS EASEMENT**

W.O.: 12946
APN: 312-260-016
GRANTOR: CITY OF MORENO VALLEY

LEGAL DESCRIPTION

PARCEL A

That portion of Parcel 1 of Parcel Map No. 30352, in the City of Moreno Valley, County of Riverside, State of California, as shown on the map filed in Book 202, Pages 93 through 95, inclusive, of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land, 40.00 feet in width, lying 20.00 feet on each side of the following described centerline:

Commencing at the northwesterly corner of said Parcel 1;

Thence along the northerly line of said Parcel 1, South 88°30'19" East, 113.04 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said northerly line, South 00°35'45" West, 175.14 feet;

Thence South 45°35'45" West, 63.78 feet;

Thence South 01°35'56" West, 701.86 feet;

Thence South 46°35'56" West, 63.33 feet;

Thence South 00°35'45" West, 7.95 feet to the **POINT OF TERMINUS** on the southerly line of said Parcel 1, being distant South 88°30'50" East, 10.12 feet from the southwesterly corner of said Parcel 1.

The sidelines of the above described strip of land shall be extended or shortened to begin or terminate at the northerly, southerly and westerly lines of said Parcel 1.

The above described parcel contains 0.925 acres, more or less.

PARCEL B

That portion of Parcel 1 of Parcel Map No. 30352, in the City of Moreno Valley, County of Riverside, State of California, as shown on the map filed in Book 202, Pages 93 through 95, inclusive, of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land 40 feet in width, lying 20.00 feet on each side of the following described centerline:

Commencing at the northwesterly corner of said Parcel 1;

EXHIBIT A: RECYCLED WATER AND ACCESS EASEMENT

W.O.: 12946

APN: 312-260-016

Thence along the northerly line of said Parcel 1, South 88°30'19" East, 113.04 feet;

Thence leaving said northerly line, North 00°35'45" East, 7.44 feet;

Thence North 46°35'56" East, 26.79 feet;

Thence South 88°24'04" East, 180.92 feet;

Thence South 45°00'00" East, 37.79 feet to said northerly line, and the **TRUE POINT OF BEGINNING**;

Thence continuing South 45°00'00" East, 17.27 feet;

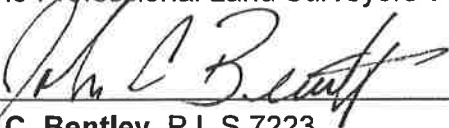
Thence North 90°00'00" East, 93.03 feet to the easterly line of said Parcel 1 and the **POINT OF TERMINUS**.

The sidelines of the above described strip of land shall be extended or shortened to begin or terminate at the northerly and easterly lines of said Parcel 1.

The above described parcel contains 0.084 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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



John C. Bentley, P.L.S.7223
David Evans and Associates, Inc.
4200 Concoors, Suite 200
Ontario, CA 91764
(909) 481-5750

7-10-13
Date



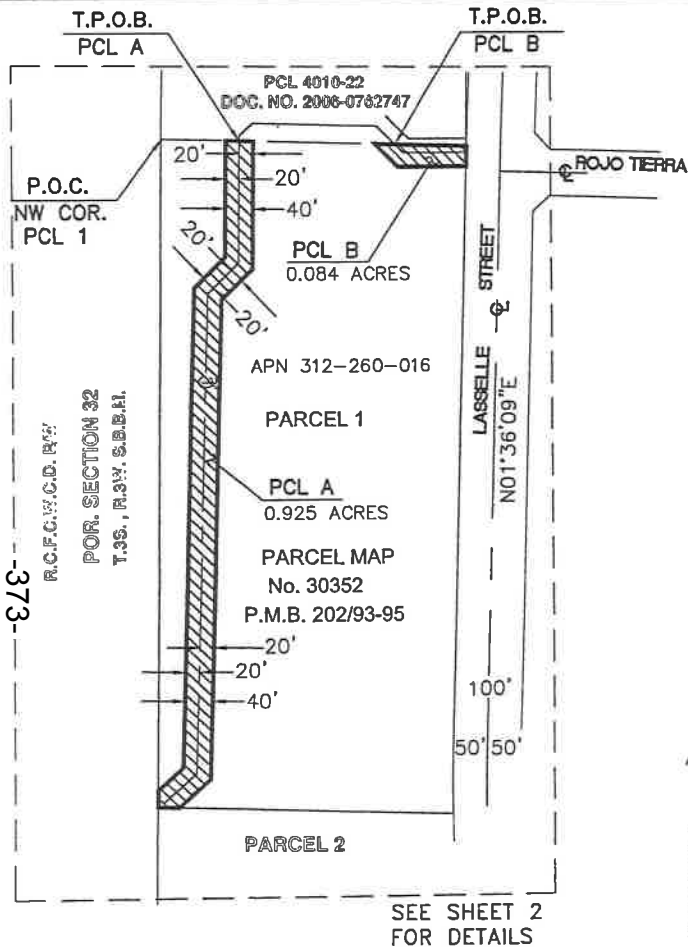
EXHIBIT 'B'

PREPARED BY ME OR UNDER MY DIRECTION.

John C. Bentley
 JOHN C. BENTLEY, PLS 7223 DATE 7-10-13
 EXP. DATE: 12/31/2014



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.481.5750



CURVE DATA			
CURVE	DELTA	LENGTH	RADIUS
C1	00°01'33"	2.73'	6050.00'

LINE DATA		
LINE	BEARING	DISTANCE
L1	S00°35'45"W	175.14'
L2	S45°35'45"W	63.78'
L3	S88°30'19"E	40.00'
L4	S45°35'45"W	63.98'
L5	N45°35'45"E	63.57'
L6	N01°36'09"E	39.60'
L7	N86°14'19"W	1.17'
L8	N00°35'45"E	7.44'
L9	N46°35'56"E	26.79'
L10	N01°36'09"E	6.69'
L11	N90°00'00"E	100.75'
L12	N45°00'00"E	17.27'
L13	N88°30'19"W	29.05'
L14	N45°00'00"W	46.63'
L15	N90°00'00"E	93.03'
L16	N01°36'09"E	20.01'
L17	N88°30'19"W	104.38'
L18	OMITTED	
L19	OMITTED	
L20	OMITTED	
L21	S46°35'56"W	63.33'
L22	S00°35'45"W	7.95'
L23	S46°35'56"W	62.81'
L24	N46°35'56"E	49.80'
L25	N88°30'50"W	30.35'
L26	N00°35'52"E	25.83'
L27	S88°30'50"E	10.12'
L28	S88°24'04"E	180.92'
L29	S45°00'00"E	37.79'

PROPERTY DESCRIPTION

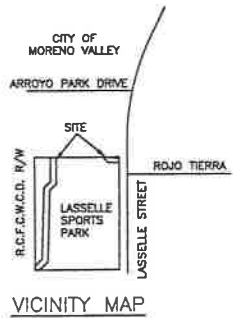
IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCEL 1 OF PARCEL MAP NO. 30352, P.M.B. 202/93-95, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

- EMWD RECYCLED WATER AND ACCESS EASEMENT
 - P.O.C. POINT OF COMMENCEMENT
 - T.P.O.B. TRUE POINT OF BEGINNING
 - COR. CORNER
 - PCL PARCEL
 - P.O.T. POINT OF TERMINUS
- TOTAL AREA = 1.010 ACRES, MORE OR LESS

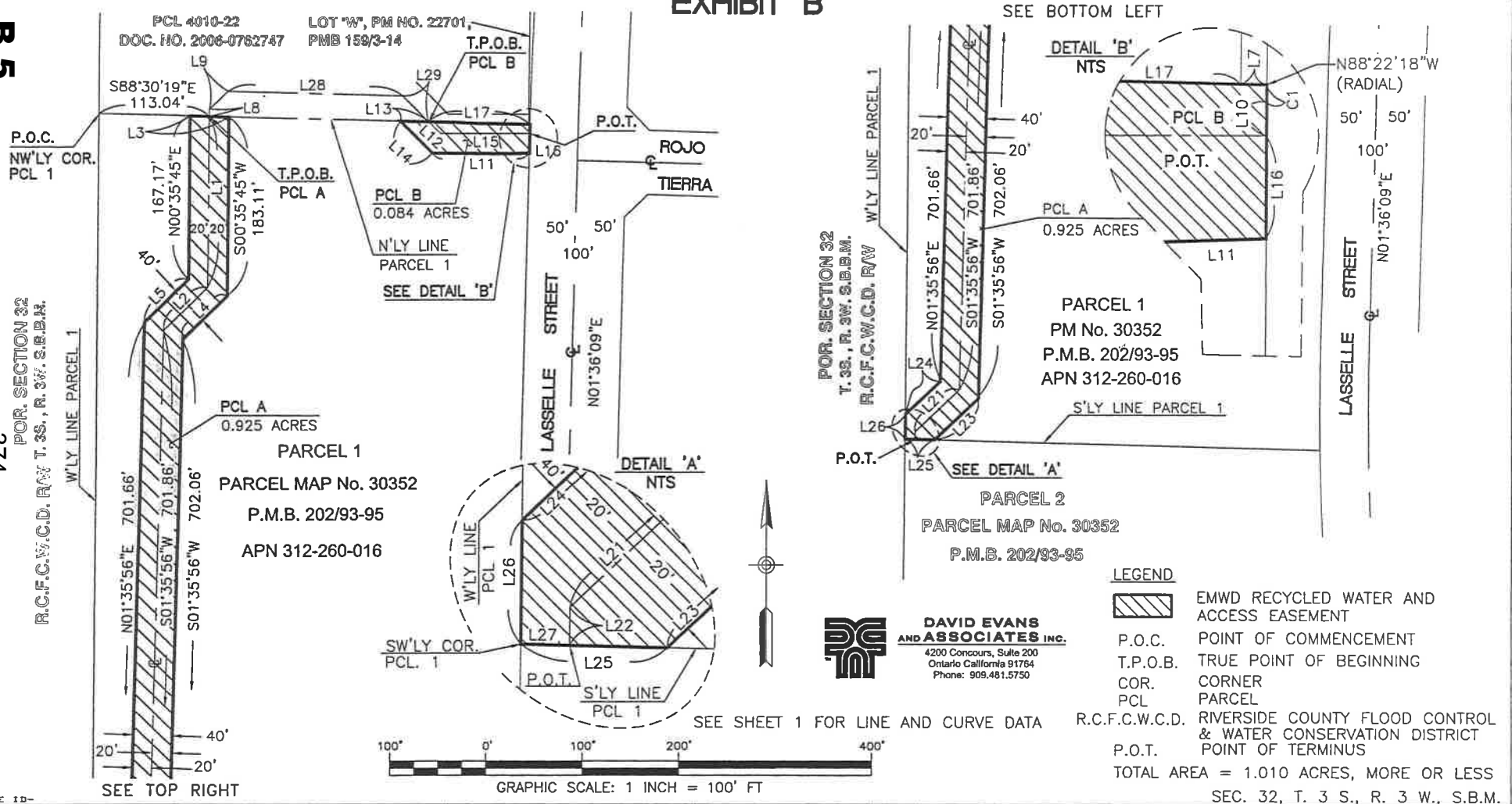


Item No. B.5

REVISIONS				REFERENCES			SCALE NOT TO SCALE		DATE		EASTERN MUNICIPAL WATER DISTRICT		RIVERSIDE COUNTY, CALIFORNIA	
DATE	INITIAL	DESCRIPTION	APP'VD	PMB 202/93-95	DESIGNED	RMVE	8/30/11			EMWD GRANT OF EASEMENT PLAT		CITY OF MORENO VALLEY		W. D.
				RS 65/54-62	DRAWN	RMVE	8/30/11							C. D.
				PMB 159/3-14	TRACED	JCBE	6/04/13							COORD.
					CHECKED	DRCR	6/05/13							SHT. 1 OF 2
					APPROVALS		RECORDING DATA							
				L.A.M. 7/17/13				INST. NO.		APPROVED	<i>[Signature]</i>	07-18-2013		RB- 5583
				ENGINEERING	RIGHT OF WAY	DATE				EASTERN MUNICIPAL WATER DISTRICT		DATE		

SEC. 32, T. 3 S., R. 3 W., S.B.M.

EXHIBIT 'B'



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.481.5750

REVIEWS				REFERENCES			SCALE AS SHOWN			EASTERN MUNICIPAL WATER DISTRICT	
NO.	DATE	INITIAL	DESCRIPTION	APP'VD			DESIGNED	RMVE	DATE	RIVERSIDE COUNTY, CALIFORNIA	
					PMB 202/93-95		DRAWN	RMVE	8/30/11	w. d. 12946	
					RS 65/54-62		TRACED	JCBE	6/04/13	c. d.	
					PMB 159/3-14		CHECKED	DRCR	6/05/13	COORD.	
				APPROVALS			RECORDING DATA			CITY OF MORENO VALLEY	
				L.A.M. 7/13/13			INST. NO.			SHT. 2 OF 2	
				ENGINEERING			DATE			APPROVED <i>[Signature]</i> 07-18-2013	
										RB-5584	

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in Presence of
Notary & Notarized.

No Recording Fee Required Pursuant to Government Code Section 27383

APN: 312-130-024
W.O: 12946
RB- 5581-5582

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate, a pipeline or pipelines and other facilities, including, but not limited to, measuring devices, air valves, blow-offs, test stations and service connection structures, appurtenant to the pipeline or pipelines for reclaimed water transmission and distribution, together with the right of access and for road purposes, including the use of vehicular traffic for any purpose, in, on, over, under, upon, along, through and across the property hereinafter described, together with reasonable right of access to and from said easement for the purpose of exercising the rights granted in said easement. Grantee has the right, but not the duty to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to install the facilities provided for under the term of the easement granted herein: and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said pipeline or pipelines, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

Notwithstanding the foregoing, the surface of the ground with respect to the distance from the ground surface to the top of any pipes, as of the date of this easement, shall not be changed by any party other than Grantee, if it results in:

- (a) "Cutting" or removing the soil, which leaves less than thirtysix (36) inches of soil over the top of the pipe; and
- (b) "Hauling" in of soil or "filling" which will leave more than six (6) feet of soil over the top of any pipe.

It is understood that the permanent easements and the rights of way above described shall be acquired subject to the rights of the Grantor, Grantor's successors, heirs and assigns, to use the surface of the real property within the boundaries of such easements and rights of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

Grantee, its successors and assigns, shall restore, or cause to be restored, the surface or subsurface of the real property hereinabove described to the condition said property was in as of the time of performance of any enlargement, construction, reconstruction, removal and replacement, operation, inspection, maintenance, repair, improvement and relocation, and such restoration shall be performed with due diligence and dispatch.

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____, 20____.

GRANTOR (S): MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATER DISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"
EASTERN MUNICIPAL WATER DISTRICT
RECYCLED WATER AND ACCESS EASEMENT

W.O.: 12946

APN: 312-130-024

GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

A portion of Parcel 4010-22, in the City of Moreno Valley, County of Riverside, State of California, as described in the Grant Deed to the Moreno Valley Community Services District recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, together with a portion of Lot 'W' of Parcel Map No. 22701, as per map filed in Book 159, Pages 3 through 14 inclusive of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land, 40.00 feet in width, lying 20.00 feet on each side of the following described centerline:

COMMENCING at the northwest corner of Parcel 1 of Parcel Map No. 30352, as per map filed in Book 202, Pages 93 through 95, inclusive, of Parcel Maps in said Office of the County Recorder of said County;

Thence along the northerly line of said Parcel 1, South 88°30'19" East, 113.04 feet to the **TRUE POINT OF BEGINNING**;

Thence leaving said northerly line North 00°35'45" East, 7.44 feet;

Thence North 46°35'56" East, 26.79 feet;

Thence South 88°24'04" East, 180.92 feet;

Thence South 45°00'00" East, 37.79 feet to said northerly line;

Thence continuing South 45°00'00" East, 17.27 feet;

Thence North 90°00'00" East, 93.03 feet to the **POINT OF TERMINUS** on the easterly line of said Parcel 1;

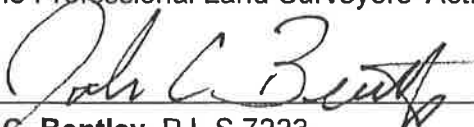
The sidelines of the above described strip of land shall be extended or shortened to begin at the northerly line of said Parcel 1 and to terminate at the easterly line of said Lot 'W'.

The above described parcel contains 0.250 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

EXHIBIT A; RECYCLED WATER AND ACCESS EASEMENT
W.O.: 12946
APN: 312-130-024

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



John C. Bentley, P.L.S.7223
David Evans and Associates, Inc.
4200 Concourse, Suite 200
Ontario, CA 91764
(909) 481-5750

7-10-13
Date



-381-

R.C.F.C.W.C.D. R/W
POR. SECTION 32
T. 3S., R. 3W., S.B.M.

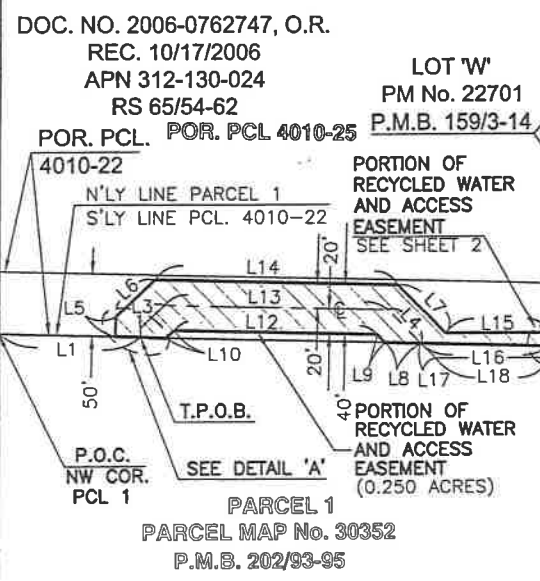
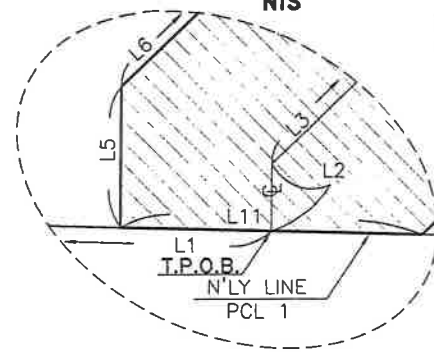


EXHIBIT 'B'

DETAIL 'A'
NTS



PREPARED BY ME OR UNDER MY DIRECTION.

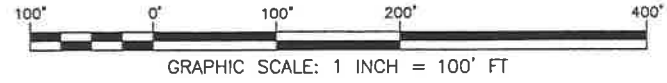
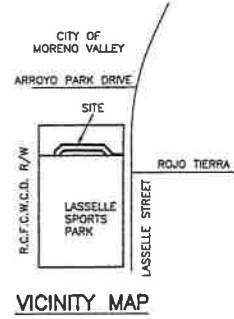
John C. Bentley
JOHN C. BENTLEY, PLS #223
EXP. DATE: 12/31/2014
7-10-13
DATE



DAVID EVANS AND ASSOCIATES INC.
4200 Concourse, Suite 200
Ontario California 91764
Phone: 909.481.5750

LINE	BEARING	DISTANCE
L1	S88°30'19"E	113.04'
L2	N00°35'45"E	7.44'
L3	N46°35'56"E	26.79'
L4	S45°00'00"E	37.79'
L5	N00°35'45"E	15.61'
L6	N46°35'56"E	43.57'
L7	S45°00'00"E	54.74'
L8	N88°30'19"W	29.05'
L9	N45°00'00"W	8.76'
L10	S46°35'56"W	8.97'
L11	N88°30'19"W	40.76'
L12	N88°24'04"W	164.67'
L13	S88°24'04"E	180.92'
L14	S88°24'04"E	197.16'

LINE	BEARING	DISTANCE
L15	N90°00'00"E	85.32'
L16	S88°30'19"E	104.38'
L17	N45°00'00"E	17.27'
L18	N90°00'00"E	93.03'



PROPERTY DESCRIPTION

IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCEL 4010-22 DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

- EMWD RECYCLED WATER AND ACCESS EASEMENT
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- COR. CORNER
- PCL PARCEL
- P.O.T. POINT OF TERMINUS
- TOTAL AREA RECYCLED WATER EASEMENT = 0.250 ACRES

FILE ID-

Item No. B.5

REVISIONS

DATE	INITIAL	DESCRIPTION	APP'VD

REFERENCES

PMB 202/93-95
PMB 159/3-14
RS 65/54-62
DOC. NO. 2006-0762746, O.R.
DOC. NO. 2006-0762746, O.R.

SCALE	AS SHOWN	DATE
DESIGNED	RMVE	8/30/11
DRAWN	JCBE	6/05/13
TRACED		
CHECKED	DRCR	8/06/13
APPROVALS	RECORDING DATA	
L.A.M. 71713	INST. NO.	
ENGINEERING	RIGHT OF WAY	DATE

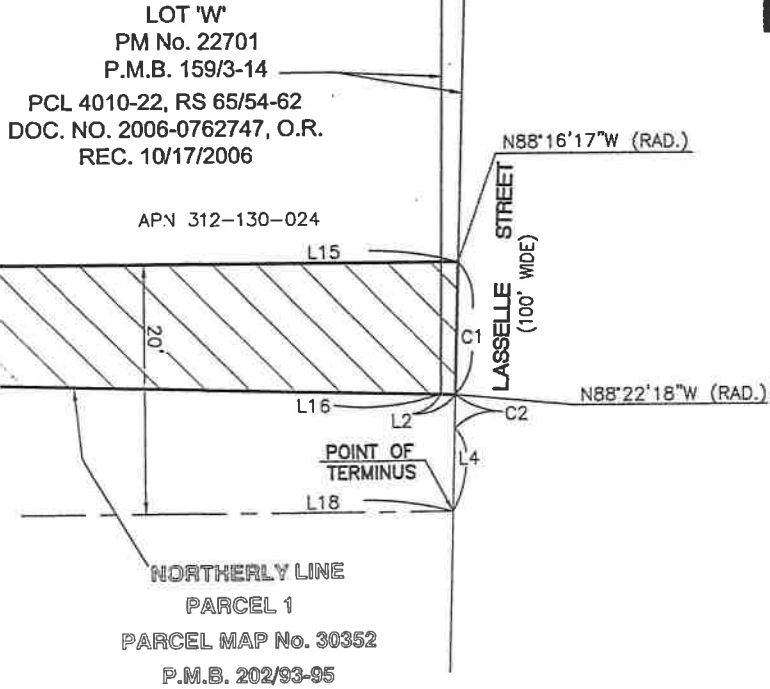
EASTERN MUNICIPAL WATER DISTRICT
RIVERSIDE COUNTY, CALIFORNIA

EMWD GRANT OF EASEMENT PLAT
PROPERTY OF:
MORENO VALLEY COMMUNITY SERVICES DISTRICT

APPROVED *John C. Bentley* 07-18-2013
EASTERN MUNICIPAL WATER DISTRICT DATE

W. D.	12946
C. D.	
COORD.	
SHT.	1 OF 2
RB-	5581


EXHIBIT 'B'



CURVE DATA			
CURVE	DELTA	LENGTH	RADIUS
C1	00°06'01"	10.59'	6050.00'
C2	00°01'33"	2.73'	6050.00'


LINE DATA		
LINE	BEARING	DISTANCE
L1	OMITTED	
L2	N86°14'19"W	1.17'
L3	OMITTED	
L4	N01°36'09"E	10.49'

LEGEND

-  EMWD RECYCLED WATER AND ACCESS EASEMENT
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- COR. CORNER
- PCL PARCEL
- P.O.T. POINT OF TERMINUS
- TOTAL AREA RECYCLED WATER EASEMENT = 0.250 ACRES

SEC. 32, T. 3 S., R. 3 W., S.B.M.

FILE ID-

REVISIONS				REFERENCES			SCALE AS SHOWN			DATE		
NO.	DATE	INITIAL	DESCRIPTION	APP' VD			DESIGNED	RMVE	8/30/11	EASTERN MUNICIPAL WATER DISTRICT		
					PMB 202/93-95		DRAWN	JCBE	5/06/13	RIVERSIDE COUNTY, CALIFORNIA		
					PMB 159/3-14 DOC. NO.		TRACED			EMWD GRANT OF EASEMENT PLAT		
					RS 65/54-62 2006-0762746, O.R.		CHECKED	DRCR	5/06/13	PROPERTY OF:		
					DOC. NO. 2006-0762747, O.R.					MORENO VALLEY COMMUNITY SERVICES DISTRICT		
					APPROVALS					SHT. 2 OF 2		
					RECORDING DATA					APPROVED  07-18-2013		
					L.A.M. 7/17/13		INST. NO.			EASTERN MUNICIPAL WATER DISTRICT DATE		
					ENGINEERING	RIGHT OF WAY	DATE			RB- 5582		

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in
Presence of Notary & Notarized.

APN: 312-130-024
W.O: 12946
RB-

No Recording Fee Required Pursuant to Government Code Section 27383

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, repair, improve and relocate, roadway facilities for access and road purposes, including the use of vehicular traffic for any purpose. Grantee has the right, but not the duty, to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over, and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to build adequate access facilities including a paved road, if desired, provided for under the term of the easement granted herein; and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said access improvements, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed, or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

It is understood that Grantor, Grantor's successors, heirs and assigns, may also use the surface of the real property within the boundaries of such easements for access and right of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

IN WITNESS WHEREOF, this instrument has been executed the day of _____, 20__.

GRANTORS: MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATERDISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

EASTERN MUNICIPAL WATER DISTRICT
ACCESS EASEMENT

W.O.: 12946
APN: 312-130-024
GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

In the City of Moreno Valley, County of Riverside, State of California, being portions of Parcels 4010-22 and 4010-25, as described in the Quitclaim Deed to Moreno Valley Community Services District, recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, described as follows:

Commencing at the southwest corner of the parcel of land described in said Quitclaim Deed;

Thence along the westerly line of said parcel of land, North 00°36'40" East, 46.59 feet;

Thence leaving said westerly line South 88°23'56" East, 24.92 feet to the **TRUE POINT OF BEGINNING**;

Thence North 01°36'04" East, 14.00 feet;

Thence South 88°23'56" East, 41.25 feet;

Thence South 01°36'04" West, 4.14 feet to the beginning of a curve, concave easterly and having a radius of 84.00 feet;

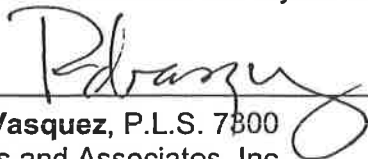
Thence along said curve, an arc distance of 9.89 feet through a central angle of 06°44'50";

Thence non-tangent to last said curve, North 88°23'56" West, 41.83 feet to the **TRUE POINT OF BEGINNING**.

The above described parcel contains 580 square feet, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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

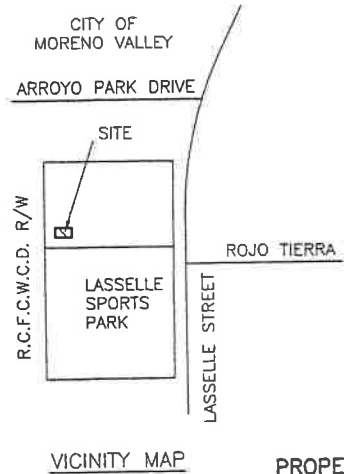
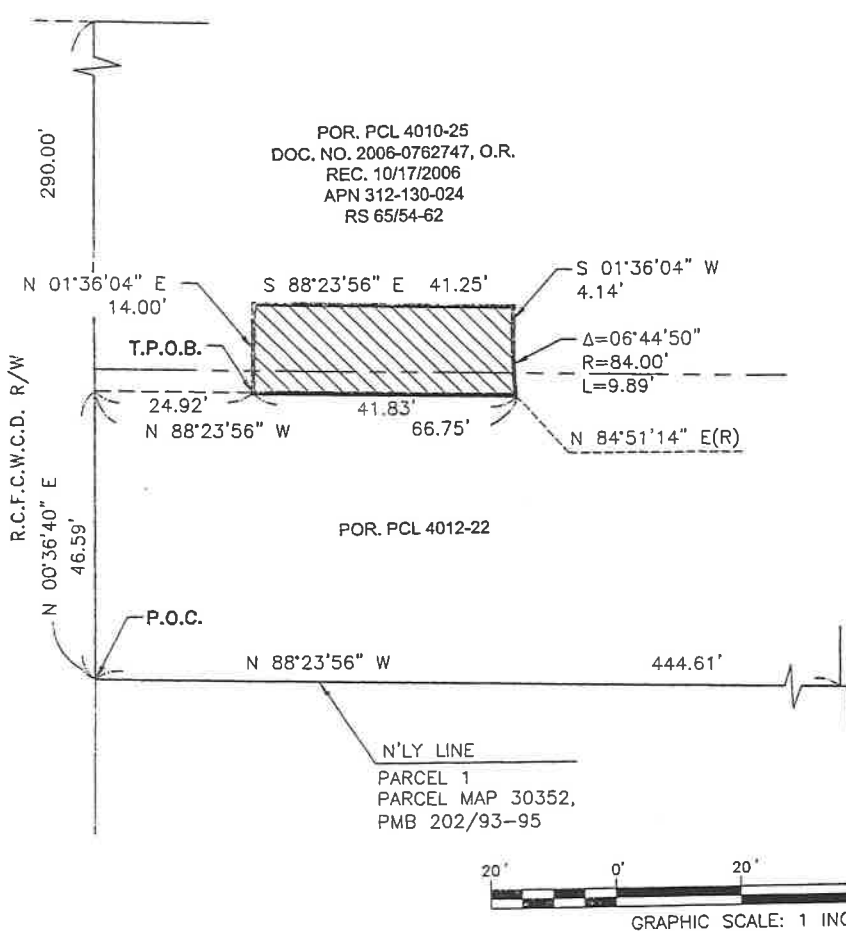

Robert D. Vasquez, P.L.S. 7300
David Evans and Associates, Inc.
4200 Concours, Suite 200
Ontario, CA 91764, (909) 481-5750

Date



EXHIBIT 'B'

PREPARED BY ME OR UNDER MY DIRECTION.



Rdvaquez
ROBERT D. VASQUEZ, PLS 7300 DATE 12-25-12
EXP. DATE: 12/31/2012

DAVID EVANS AND ASSOCIATES INC.
4200 Concourse, Suite 200
Ontario California 91764
Phone: 909.481.5750

PROPERTY DESCRIPTION

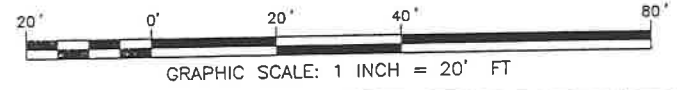
IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCELS 4010-22 AND 4010-25, DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, OFFICIAL RECORDS OF RIVERSIDE COUNTY.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

- EMWD ACCESS EASEMENT, AREA=580 SQ. FEET
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- P.O.T. POINT OF TERMINUS



APN: 312-130-024
SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVISIONS					REFERENCES			SCALE	AS SHOWN	DATE	EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA		v. d.
NO.	DATE	INITIAL	DESCRIPTION	APP. VD	PMB 202/93-95	DESIGNED	KXG	2/9/12			EMWD GRANT OF EASEMENT PLAT PROPERTY OF:		C. D.
					PMB 159/3-14	DRAWN	KXG	2/9/12			MORENO VALLEY COMMUNITY SERVICES DISTRICT		COORD.
					RS 65/54-62	TRACED	MARA	7/18/12			APPROVED <i>[Signature]</i> 12-31-2012		SHT. 1 OF 1
					DOC. NO. 2006-0762747, O.R.	CHECKED	JCBE	10/24/12			APPROVED <i>[Signature]</i> 12-31-2012		RB-
					APPROVALS			RECORDING DATA					
					L.A.M. 10/30/12	ENGINEERING	RIGHT OF WAY	DATE					

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in
Presence of Notary & Notarized.

APN: 312-130-024
W.O: 12946
RB-

No Recording Fee Required Pursuant to Government Code Section 27383

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, repair, improve and relocate, roadway facilities for access and road purposes, including the use of vehicular traffic for any purpose. Grantee has the right, but not the duty, to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over, and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to build adequate access facilities including a paved road, if desired, provided for under the term of the easement granted herein; and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said access improvements, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed, or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

It is understood that Grantor, Grantor's successors, heirs and assigns, may also use the surface of the real property within the boundaries of such easements for access and right of way so long as there is no interference with Grantee's use. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns. Each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

IN WITNESS WHEREOF, this instrument has been executed the day of _____, 20__.

GRANTORS: MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATERDISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California
County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

EASTERN MUNICIPAL WATER DISTRICT
ACCESS EASEMENT

W.O.: 12946

APN: 312-130-024

GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

In the City of Moreno Valley, County of Riverside, State of California, being those portions of Parcels 4010-22 and 4010-25, as described in the Quitclaim Deed to the Moreno Valley Community Services District, recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, together with a portion of Lot "W" of Parcel Map No. 22701, as shown on the map filed in Book 159, Pages 3 through 14 inclusive of Parcel Maps, in the Office of the County Recorder of said County, described as follows:

Commencing at the northeast corner of said Lot "W", being a point on a curve, concave easterly and having a radius of 6050.00 feet, to which a radial line bears South 85°37'27" East;

Thence southerly along the easterly boundary of said Lot "W" and said curve, an arc distance of 10.76 feet through a central angle of 00°06'07" to the **TRUE POINT OF BEGINNING**;

Thence continuing southerly along said easterly boundary and said curve, an arc distance of 33.03 feet through a central angle of 00°18'46";

Thence leaving said easterly boundary and non-tangent to last said curve, North 88°23'56" West, 52.55 feet to the beginning of a non-tangent curve, concave southwesterly and having a radius of 20.00 feet, to which a radial line bears North 58°14'03" East;

Thence northwesterly along last said curve, an arc distance of 19.77 feet through a central angle of 56°37'59";

Thence North 88°23'56" West, 265.30 feet to the beginning of a curve, concave southeasterly and having a radius of 15.00 feet;

Thence southwesterly along last said curve, an arc distance of 23.56 feet through a central angle of 89°59'43";

Thence South 01°36'04" West, 181.00 feet to the beginning of a curve, concave northeasterly and having a radius of 15.00 feet;

Thence southeasterly along last said curve, an arc distance of 23.56 feet through a central angle of 90°00'00";

Thence South 88°23'56" East, 5.66 feet;

EXHIBIT A; ACCESS EASEMENT
APN: 312-130-024, 025

Thence South 46°35'56" West, 33.85 feet;

Thence North 88°21'21" West, 15.67 feet;

Thence North 01°38'39" East, 13.53 feet;

Thence North 88°23'55" West, 14.19 feet;

Thence North 12°41'59" West, 1.10 feet to the beginning of a non-tangent curve, concave northeasterly and having a radius of 84.00 feet, to which a radial line bears North 77°18'01" East;

Thence northwesterly along last said curve, an arc distance of 20.97 feet through a central angle of 14°18'03";

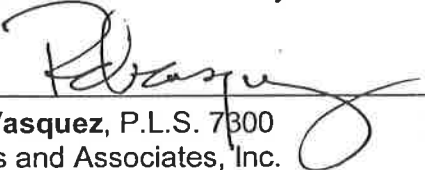
Thence North 01°36'04" East, 223.58 feet;

Thence South 88°23'56" East, 387.00 feet to the **TRUE POINT OF BEGINNING**.

The above described parcel contains 0.420 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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



Robert D. Vasquez, P.L.S. 7300 Date
David Evans and Associates, Inc.
4200 Concourses, Suite 200
Ontario, CA 91764
(909) 481-5750



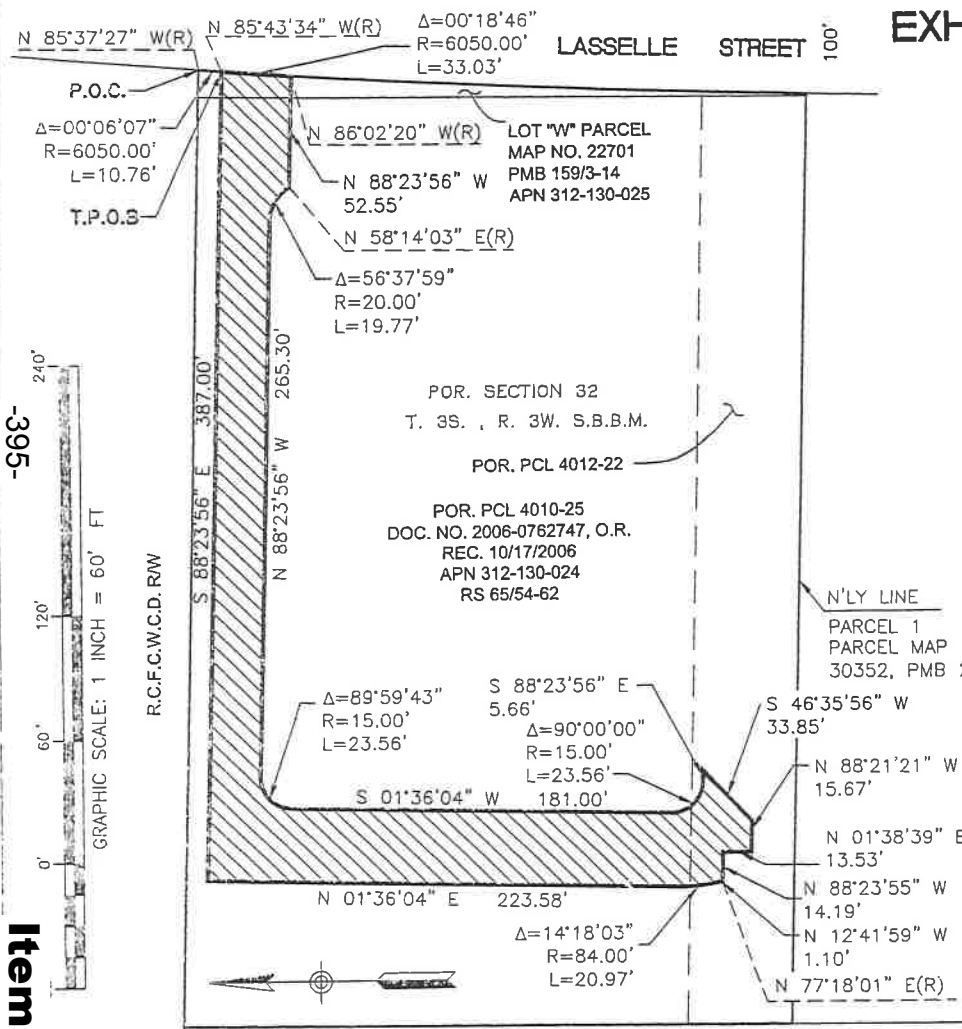


EXHIBIT 'B'

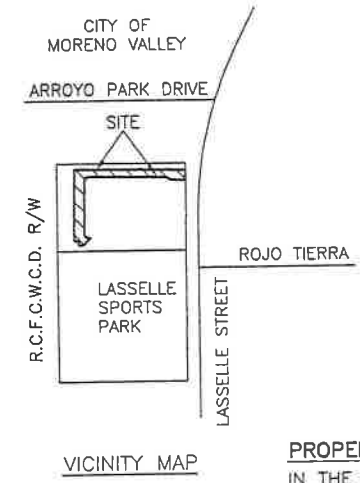
PREPARED BY ME OR UNDER MY DIRECTION.

ROBERT D. VASQUEZ, PLS 7300
 EXP. DATE: 12/31/2012

DATE

LICENCED LAND SURVEYOR
 ROBERT D. VASQUEZ
 12-31-12

New Attachment



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.481.5750

-395-

Item No. B.5

REVISIONS				REFERENCES			SCALE AS SHOWN		
DATE	INITIAL	DESCRIPTION	APP. VD						DATE
				PMB 202/93-95	DESIGNED	KXG			2/9/12
				PMB 159/3-14	DRAWN	KXG			2/9/12
				RS 65/54-62	TRACED	MARA			7/18/12
				DOC. NO. 2006-0762747, O.R.	CHECKED	JCBE			10/24/12
				APPROVALS			RECORDING DATA		
				L.A.M. [Signature]	INST. NO.				
				ENGINEERING	RIGHT OF WAY	DATE			

EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA		W. D.	12946
EMWD GRANT OF EASEMENT PLAT PROPERTY OF:		C. D.	
MORENO VALLEY COMMUNITY SERVICES DISTRICT		COORD.	
APPROVED [Signature]		SHT.	1 OF 1
EASTERN MUNICIPAL WATER DISTRICT		RB-	

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

Eastern Municipal Water District
P.O. Box 8300
Perris, CA 92572-8300

Attn: Right of Way Department

This Document Must Be Signed in Presence of
Notary & Notarized.

APN: 312-130-024, 025
W.O. OH
RB-

No Recording Fee Required Pursuant to Government Code Section 27383

GRANT OF EASEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

MORENO VALLEY COMMUNITY SERVICES DISTRICT,

(hereinafter referred to as "Grantor") does hereby grant to **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, its successors and assigns (hereinafter referred to as "Grantee") a perpetual non-exclusive easement and right of way to construct, enlarge, reconstruct, remove and replace, operate, inspect, maintain, repair, improve and relocate, sewage transmission and collection facilities, including, but not limited to, gravity pipelines, pressure pipelines, manholes, connections, and appurtenant equipment for the collection and transmission of sewage, together with the right of access and for road purposes, including the use of vehicular traffic for any purpose, in, on, over, under, upon, along, through and across the property hereinafter described, together with reasonable right of access to and from said easement for the purpose of exercising the rights granted in said easement. Grantee has the right, but not the duty to maintain a graded vehicular roadway in good repair.

Said easement shall be in, under, over and across that certain property situated in the County of Riverside, State of California, described as follows:

(SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF)

The foregoing easement shall include:

- (a) The temporary use of such adjacent land of Grantor as is necessary to install the facilities provided for under the term of the easement granted herein: and
- (b) The right to enter upon and pass and repass over and along said strip or strips of land, and to deposit tools, implements and other materials thereon by Grantee, its officers, agents and employees, and by persons under contract to construct said pipeline or pipelines, and their employees, whenever and wherever necessary for the purpose of exercising the rights herein granted.

Grantor retains the right to the use of the land described herein except as to any use in derogation of the easement contained herein, and specifically agrees that no trees shall be planted thereon and no buildings or other structures of any kind will be placed, constructed or maintained over the real property described herein. Any work by Grantor, or any one working through or under Grantor, affecting the surface or subsurface of the ground subject to this easement shall be performed only after giving written notice by certified mail, postage paid, addressed to Grantee at Grantee's office setting forth the proposed changes in detail. Such notice is to be given to the Grantee at least thirty (30) business days prior to commencement of such work and is subject to approval by Grantee.

Notwithstanding the foregoing, the surface of the ground with respect to the distance from the ground surface to the top of any pipes, as of the date of this easement, shall not be changed by any party other than Grantee, if it results in:

- (a) "Cutting" or removing the soil, which leaves less than forty-eight (48) inches of soil over the top of the pipe; and
- (b) "Hauling" in of soil or "filling" which will leave more than twelve (12) feet of soil over the top of any pipe.

It is understood that the permanent easements and the rights of way above described shall be acquired subject to the rights of the Grantor, Grantor's successors, heirs and assigns, to use the surface of the real property within the boundaries of such easements and rights of way. It is understood that any use of the surface rights by Grantor, and Grantor's successors, heirs and assigns, shall be deemed a continuing permissive use allowed by Grantee, its successors, heirs and assigns, and each successor-in-interest of the Grantor, by acceptance of a conveyance of said property or interest therein admits and agrees that any such use is a continuing permissive use. It is understood that each and every right and privilege hereby granted is free and alienable. Notwithstanding the foregoing, it is understood and agreed that this Grant of Easement shall not be construed as a Grant of Fee Title.

Grantee, its successors and assigns, shall restore, or cause to be restored, the surface or subsurface of the real property hereinabove described to the condition said property was in as of the time of performance of any enlargement, construction, reconstruction, removal and replacement, operation, inspection, maintenance, repair, improvement and relocation, and such restoration shall be performed with due diligence and dispatch.

IN WITNESS WHEREOF, this instrument has been executed this _____ day of _____, 20____.

GRANTOR (S): MORENO VALLEY COMMUNITY SERVICES DISTRICT

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

DATE: _____

BY: _____

(TYPE OR PRINT NAME & TITLE)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by Grant of Easement dated

_____, 20__ from:

MORENO VALLEY COMMUNITY SERVICES DISTRICT

to the **EASTERN MUNICIPAL WATER DISTRICT**, a public agency of the State of California, is hereby accepted by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Resolution No. 80 of the Board of Directors adopted on January 14, 1953, and the Grantee consents to the recordation thereof by its duly authorized officer or agent.

EASTERN MUNICIPAL WATER DISTRICT

DATE: _____

BY: _____

**Rosemarie V. Howard, Secretary
Of the Eastern Municipal Water District
And the Board of Directors thereof**

(SEAL)

ACKNOWLEDGMENT

State of California

County of _____

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

personally appeared _____

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"
EASTERN MUNICIPAL WATER DISTRICT
SEWER AND ACCESS EASEMENT

APN: 312-130-024, 025

GRANTOR: MORENO VALLEY COMMUNITY SERVICES DISTRICT

LEGAL DESCRIPTION

A portion of Parcel 4010-25, in the City of Moreno Valley, County of Riverside, State of California, described in the Grant Deed to the Moreno Valley Community Services District recorded October 17, 2006 as Document No. 2006-0762747, Official Records of said County, together with a portion of Lot 'W' of Parcel Map No. 22701, as per map filed in Book 159, Pages 3 through 14 inclusive of Parcel Maps, in the Office of the County Recorder of said County, included within a strip of land, 30.00 feet in width, lying 15.00 feet on each side of the following described centerline:

COMMENCING at the southwest corner of said Document No. 2006-0762747;

Thence along the westerly line of said Document No. 2006-0762747, North 00°33'24" East, 229.97 feet to the **TRUE POINT OF BEGINNING**;

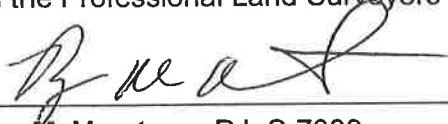
Thence leaving said westerly line South 88°34'06" East, 454.25 feet to the easterly line of said Lot 'W' and the **POINT OF TERMINUS**.

The sidelines of the above described strip of land shall be extended or shortened to begin at the westerly line of said Document No. 2006-0762747 and to terminate at the easterly line of said Lot 'W'.

The above described parcel contains 0.313 acres, more or less.

Exhibit "B" attached hereto and by this reference made a part hereof.

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



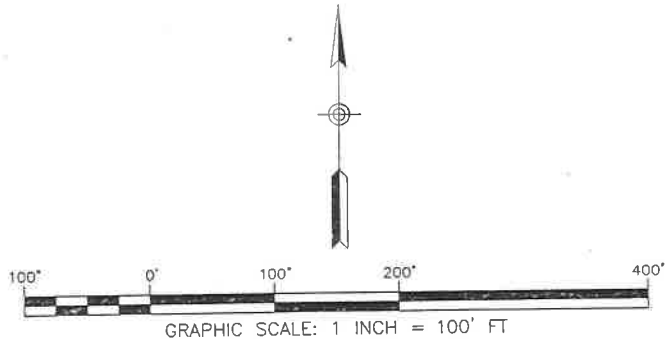
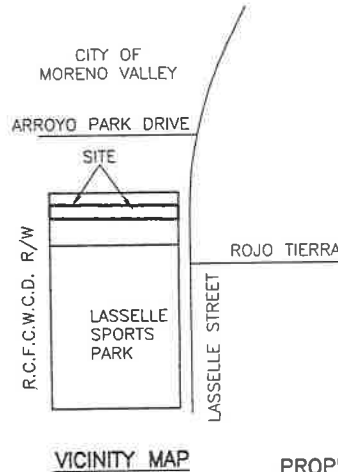
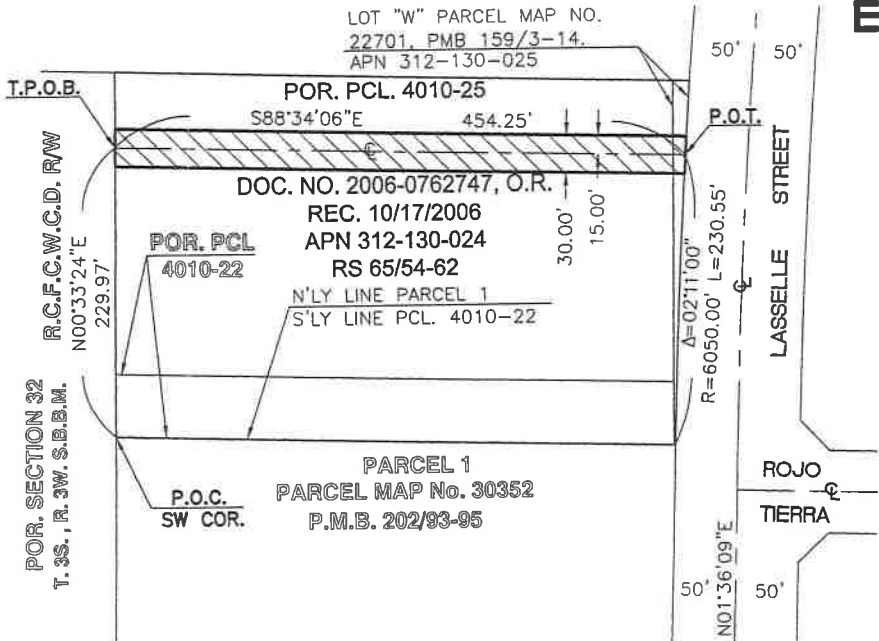
3-12-2012

Date

Ryan M. Versteeg, P.L.S.7809
David Evans and Associates, Inc.
4200 Concourses, Suite 200
Ontario, CA 91764
(909) 481-5750



EXHIBIT 'B'



PREPARED BY ME OR UNDER MY DIRECTION.

R. M. Versteeg
 RYAN M. VERSTEEG, PLS 7809 DATE 3-12-2012
 EXP. DATE: 12/31/2013



DAVID EVANS AND ASSOCIATES INC.
 4200 Concourse, Suite 200
 Ontario California 91764
 Phone: 909.481.5750

PROPERTY DESCRIPTION

IN THE CITY OF MORENO VALLEY, BEING A PORTION OF PARCEL 4010-25 DESCRIBED IN DOCUMENT NO. 2006-0762747, RECORDED OCTOBER 17, 2006, RIVERSIDE COUNTY RECORDS TOGETHER WITH A PORTION OF LOT "W" OF PARCEL MAP 22701, AS PER MAP FILED IN BOOK 159, PAGES 3 THROUGH 14 INCLUSIVE OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS PLAT IS THE CENTERLINE OF LASSELLE STREET AS SHOWN ON PARCEL MAP NO. 30352, P.M.B. 202/93-95, BEING NORTH 01°36'09" EAST.

LEGEND

- EMWD SEWER AND ACCESS EASEMENT, AREA=0.313 ACRES
- P.O.C. POINT OF COMMENCEMENT
- T.P.O.B. TRUE POINT OF BEGINNING
- P.O.T. POINT OF TERMINUS

SEC. 32, T. 3 S., R. 3 W., S.B.M.

REVISIONS				REFERENCES			SCALE AS SHOWN		DATE		EASTERN MUNICIPAL WATER DISTRICT RIVERSIDE COUNTY, CALIFORNIA	
DATE	INITIAL	DESCRIPTION	APP' VD		DESIGNED	KXG	2/9/12					V. D.
				PMB 202/93-95	DRAWN	KXG	2/9/12					C. D.
				PMB 159/3-14	TRACED							COORD.
				RS 65/54-62	CHECKED	RMVE	2/9/12					SHT. 1 OF 1
				DOC. NO. 2006-0762746, O.R.	APPROVALS		RECORDING DATA					RB-
					L.A.M. 3/22/12			INST. NO.				
					ENGINEERING	RIGHT OF WAY	DATE					
APPROVED <i>[Signature]</i> 03/28/2012										EASTERN MUNICIPAL WATER DISTRICT		

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**MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013
(Report of: City Clerk Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.2

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MINUTES – SPECIAL MEETING OF NOVEMBER 26, 2013
(Report of: City Clerk Department)
Recommendation: Approve as submitted.

SEE AGENDA ITEM A.3

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**MINUTES - REGULAR MEETING OF NOVEMBER 12, 2013
(Report of: City Clerk Department)**

Recommendation: Approve as submitted.

SEE AGENDA ITEM A.2

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council, acting in their respective capacities as the President and Board members of the Moreno Valley Public Financing Authority

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: ADOPTION OF RESOLUTION OF THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE REFUNDING BONDS TO REFUND OUTSTANDING BONDS; 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

RECOMMENDED ACTION

Recommendation:

1. That the Board of Directors of the Moreno Valley Public Financing Authority adopt Resolution No. MVPFA 2013-01, authorizing the issuance and sale of Lease Revenue Refunding Bonds to refund outstanding bonds; 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.

SUMMARY

The City has an opportunity to lock in a low and stable interest cost and the potential to create future savings in General Fund debt service through a refunding of the 2005 Bonds that funded various roadway, electric infrastructure and public safety building improvements.

Staff has worked with members of the finance team to pursue a transaction that will place the City in a position to capture savings in the near term. During its meeting on November 18, 2013 the Finance Sub-committee of the City Council considered the proposed refunding and made the recommendation to move this item forward for consideration by the full Board of Directors.

The sub-committee has made a recommendation that the Board of Directors approve Alternative No. 1 to proceed with a negotiated bond sale and refinance a portion or all of the 2005 Bonds to generate cost savings. Option 2 does not allow the City to capture savings in the near term. The refunding would tentatively close on December 31, 2013. Moving quickly improves the likelihood of completing this transaction with today's favorable interest rate conditions.

DISCUSSION

On July 7, 2005, the Moreno Valley Public Financing Authority's ("Authority") approved the issuance of the 2005 Lease Revenue Refunding Bonds ("2005 Bonds") in the original amount of \$48,205,000. The 2005 Bonds were originally issued to finance the public safety building expansion, Fire Station No. 58 and other various electric utility and roadway improvements.

The 2005 Bonds are currently outstanding in the amount of \$41,360,000 with interest rates ranging from 4.00% – 5.00%. The final term of the 2005 Bonds is November 1, 2035. The 2005 Bonds can now be prepaid on any date following November 1, 2013 at 102% of the face amount of the bonds.

As part of the City's ongoing effort to implement budgetary savings and reduce costs, staff has discussed the opportunity to take advantage of favorable levels in interest rates to refinance all or a portion the 2005 Bonds. This refinancing could save the City approximately \$500,000 based on today's rates. The bonds will also be structured under an updated "master lease" bond structure which will enable future City lease financings to be secured by a common pool of City assets which should streamline and reduce the number of assets that are used for future financings.

Municipal interest rates continue to be at historically low levels. The Federal Reserve has supported the current low interest rate environment by continuing to use economic policies (e.g. "quantitative easing") to keep interest rates low through 2014. However, recent economic trends of lower than expected unemployment rates, increased retail sales and housing prices have caused investors to put more money into stocks (and less into bonds) 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 refinance the 2005 Bonds for significant savings.

In order to take advantage of market conditions, the Authority will issue about \$12 million of refunding bonds to refinance a portion of the 2005 Bonds (“2013 Refunding Bonds”). The 2013 Refunding Bonds will be issued with the same final year of repayment (2022) as the portion of the 2005 Bonds to be refunded. At today’s rates, the City may refinance \$12,275,000 of the 2005 Bonds representing maturities between 2014 through 2022. A partial refinancing will produce about \$500,000 of savings over the remaining life of the bonds.

If municipal interest rates improve, the City may elect to refinance additional maturities from the 2005 Bonds so long as the overall transaction meets an overall 3% savings target (calculated as savings in today’s dollars divided by the face amount of bonds to be refinanced) and net of all financing costs. In addition, the refinancing of any additional 2005 Bond maturities will not be extended beyond the original term of those maturities to be refinanced.

The final amount of bonds to be refinanced will be subject to the final 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 \$42 million and a not-to-exceed interest rate of 4.5% to provide staff the flexibility to capture as much savings as possible if interest rates move in the City’s favor.

Like the 2005 Bonds, the 2013 Refunding Bonds will be structured as a lease-leaseback financing between the City and the Authority. 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. Currently, the Authority leases the following assets from (and then back to) the City: City Hall, Public Safety Building, Fire Stations No. 2, 6, 48, 58, 91, Library and Animal Shelter.

The 2013 Refunding Bonds will be structured with a pool of lease assets consisting of Morrison Park Fire Station #99, Sunnymead Park, and Veterans Memorial Park. This lease asset pool has sufficient rental value to support the lease financing structure.

The 2013 Refunding Bonds will be designed with a “master lease” bond structure. 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. The primary benefit of the master lease structure is that it enables the City to pledge fewer assets over time to effectuate future lease financings. The City will have the flexibility to substitute, remove or add other assets over time under this new structure. The financing structure terms will be the same as the Authority’s previous lease financings in all other respects.

The 2013 Refunding Bonds are currently anticipated to be structured with no bond reserve requirement. Lease revenue bonds are typically sold with a bond reserve equal to 100% of the maximum annual bond payment. However, based on the City's strong financial profile, the 2013 Refunding Bonds will be structured with no reserve fund to save on financing costs. Depending on the credit rating outcome and market conditions, the 2013 Refunding Bonds may need to be structured with a standard reserve requirement of up to 100% of the maximum annual bond payment.

Orrick, Herrington & Sutcliffe LLP will serve as Bond Counsel. E. J. De La Rosa & Company will serve as underwriter for the bonds, which will be sold on a negotiated basis. Goodwin Procter LLP will serve as 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. The Finance Sub-committee of the City Council recommends Alternative 1.

1. Issue approximately \$12 million and, depending on market conditions, up to \$42 million in bonds to refinance a portion or all of the 2005 Bonds through a negotiated bond sale to generate economic savings for the City and authorize the Executive Director to sign all related bond documents.
2. Not proceed with refinancing of the 2005 Bonds and maintaining the current level of debt service payment obligations.

FISCAL IMPACT

Based on current rates, the City will issue about \$12 million of 2013 Refunding Bonds. The bond authorizing resolution has a combined not-to-exceed issuance amount of \$42 million to allow for a refunding of all of the 2005 Bonds outstanding. This figure also provides additional cushion to accommodate structuring flexibility to achieve the lowest interest rates.

The 2013 Refunding Bonds will be structured to maximize savings in the first year; all remaining payments will be structured to be in line with the original 2005 Bond debt service. There will be no change to the final maturity of bonds which will be consistent with the final maturity of the 2005 Bonds to be refunded. This final maturity is currently contemplated to be in 2022.

By taking advantage of low interest rates currently available in the market, the City will save about \$500,000 in the first year of the bonds. All remaining payments will be similar to the current 2005 Bond debt service schedule. In today's dollars, this translates into over \$500,000 of present value savings (equal to 4.10% of the refunded bond amount). Typically, municipal issuers set a minimum present value savings goal equal

to 3% of the refunded bond amount to determine if a refinancing is worthwhile to pursue. As stipulated in the bond authorizing resolution, the 2013 Refunding Bonds must be sold at interest rates that produce at least 3% present value savings to the General Fund net of all financing costs.

The 2013 Refunding 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 \$250,000 (equal to 2.11% of the estimated bond size), which has already been factored into the savings stated above. The majority of these fees will remain constant, however the bond underwriting fee (not-to-exceed 0.85% of the bond size) and some other legal/rating fees will fluctuate lower or higher depending on the final size of refinancing bonds.

ATTACHMENTS

- Attachment 1 - Proposed Resolution
- Attachment 2 - Master Trust Agreement
- Attachment 3 - Master Facilities Lease
- Attachment 4 - Master Facilities Sublease
- Attachment 5 - Bond Purchase Agreement
- Attachment 6 - Preliminary Official Statement

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer

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RESOLUTION NO. MVPFA 2013-01

MORENO VALLEY PUBLIC FINANCING AUTHORITY

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE REFUNDING BONDS TO REFUND OUTSTANDING BONDS; 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; and

WHEREAS, the Authority desires to issue bonds for the purpose of refunding all or a portion of the Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the "Refunded Bonds"); provided there are present value savings of at least 3% with respect to the portion of the Refunded Bonds to be refunded; 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 that it furthers the public purpose to assist in such refinancing; 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 \$42,000,000 in aggregate principal amount of its Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the "Bonds"); and

WHEREAS, the Authority desires to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") for the Bonds with De La Rosa & Co. (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 refund the Refunded Bonds, 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 Refunding Bonds, Series 2013, in an aggregate principal amount not to exceed \$42,000,000, are hereby approved.

Section 3. (a) 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 a 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, 2035), interest rate or rates (not to exceed a true interest cost of 4.50% 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 said Trust Agreement, as finally executed.

(b) Wells Fargo Bank, National Association, is hereby approved and appointed as Trustee of the Authority with respect to the Bonds, and shall be authorized to act as Trustee in accordance with the terms of the Trust Agreement.

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 November 1, 2035, plus an extension period of not to exceed ten (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 November 1, 2035, plus an extension period of not to exceed ten (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 0.85% of the aggregate principal amount of the Bonds; provided further that there shall be present value savings with respect to the portion of the Refunded Bonds to be refunded of at least 3%.

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 Chairman, the Vice Chairman, the Executive Director, the Treasurer and the Secretary, 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 Goodwin Procter LLP, as counsel for the Underwriter. In the event that only a portion of the Refunded Bonds can be refunded at the threshold present value savings level set forth in Section 6 hereof, the finance team appointed in this Section 9 is authorized to monitor the public capital market and report to staff if a refunding opportunity for all or a portion of the balance of the Refunded Bonds occurs.

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 executing and delivering an escrow agreement.

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 10th day of December, 2013.

Chairperson

APPROVED AS TO FORM:

Authority Legal Advisor

ATTEST:

Authority Secretary

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Resolution No. MVPFA 2013-01
Date Adopted: December 10, 2013

SECRETARY'S CERTIFICATE

I, [Jane Halstead], Secretary of the Moreno Valley Public Financing Authority, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the members of the Board of Directors of said Authority at a regular meeting of the Board of Directors of said Authority duly and legally held at Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on December 10, 2013, of which meeting all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: _____, 2013.

Secretary of the
Moreno Valley Public Financing Authority

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Resolution No. MVPFA 2013-01
Date Adopted: December 10, 2013

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MASTER TRUST AGREEMENT

between the

MORENO VALLEY PUBLIC FINANCING AUTHORITY

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

Dated as of December 1, 2013

\$XX,000,000

Moreno Valley Public Financing Authority
Lease Revenue Refunding Bonds, Series 2013

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MASTER TRUST AGREEMENT

THIS MASTER TRUST AGREEMENT dated as of December 1, 2013 (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”);

WITNESSETH:

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 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 refund a portion of the Outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “Refunded Bonds”), referred to herein as the “Series 2013 Refunding Project” through the issuance of its bonds;

WHEREAS, the Authority has authorized the issuance of its Lease Revenue Refunding Bonds, Series 2013 (the “Series 2013 Bonds”), in an aggregate principal amount of \$XX,000,000 to assist in financing the Series 2013 Refunding 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.

Additional Projects

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.

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 2013 Bonds, Additional Bonds, Serial Bonds, Term Bonds

The term “Bonds” means the Series 2013 Bonds and all Additional Bonds. The term “Series 2013 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 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 2013 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 Agent

The term “Escrow Agent” means Wells Fargo Bank, National Association, as prior trustee and escrow agent under the Escrow Agreement.

Escrow Agreement

The term “Escrow Agreement” means the Escrow Agreement, dated as of [DATED DATE], by and between the City and the Escrow Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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 December 1, 2013, 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 December 1, 2013, 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 May 1, 2014.

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.

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 ownership 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, redemption or acceleration).

Projects

The term “Projects” means the Series 2013 Refunding Project and all Additional Projects.

Project Costs

The term “Project Costs” means all costs of acquisition and construction of the Project 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.

Refunded Bonds

The term “Refunded Bonds” means the Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds maturing [November 1, 2014 through and including November 1, 20__].

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.

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.

Series 2013 Refunding Project

The term “Series 2013 Refunding Project” means the refunding of the Refunded Bonds.

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 December 1, 2013 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 2013 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 Refunding Bonds, Series 2013.” The aggregate principal amount of Series 2013 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 2013 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 2013 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 2013 Bonds in the form and manner provided herein and that the Series 2013 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(d) The validity of the issuance of the Series 2013 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 2013 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 2013 Bonds shall be incontestable from and after their issuance. The Series 2013 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Series 2013 Bonds (or any temporary Series 2013 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 2013 Bonds. (a) The Series 2013 Bonds shall be issued in the aggregate principal amount of \$XX,000,000. The Series 2013 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 2013 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 2013 Bonds</u>		
<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022*		

* Term Bond

The Series 2013 Bonds shall bear interest at the rates set forth above, payable commencing May 1, 2014, and semiannually thereafter on November 1 and May 1 in each year. The Series 2013 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 2013 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 2013 Bonds. The Series 2013 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 2013 Bonds. The Executive Director of the Authority is hereby authorized and directed to execute each of the Series 2013 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Series 2013 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 2013 Bonds shall cease to be such officer before the delivery of the Series 2013 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 2013 Bonds.

Only those Series 2013 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 2013 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 2013 Bonds. (a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Series 2013 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 2013 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2013 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Series 2013 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Series 2013 Bonds, representing the aggregate principal amount of the Series 2013 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2013 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 2013 Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Series 2013

Bonds, selecting the Series 2013 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Series 2013 Bonds, obtaining any consent or other action to be taken by Bondholders of the Series 2013 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 2013 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 2013 Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Series 2013 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 2013 Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Series 2013 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 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 2013 Bonds then Outstanding. In such event, the Series 2013 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 2013 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 2013 Bond and all notices with respect to each such Series 2013 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 2013 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 2013 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 2013 Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2013 Bonds, another securities depository as holder of all the Series 2013 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 2013 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2013 Bonds.

ARTICLE III

ISSUANCE OF BONDS

SECTION 3.01 Procedure for the Issuance of Series 2013 Bonds. At any time after the sale of the Series 2013 Bonds in accordance with the Act, the Authority shall execute the Series 2013 Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Series 2013 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 2013 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 April 1, 2014. 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 2013 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 April 1, 2014, 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 Escrow Account established in the Escrow Agreement.

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 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 such facility to the City) 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 3.04 Proceedings for Authorization of Additional Bonds.

Whenever the Authority and the City shall determine to execute and deliver any Additional Bonds pursuant to Section 3.03, 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 3.03, 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 3.03(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 3.03 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 3.05 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 3.03; 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 2013 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 2013 Bonds maturing on or prior to November 1, 202_, are not subject to optional redemption. The Series 2013 Bonds maturing on and after November 1, 202_, are subject to optional redemption prior to maturity at

the written direction of the Authority, from any moneys deposited by the Authority or the City, as a whole or in part on any date on or after November 1, 202_, and among such maturities as are designated by the Authority to the Trustee, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption plus accrued but unpaid interest to the redemption date.

SECTION 4.03 Mandatory Sinking Fund Redemption. Bonds maturing on November 1, 20__, shall be subject to redemption prior to their stated maturity, by lot, from mandatory sinking fund payments in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date	Principal Amount
--	-------------------------

20__*

*Maturity

In the event of an optional redemption pursuant to Section 4.02, the City shall provide the Trustee with a revised sinking fund schedule giving effect to the optional redemption so completed.

SECTION 4.04 Selection of Bonds for Redemption. If less than all Outstanding Series 2013 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 2013 Bonds of such maturity date to be redeemed by lot and shall promptly notify the Authority in writing of the numbers of the Series 2013 Bonds so selected for redemption. For purposes of such selection, Series 2013 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 2013 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 2013 Bonds of such maturity, to be redeemed and, in the case of Series 2013 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 2013 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 2013 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 2013 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, 2014, 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 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 acceleration 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 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 3.03(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 3.03(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 Acceleration of Maturities. If one or more of the following events (herein called “Events of Default”) shall happen, that is to say:

(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;

then and in each and every such case during the continuance of such event of default the Trustee may, and upon the written request of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall, by notice in writing to the Authority, declare the principal of all Bonds then Outstanding and the interest accrued thereon to be due and payable immediately, and upon any such declaration the same shall become due and payable, anything contained herein or in the Bonds to the contrary notwithstanding. The Trustee shall promptly notify all Bondholders by first class mail of any such event of default which is continuing of which a Responsible Officer has actual knowledge or written notice.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds then Outstanding shall have been so declared due and payable and before any judgment or decree for the payment of the money due shall have been obtained or entered the Authority shall deposit with the Trustee a sum sufficient to pay all matured interest on all the Bonds and all principal of the Bonds matured prior to such declaration, with interest at the rate borne by such Bonds on such overdue interest and principal, and the reasonable fees and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of interest on and principal of the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then and in every such case the Trustee or the Bondholders of not less than a majority in aggregate principal amount of Bonds then Outstanding, by written notice to the Authority and to the Trustee, may on behalf of the Bondholders of all the Bonds then Outstanding rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

SECTION 7.02 Application of Funds Upon Acceleration. All moneys in the accounts and funds provided in Sections 3.01, 3.02, 5.02, 5.03 and 5.05 upon the date of the declaration of acceleration by the Trustee as provided in Section 7.01 and all Revenues (other than Revenues on deposit in the Rebate Fund) thereafter received by the Authority hereunder shall be transmitted to the Trustee and shall be applied by the Trustee in the following order--

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 7.03 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 7.04 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 7.05 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 7.06 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 7.07 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.

(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

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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.

Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Trustee 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 and the Bondholders.

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: Executive Director
Tel: (951) 413-3021

If to the Trustee: Wells Fargo Bank, National Association

Los Angeles, CA 900__
Attention: Corporate Trust Department

If to the City: City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552
Attention: Financial and Administrative Services Director
Tel: (951) 413-3021

SECTION 12.13 Notices to Rating Agencies. The Trustee shall give written notice to Moody's and S&P 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

EXHIBIT A

FORM OF SERIES 2013 BOND

No. _____

\$ _____

MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BOND, SERIES 2013

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> _____, 2013	<u>CUSIP</u> _____
----------------------------------	--	-------------------------------------	-----------------------

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 May 1, 2014, 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 May 1, 2014, and semiannually thereafter on each November 1 and May 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 Refunding Bonds” (the “Bonds”) and is one of a duly authorized series of such Bonds known as “Series 2013” (the “Series 2013 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 December 1, 2013 (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 December 1, 2013 (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 principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Trust Agreement. The Trust Agreement provides that in certain events such declaration and its consequences may be rescinded by the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding or by the Trustee.

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

[FORM OF CERTIFICATE OF AUTHENTICATION
TO APPEAR ON SERIES 2013 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

[FORM OF ASSIGNMENT TO
APPEAR ON SERIES 2013 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.

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 December 1, 2013

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MASTER FACILITIES LEASE

This Master Facilities Lease (the "Lease"), dated as of December 1, 2013, 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;

WITNESSETH:

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 December 1, 2013 (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 2013 (the "Series 2013 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 2013 Bonds will be applied by the City to finance the 2013 Refunding 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 January 1, 2013, whichever is earlier, and shall end on November 1, 20__ , 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, 20__ (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, 20__ (or such later date established in connection with the issuance of additional Bonds). If prior to November 1, 20__, 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 \$_____, 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 _____
City Manager

MORENO VALLEY PUBLIC FINANCING
AUTHORITY,
Lessee

By _____
Executive Director

EXHIBIT A

DESCRIPTION OF THE FACILITIES

All that certain property in the City of Moreno Valley, County of San Mateo, State of California, including the buildings, other improvements, and facilities located thereon, described as follows:

APN: _____

This page intentionally left blank.

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 December 1, 2013

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MASTER FACILITIES SUBLEASE

This MASTER FACILITIES SUBLEASE, dated as of December 1, 2013 (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;

WITNESSETH:

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 Refunding Bonds, Series 2013 (the “Series 2013 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 2013 Bonds will be applied by the City to refund a portion of the Outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “Refunded Bonds”), referred to herein as the “2013 Refunding 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 December 1, 2013, 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 2013 Bonds

The term “Series 2013 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 December 1, 2013, by and between the Authority and the Trustee, pursuant to which the Trustee will deliver the Series 2013 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 January 1, 2013 whichever is earlier, and shall end on November 1, 20__ , 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, 20__ (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, 204_ (or such later date established in connection with the issuance of Additional Bonds). If prior to November 1, 203_ , 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, 20__.

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 2013 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 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.

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: Financial and Administrative Services
 Director
 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: Executive Director
 Tel: (951) 413-3021

If to the Trustee: Wells Fargo Bank, National Association

 Los Angeles, CA 9 _____
 Attention: Corporate Trust Department
 Tel: (213) _____

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 _____
Executive Director

CITY OF MORENO VALLEY,
Lessee

By _____
City Manager

EXHIBIT A

DESCRIPTION OF THE FACILITIES

All that certain property in the City of Moreno Valley, County of Riverside, State of California, including the buildings, other improvements, and facilities located thereon, described as follows:

APN:

EXHIBIT B

BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
May 1, 2013			
November 1, 2013			
May 1, 2014			
November 1, 2014			
May 1, 2015			
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			
May 1, 2023			
November 1, 2023			
May 1, 2024			
November 1, 2024			
May 1, 2025			
November 1, 2025			
May 1, 2026			
November 1, 2026			
May 1, 2027			
November 1, 2027			
May 1, 2028			
November 1, 2028			
May 1, 2029			
November 1, 2029			
May 1, 2030			
November 1, 2030			
May 1, 2031			

Date	Principal	Interest	Total
November 1, 2031			
May 1, 2032			
November 1, 2032			
May 1, 2033			
November 1, 2033			
May 1, 2034			
November 1, 2034			
May 1, 2035			
November 1, 2035			

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**§[PRINCIPAL AMOUNT]
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2013**

BOND PURCHASE AGREEMENT

_____, 2013

Moreno Valley Public Financing Authority
c/o City of Moreno Valley Financial & Management Services Department
14177 Frederick Street
Moreno Valley, California 92552

City of Moreno Valley
c/o City of Moreno Valley Financial & Management Services Department
14177 Frederick Street
Moreno Valley, California 92552

Ladies and Gentlemen:

The undersigned, E. J. De La Rosa & Co., Inc. (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with Exhibit A attached hereto, is referred to as the “Purchase Contract”) with the Moreno Valley Public Financing Authority (the “Authority”) and the City of Moreno Valley, California (the “City”), which, upon the acceptance by the Authority and the City, will be binding upon the Authority, the City, and the Underwriter. This offer is made subject to acceptance by the Authority and by the City by the execution of this Purchase Contract and delivery of the same to the Underwriter prior to 6:00 P.M., Pacific Standard Time, 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 the acceptance hereof by the Authority and the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

Section 1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties, and agreements herein set forth, the Underwriter hereby agrees to purchase from the Authority and the City, and the Authority and the City hereby agree to issue, sell, and deliver to the Underwriter all (but not less than all) of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013, in the aggregate principal amount of §[PRINCIPAL AMOUNT] (the “Bonds”). The Bonds will be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on May 1 and November 1 in each year, commencing May 1, 2014, and shall bear interest at the rates and mature on the dates as set forth in Exhibit A attached hereto. The purchase price for the Bonds shall be equal to

\$ _____ (being the aggregate principal amount thereof [plus/less] original issue [premium/discount] of \$ _____ and less an underwriter's discount of \$ _____).

Section 2. **The Bonds.** The Bonds shall be secured by revenues consisting primarily of base rental payments ("Base Rental Payments") to be paid by the City pursuant to the Master Facilities Sublease, dated as of December 1, 2013 (the "Facilities Sublease"), by and between the City and the Authority. The Authority's right to receive the Base Rental Payments due under the Facilities Sublease and to exercise remedies upon default under such Facilities Sublease shall be assigned to the Trustee for the benefit of the owners of the Bonds pursuant to the Trust Agreement.

The Bonds shall be as described in, and shall be secured under and pursuant to the Trust Agreement substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City, and the Underwriter.

The proceeds of the Bonds shall be used: (i) to refinance a portion of the outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the "2005 Bonds"); and (ii) pay for the costs of issuance of the Bonds.

The Bonds, this Purchase Contract, the Authority's Joint Exercise of Powers Agreement (the "JPA Agreement"), the Trust Agreement, the Facilities Sublease, the Master Facilities Lease, dated as of December 1, 2013 (the "Facilities Lease"), by and between the Authority and the City, the Escrow Agreement, dated as of December __, 2013 (the "Escrow Agreement"), by and between the Authority and Wells Fargo Bank, National Association, as escrow agent (the "Escrow Agent"), and the resolutions of the Authority authorizing the issuance of the Bonds and the execution and delivery of the Authority Documents (hereinafter defined) are collectively referred to herein as the "Authority Documents."

This Purchase Contract, the Continuing Disclosure Certificate, dated as of the Closing Date (as hereinafter defined), entered into by the City (the "Continuing Disclosure Certificate"), the Facilities Sublease, the Facilities Lease, and the resolutions of the City authorizing the execution and delivery of the City Documents (hereinafter defined) are collectively referred to herein as the "City Documents."

Section 3. **Public Offering.** The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by this reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A attached hereto. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. 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, the 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 are not acting as Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the

Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the 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 the Authority on other matters); (iv) the Underwriter has financial and other interests that differ from those of the City and the Authority; and (v) the City and the Authority have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate.

Section 4. The Official Statement. By its acceptance of this proposal, the Authority and the City ratify, confirm, and approve of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Bonds dated _____, 2013 (including the cover page, all appendices thereto, all information incorporated therein, and any supplements or amendments thereto as have been approved by the Authority, the City, and the Underwriter and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"), that authorized officers of the City deemed "final" as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for certain information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date of this Purchase Contract, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices thereto, all information incorporated therein, and any amendments or supplements as have been approved by the Authority, the City, and the Underwriter (the "Official Statement") in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the Authority and the City with final pricing information on the Bonds on a timely basis; and (ii) to promptly file a copy of the Official Statement, including any supplements prepared by the Authority or the City with the MSRB at <http://emma.msrb.org>. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. The Authority and the City will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

Section 5. Closing. At 8:00 a.m., Pacific Standard Time, on December __, 2013 (the "Closing Date"), or at such other time or date as the Authority and the Underwriter agree upon, the Authority shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered to The Depository Trust Company, New York, New York ("DTC"), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the Authority and the City will deliver the documents hereinafter mentioned at the offices of Orrick Herrington & Sutcliffe LLP, Los Angeles, California ("Bond Counsel"), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery

of the Bonds, together with the delivery of the aforementioned documents, is herein called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of five thousand dollars (\$5,000) or any integral multiple thereof, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The Authority and the City acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the issuance of the Bonds in book-entry form, and agree to cooperate fully with the Underwriter in employing such services.

The Underwriter hereby agrees to make a bona fide public offering of all Bonds at prices not in excess of the initial public offering prices (or yields) set forth on the inside cover page of the Official Statement, reserving, however, the right to change such yields or prices after the initial public offering as the Underwriter shall deem necessary in connection with the offering of the Bonds upon reasonable notice to, and with the consent of the Authority and the City. The Underwriter shall provide to the Authority and the City on the Closing Date a certificate setting forth the offering prices to the public of each maturity of the Bonds at which a substantial amount of such maturities were sold, such certificate to be in a form acceptable to Bond Counsel.

Section 6. Representations, Warranties, and Covenants of the Authority. The Authority represents, warrants, and covenants to the Underwriter and the City that:

(a) The Authority is a public body, duly organized and existing under the Constitution and laws of the State of California (the “State”), including the JPA Agreement and the Joint Exercise of Powers Act (California Government Code Title 1, Division 7, Chapter 5, Section 6500 et seq.) (the “JPA Act”).

(b) The Authority has full legal right, power, and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action, the Authority has duly adopted, authorized and approved the Authority Documents, has duly authorized and approved the Preliminary Official Statement, will, by execution thereof, duly authorize and approve the Official Statement, and has duly adopted or authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against joint powers authorities in the State. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

(d) 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, 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 Documents, 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 Documents, 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, 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 Documents.

(e) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents, and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Authority shall notify the other parties hereto if, within the period from the date of this Purchase Contract to and including the date twenty-five (25) days following the "end of the underwriting period" (as defined in Section 7(j) hereof), the Authority discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case, which might cause the Official Statement (as the same may have then been supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) As of the date of acceptance hereof and the Closing Date, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental authority, public board, or body, pending, with service of process having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Base Rental Payments with respect to the Facilities Sublease or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the other Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the

interest on the Bonds from taxation, or contesting the powers of the Authority or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations, or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) There is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of Section 6(g) hereof.

(i) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not, and will not up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy (as such terms are defined herein),] information under the caption “UNDERWRITING,” CUSIP numbers, prices and yields for the Bonds, and any other information provided by the Underwriter, as to which no view is expressed).

(j) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(k) The Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Base Rental Payments while the Bonds are Outstanding, and the Authority will collect the Base Rental Payments in accordance with the Facilities Sublease.

(l) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the execution, sale, and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter and the City as to the statements made therein but not of the person signing such certificate.

Section 7. Representations, Warranties, and Covenants of the City. The City represents, warrants, and covenants to the Underwriter and the Authority that:

(a) The City is a municipal corporation duly organized and existing under and by virtue of the laws of the State.

(b) The City has full legal right, power, and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has duly adopted, authorized, and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement, and has duly adopted or authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Documents.

(d) 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, 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 Documents, and no event has occurred and is continuing that 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 Documents, 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, 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 Documents.

(e) All authorizations, approvals, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency, or commission having jurisdiction of the matter that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents, and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(f) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not, and will not up to and including the Closing, contain any untrue statement of a material fact or omit to state a material fact necessary to make

the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the caption “UNDERWRITING,” CUSIP numbers, prices and yields for the Bonds, and any other information provided by the Underwriter, as to which no view is expressed).

(g) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds.

(h) As of the date of acceptance hereof and the Closing Date, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental authority, public board, or body, pending, with service of process having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting, or seeking to prohibit, restrain, or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Base Rental Payments with respect to the Facilities Sublease or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from taxation, or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations, or financial condition of the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) There is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of Section 7(h) hereof.

(j) Until the date that is twenty-five (25) days after the “end of the underwriting period” (as defined below), if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter’s reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term “end of the underwriting period” means the later of such time as: (i) the Authority

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. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered by the Underwriter to the Authority and the City at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

(k) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings to provide annual reports or notices of material events specified in Rule 15c2-12.

(l) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

(m) The financial statements relating to the receipts, expenditures, and cash balances of the City as of [CONFIRM:] June 30, [2013], attached as Appendix C to the Official Statement fairly represent the receipts, expenditures, and cash balances of the City. 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 [CONFIRM:] June 30, [2013], and there has been no occurrence, circumstance, or combination thereof that is reasonably expected to result in any such materially adverse change.

(n) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate and the other City Documents, to provide annual reports and notices of certain events, if material. A description of this undertaking is set forth in Appendix F to the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) The City will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Base Rental Payments while the Bonds are Outstanding, and the City will pay the Base Rental Payments in accordance with the Facilities Sublease.

(p) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the execution, sale, and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter and the Authority as to the statements made therein but not of the person signing such certificate.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the Authority and the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and of the City, as well as authorized representatives of Bond Counsel and the Trustee made in any Bonds or other documents furnished pursuant to the provisions hereof; to the

performance by the Authority and the City of their obligations to be performed hereunder at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties, and covenants of the City and the Authority contained herein shall be true, complete, and correct at the date hereof and at the time of Closing, as if made on the Closing Date.

(b) At the time of the Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents, and the Official Statement shall not have been amended, modified, or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no default shall have occurred or be existing under the City Documents, the Authority Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would adversely impact the ability of the City to pay the Base Rental Payments when due.

(d) In recognition of the desire of the Authority, the City, and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Contract shall be subject to termination in the reasonable discretion of the Underwriter by notification, in writing, to the Authority and the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Purchase Contract:

(i) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice, or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service, or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United

States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary, or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service, or other federal or State authority affecting the federal or State tax status of the Authority or the City, or the interest on or with respect to bonds or notes (including the Bonds); or

(iii) any legislation, ordinance, rule, or regulation shall be introduced in, or be enacted by any governmental body, department, or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(iv) 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 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; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) 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 that are material to the marketability of the Bonds; or

(vii) a general banking moratorium shall have been declared by federal, State, or New York authorities or the general suspension of trading on any national securities exchange shall have occurred; or

(viii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency, or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ix) any rating of the Bonds or the rating of any obligations of the City secured by the City's general fund [CONFIRM:] [or any rating of the Bond Insurer] shall have been downgraded or withdrawn by a national rating service that, in the opinion of the Underwriter, materially adversely affects the marketability or the market price of the Bonds; or

(x) the commencement of any action, suit, or proceeding described in Section 6(g) or Section 7(h) hereof shall have occurred.

(e) At or prior to the Closing, the Underwriter shall receive the following documents, in each case in form and substance to the reasonable satisfaction of the Underwriter:

(i) all resolutions adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Authority Documents and the delivery of the Official Statement;

(ii) all resolutions adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the City Documents and the delivery of the Bonds and the Official Statement;

(iii) the City Documents and the Authority Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications, or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel dated the Closing Date and addressed to the Authority and the City, in substantially the form attached as Appendix E to the Official Statement, and a reliance letter thereon addressed to the Underwriter, the Trustee, [CONFIRM:] [and the Bond Insurer];

(v) a supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS," and in "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS" and "APPENDIX E – FORM OF BOND COUNSEL OPINION," excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the City Documents, the Authority Documents, and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects as of the Closing Date, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially delivered;

(B) this Purchase Contract has been duly executed and delivered by the City and the Authority and is the valid and binding agreement of the City and the Authority, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are

sought, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) the Official Statement, executed on behalf of the Authority and the City, and the Preliminary Official Statement;

(vii) evidence that the ratings on the Bonds are as described in the Official Statement;

(viii) a certificate, dated the Closing Date, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter to the effect that:

(A) the representations, warranties, and covenants of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the Authority, and the Authority has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Authority at or prior to the Closing Date;

(B) no event affecting the Authority has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect;

(C) the information and statements contained in the Official Statement (excluding information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the caption "UNDERWRITING," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter) did not as of its date and do not as of the Closing Date contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(D) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Authority is a party or is otherwise subject that would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(ix) a certificate, dated the Closing Date, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that:

(A) the representations, warranties, and covenants of the City contained in this Purchase Contract are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the City at or prior to the Closing Date;

(B) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purposes for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect;

(C) the information and statements contained in the Official Statement (excluding information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the caption "UNDERWRITING," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter) did not as of its date and do not as of the Closing Date contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and

(D) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Facilities Sublease), or other instrument to which the City is a party or is otherwise subject that would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument;

(x) an opinion of the City Attorney of the City of Moreno Valley, as counsel to the Authority, dated the Closing Date and addressed to the Underwriter [CONFIRM:] [, the Bond Insurer,] and Bond Counsel to the effect that:

(A) the Authority is a public body, organized and existing under the Constitution and laws of the State, including the JPA Act and the JPA Agreement;

(B) the resolutions relating to the Bonds adopted by the Authority and certified by an authorized official of the Authority authorizing the execution and delivery of the Bonds, the other Authority Documents, and the Official Statement have been duly adopted, are in full force and effect, and have not been modified, amended, rescinded, or repealed since the date of their adoption;

(C) the Authority Documents have been duly authorized, executed, and delivered by the Authority and, assuming due authorization, execution, and delivery by the other parties thereto, if applicable, constitute the valid, legal, and binding agreements of the Authority enforceable against the Authority in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent

conveyance, and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against public agencies in the State;

(D) except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority, or body pending, with service of process having been accomplished, or threatened in writing against the Authority challenging the creation, organization, or existence of the Authority or the validity of the Authority Documents, seeking to restrain or enjoin the collection of Base Rental Payments with respect to the Facilities Sublease or the repayment of the Bonds, in any way contesting or affecting the validity of the Authority Documents, or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Documents;

(E) the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents;

(F) no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution, and delivery of the Authority Documents or the Official Statement by the Authority or the consummation by the Authority of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and

(G) without having undertaken to determine independently or assume any responsibility for the accuracy, completeness, or fairness of the statements contained in the Official Statement under the caption entitled "THE AUTHORITY," nothing has come to such counsel's attention that would lead it to believe that the statements contained in the above-referenced caption as of the date of the Official Statement and as of the Closing Date (excluding therefrom the financial and statistical data and forecasts included therein, as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion of the City Attorney of the City of Moreno Valley dated the Closing Date and addressed to the Underwriter [CONFIRM:] [, the Bond Insurer,] and Bond Counsel to the effect that:

(A) the City is a municipal corporation, duly organized and existing under and by virtue of the laws of the State;

(B) the resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City authorizing the execution and delivery of the Bonds, the City Documents, and the Official Statement have been duly adopted, are in full force and effect, and have not been modified, amended, rescinded, or repealed since the respective dates of their adoption;

(C) the City Documents have been duly authorized, executed, and delivered by the City and, assuming due authorization, execution, and delivery by the other parties thereto, if applicable, constitute the valid, legal, and binding agreements of the City enforceable against the City in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against public agencies in the State;

(D) except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority, or body pending, with service of process having been accomplished, or threatened in writing against the City challenging the creation, organization, or existence of the City or the validity of the City Documents, seeking to restrain or enjoin the payment of the Base Rental Payments or the repayment of the Bonds, in any way contesting or affecting the validity of the City Documents, contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay the Base Rental Payments under the Facilities Sublease;

(E) except as otherwise disclosed in the Official Statement, there are no outstanding bonds, notes, or other obligations of the City that are payable from the Base Rental Payments;

(F) the execution and delivery of the City Documents and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order, or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(G) no authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution, and delivery of the City Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriter; and

(H) without having undertaken to determine independently or assume any responsibility for the accuracy, completeness, or fairness of the statements contained

in the Official Statement, nothing has come to such counsel's attention that would lead it to believe that the statements contained in the Official Statement as of the date of the Official Statement and as of the Closing Date (excluding therefrom financial statements and other statistical data, information regarding DTC and its book-entry only system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] information under the captions "THE AUTHORITY" and "UNDERWRITING," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xii) a letter from Goodwin Procter LLP, as Underwriter's Counsel ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter to the effect that, based on the information made available to such counsel in its role as Underwriter's Counsel, without having undertaken to determine independently the accuracy, completeness, or fairness of the statements contained in the Official Statement, but on the basis of such counsel's participation in conferences with the Underwriter, the City, the Authority, Bond Counsel, the City Attorney, the Trustee, and others, and such counsel's examination of certain documents, no information has come to the attention of the attorneys in the firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no view or belief need be expressed as to any financial, statistical and demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, the information with respect to DTC and the book-entry system, [CONFIRM:] [the information with respect to the Bond Insurer and the Bond Insurance Policy,] and the information included in the Appendices thereto);

(xiii) an opinion of counsel to the Trustee and the Escrow Agent (the "Bank") dated the Closing Date and addressed to the Underwriter, [CONFIRM:] [the Bond Insurer,] the City, and the Authority to the effect that:

(A) the Bank is a national banking association and is validly existing, duly qualified to do business and in good standing under the laws of each jurisdiction in which the performance of its duties under the Trust Agreement and the Escrow Agreement (collectively, the "Bank Documents") would require such qualification and has the requisite power and authority to execute, deliver and perform its obligations under the Bank Documents;

(B) the Bank is duly eligible and qualified to act as Trustee under the Trust Agreement and as Escrow Agent under the Escrow Agreement;

(C) the Bank has all requisite power, authority, and legal right to execute and deliver the Bank Documents and to perform its obligations under the Bank Documents, and has taken all necessary corporate action to authorize the execution and delivery of and the performance of its obligations under the Bank Documents;

(D) the Bank has duly executed and delivered the Bank Documents. Assuming the due authorization, execution, and delivery thereof by the other parties thereto, the Bank Documents are the legal, valid, and binding agreements of the Bank enforceable against the Bank in accordance with their terms, except to the extent enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other similar laws affecting creditors' rights and remedies heretofore or hereafter enacted, and (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(E) the Bonds have been duly authenticated by the Bank;

(F) the execution, delivery, and performance of the Bank Documents by the Bank and the consummation of the transactions contemplated thereby do not and will not (i) to the knowledge of such counsel, conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Bank is a party or by which the Bank is bound or to which any of the property or assets of the Bank or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter, articles of association, by-laws, or applicable resolutions of the Bank, or (iii) to the knowledge of such counsel, result in any violation of any statute or any order, rule, or regulation of any court or government agency or body having jurisdiction over the Bank or any of its properties or assets; and

(G) to the knowledge of such counsel, there are no actions, proceedings, or investigations pending or threatened against the Bank before any court, administrative agency, or tribunal (i) asserting the invalidity of the Bank Documents, (ii) seeking to prevent the consummation of any of the transactions contemplated thereby, or (iii) that might materially and adversely affect the performance by the Bank of its obligations under, or the validity or enforceability of, the Bank Documents;

(xiv) a certificate of the Bank, dated the Closing Date and signed by an authorized official of Bank, to the effect that:

(A) the Bank is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the necessary power to enter into, accept, and administer the trusts created under the Trust Agreement and to authenticate the Bonds;

(B) the Bank Documents have been duly authorized, executed, and delivered by a duly authorized officer of the Bank, and the execution, delivery, and performance of the Bank Documents has been duly authorized by all necessary action of the Bank;

(C) the Bank Documents constitute the legal, valid, and binding obligations of the Bank enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of

creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(D) the Bonds have been duly authenticated by a duly authorized officer of the Bank;

(E) no consent, approval, authorization, or other action by any governmental or regulatory authority having jurisdiction over the Bank that has not been obtained is or will be required for the execution and delivery of the Bank Documents or the performance by the Bank of its duties and obligations under the Bank Documents;

(F) the execution and delivery by the Bank of the Bank Documents and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution, or any other agreement or instrument to which the Bank is a party or by which it is bound, or any law or any rule, regulation, order, or decree of any court or governmental agency or body having jurisdiction over the Bank or any of its activities or properties (except that no representation, warranty, or agreement need be made with respect to any federal or State securities or blue sky laws or regulations);

(G) the Bank's action in executing and delivering the Bank Documents will not contravene the articles or bylaws of the Bank and is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and such action does not conflict with or violate any contract to which the Bank is a party or any administrative or judicial decision by which the Bank is bound; and

(H) there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental agency, public board, or body that has been served on the Bank, or to the best knowledge of the Bank, threatened against the Bank which in the reasonable judgment of the Bank would affect the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Bank Documents or contesting the powers of the Bank or its authority to enter into and perform its obligations thereunder;

(xv) copies of the statements with respect to the sale of the Bonds required to be delivered to the California Debt and Investment Advisory Committee pursuant to Sections 53583 and 8855 of the California Government Code;

(xvi) evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing;

(xvii) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system, and a copy of the Operational Arrangements Letter of Representations executed by the Trustee;

(xviii) the tax and nonarbitrage certificate of the City and the Authority in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xix) a certificate, dated the date of the Preliminary Official Statement, of the City, as required under Rule 15c2-12 and substantially in the form of Exhibit B attached hereto;

(xx) certified copies of the JPA Agreement and all amendments thereto and related certificates issued by the Secretary of State of the State;

(xxi) a certified copy of the general resolution of the Bank authorizing the execution and delivery of certain documents by certain officers of the Bank, which resolution authorizes the execution and delivery of the Trust Agreement and the Escrow Agreement and the authentication and delivery of the Bonds by the Bank;

(xxii) [CONFIRM:] [evidence satisfactory to the Underwriter that the Bonds shall be insured under a municipal bond insurance policy (the “Bond Insurance Policy”) issued by _____ (the “Bond Insurer”) that unconditionally guarantees the timely payments of all debt service on the Bonds;]

(xxiii) [CONFIRM:] [an opinion of counsel to the Bond Insurer, dated the Closing Date, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy;]

(xxiv) [CONFIRM:] [a certificate of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel, with respect to, among other matters, the Bond Insurance Policy;]

(xxv) [CONFIRM:] [a no-default certificate of the Bond Insurer, in form and substance satisfactory to the Underwriter and Bond Counsel;]

(xxvi) [CONFIRM:] [evidence that the rating on the Bonds of “___” by Standard & Poor’s Ratings Services as a result of the Bond Insurance Policy provided by the Bond Insurer is in full force and effect on the Closing Date;] and

(xxvii) such additional legal opinions, Bonds, proceedings, instruments, or other documents as Bond Counsel, Underwriter’s Counsel, or the Underwriter may reasonably request.

Section 9. Changes in Official Statement. After the Closing, neither the Authority nor the City shall adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing. Within ninety (90) days after the Closing or within twenty-five (25) days following the “end of the underwriting period” (as defined in Section 7(j) hereof), 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 and the City 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 such 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.

Section 10. Expenses. Whether or not the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall be under no obligation to pay, and the Authority shall pay only from the proceeds of the Bonds, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority and the City incident to the performance of their obligations in connection with the authorization, execution, sale, and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee and the Escrow Agent, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel and other professional advisors employed by the Authority or the City, costs of preparation, printing, signing, transportation, delivery, and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of City's employees that are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, the fees and expenses of its counsel, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers, and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

Section 11. Notices. 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 E. J. De La Rosa & Co., Inc., 2121 Avenue of the Stars, Suite 2100, Los Angeles, California 90067, Attention: John W. Kim. Any notice or other communication to be given the Authority under this Purchase Contract may be given by delivering the same in writing to the Moreno Valley Public Financing Authority, c/o City of Moreno Valley Financial & Management Services Department, 14177 Frederick Street, Moreno Valley, California 92552, Attention: _____ [TITLE]. Any notice or other communication to be given the City under this Purchase Contract may be given by delivering the same in writing to the City of Moreno Valley, c/o City of Moreno Valley Financial & Management Services Department, 14177 Frederick Street, Moreno Valley, California 92552, Attention: _____ [TITLE]. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 12. Parties in Interest. This Purchase Contract is made solely for the benefit of the Authority, the City, and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, and agreements of the Authority and the City in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

Section 14. **Counterparts.** This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[The remainder of this page is intentionally left blank.]

Section 15. **Governing Law.** This Purchase Contract shall be governed by the laws of the State.

E. J. DE LA ROSA & CO., INC.

By: _____
Title: Authorized Officer

Accepted as of the date first stated above:

CITY OF MORENO VALLEY

By: _____
Its: [TITLE]

MORENO VALLEY PUBLIC FINANCING AUTHORITY

By: _____
Its: [TITLE]

EXHIBIT A

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS, SERIES 2013**

MATURITY SCHEDULE

<i>Maturity Date (November 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>Yield</i>
2014	\$ ____,000			
2015	____,000			
2016	____,000			
2017	____,000			
2018	____,000			
2019	____,000			
2020	____,000			
2021	____,000			
2022	____,000			

EXHIBIT B
“DEEMED FINAL CERTIFICATE”
FOR
PRELIMINARY OFFICIAL STATEMENT

[POS DATE], 2013

E. J. De La Rosa & Co., Inc.
2121 Avenue of the Stars, Suite 2100
Los Angeles, California 90067
Attention: John W. Kim

Re: Moreno Valley Public Financing Authority
Lease Revenue Refunding Bonds, Series 2013

Ladies and Gentlemen:

With respect to the proposed sale by the Moreno Valley Public Financing Authority of its Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the “Bonds”), the Authority and the City of Moreno Valley (the “City”) have delivered to you a Preliminary Official Statement, dated the date hereof (the “Preliminary Official Statement”). The City, for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the following information: the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, dates and amounts of mandatory sinking fund payments, delivery dates, ratings, and identity of the purchasers and any other terms of the Bonds relating to such matters and any other information permitted to be omitted by the Rule.

CITY OF MORENO VALLEY

[NAME, TITLE]

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NEW ISSUE – BOOK-ENTRY ONLY

[INSURED RATING: Standard & Poor's: “___”]
 [UNINSURED] RATING: Standard & Poor's: “___”
 (See “RATING[S].”)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, 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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”

\$ _____
 *
MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2013

Dated: Date of Delivery

Due: November 1, as shown on the inside cover

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.

The Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the “Bonds”), are being issued in the aggregate principal amount of \$ _____* by the Moreno Valley Public Financing Authority (the “Authority”) pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) and the provisions of a Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions.”

A portion of the proceeds from the sale of the Bonds will be used to refund \$12,275,000 aggregate principal amount of the outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “2005 Bonds”), which 2005 Bonds were issued in the aggregate principal amount of \$48,205,000 and are currently outstanding in the aggregate principal amount of \$41,360,000. In addition, a portion of the proceeds from the sale of the Bonds will be used to pay certain costs related to the issuance of the Bonds. The proceeds from the sale of the 2005 Bonds were used finance certain public improvements within the City of Moreno Valley, California (the “City”). See “THE REFINANCING PLAN” and “THE BONDS – Estimated Sources and Uses of Bond Proceeds.”

The Bonds will be delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. Payments of interest on the Bonds will be made by the Trustee to DTC, which will in turn remit such interest to its participants for subsequent dispersal to beneficial owners of the Bonds as described herein. Interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2014, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the principal corporate office of the Trustee upon maturity or the earlier redemption thereof. See “THE BONDS – Book-Entry Only System.”

The Bonds are subject to optional redemption, special mandatory redemption from insurance or condemnation proceeds, and mandatory sinking fund redemption, as described herein. See “THE BONDS – Redemption of Bonds.”

[The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by [INSURER].

[BOND INSURER LOGO]

The Bonds are special, limited obligations of the Authority payable solely from Revenues, consisting primarily of Base Rental Payments to be made by the City to the Authority pursuant to a Master Facilities Sublease, dated as of December 1, 2013 (the “Facilities Sublease”), by and between the Authority and the City, pursuant to which the City will lease certain Facilities. See “THE FACILITIES.” The City has covenanted in the Facilities Sublease to take such action as may be necessary to include Base Rental Payments and Additional Payments due under the Facilities Sublease in its annual budgets, and to make necessary annual appropriations therefor. The Base Rental Payments are subject to abatement as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “RISK FACTORS.”

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE BASE RENTAL PAYMENTS AND AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF RIVERSIDE (THE “COUNTY”), THE STATE OF CALIFORNIA (THE “STATE”), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS UNDER THE FACILITIES SUBLEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

[Maturity Schedule set forth on inside cover]

The Bonds are offered when, as, and if delivered to and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by Suzanne Bryant, City Attorney, and for the Underwriter by Goodwin Procter LLP, Los Angeles, California, as Underwriter’s Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York, on or about December 31, 2013.



Dated: December __, 2013.

* Preliminary; subject to change.
 2716350

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾No.</u>	<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP⁽¹⁾No.</u>
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\$ _____ % Term Bond due November 1, 20__ Price: _____ CUSIP⁽¹⁾ No. _____

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**MORENO VALLEY PUBLIC FINANCING AUTHORITY
AND
CITY OF MORENO VALLEY**

City Council

Tom Owings, *Mayor*
Jesse L. Molina, *Mayor Pro Tem*
Richard A. Stewart, *Councilmember*
Dr. Yxstian Gutierrez, *Councilmember*
Victoria Baca, *Councilmember*

Governing Board of the Authority

Tom Owings, *Chair*
Jesse L. Molina, *Vice Chair*
Richard A. Stewart, *Boardmember*
Dr. Yxstian Gutierrez, *Boardmember*
Victoria Baca, *Boardmember*

CITY OFFICIALS

Michelle Dawson, *City Manager*
Suzanne Bryant, *City Attorney*
Richard Teichert, *Chief Financial Officer*

PROFESSIONAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Underwriter's Counsel

Goodwin Procter LLP
Los Angeles, California

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

No dealer, broker, salesperson, or other person has been authorized by the Authority, the City, or E. J. De La Rosa & Co., Inc. (the "Underwriter"), to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth in this Official Statement has been obtained from the Authority, the City, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Authority or the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

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 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 is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 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 CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

[INSURANCE DISCLAIMER TO BE ADDED, IF APPLICABLE]

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OFFICIAL STATEMENT

\$ _____*

**MORENO VALLEY PUBLIC FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2013**

INTRODUCTION

General

This Official Statement, which includes the cover page, Table of Contents, and Appendices (the “Official Statement”), provides certain information concerning the issuance of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013, in the aggregate principal amount of \$ _____* (the “Bonds”). Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions.”

Authorization and Purpose

The Bonds are being issued by the Moreno Valley Public Financing Authority (the “Authority”), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California (the “State”), pursuant the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the “Act”) and the provisions of a Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”). See “THE BONDS – Authorization and Payment of Bonds.”

A portion of the proceeds from the sale of the Bonds will be used to refund \$12,275,000 in aggregate principal amount of the outstanding Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “2005 Bonds”), which 2005 Bonds were issued in the aggregate principal amount of \$48,205,000 and are currently outstanding in the aggregate principal amount of \$41,360,000. In addition, a portion of the proceeds from the sale of the Bonds will be used to pay certain costs related to the issuance of the Bonds. The proceeds from the sale of the 2005 Bonds were used finance certain public improvements within the City of Moreno Valley, California (the “City”). See “THE REFINANCING PLAN” and “THE BONDS – Estimated Sources and Uses of Bond Proceeds.”

* Preliminary; subject to change.

Registration, Date, Maturity, and Payment of Bonds

The Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Bonds. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2014, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the principal corporate office of the Trustee upon maturity or the earlier redemption thereof. See “THE BONDS – Authorization and Payment of Bonds.”

Redemption of Bonds

The Bonds are subject to optional redemption, special mandatory redemption from insurance or condemnation proceeds, and mandatory sinking account redemption, as described herein. See “THE BONDS – Redemption of Bonds.”

Security and Source of Payment for the Bonds

Pursuant to the Master Facilities Sublease, dated as of December 1, 2013 (the “Facilities Sublease”), by and between the Authority and the City, the City is required to pay semiannual lease payments (the “Base Rental Payments”) for the use and occupancy of certain facilities described therein (the “Facilities”), which Base Rental Payments are designed to be sufficient in both time and amount to pay, when due, the principal of, redemption premium (if any), and interest on the Bonds. Pursuant to the Facilities Sublease, the City has covenanted that it will take such action as may be necessary to include all Base Rental Payments in its annual budgets and to make the necessary annual appropriations therefor. The obligation of the City to make Base Rental Payments, however, is subject to abatement in the event of material damage or destruction of the Facilities or the taking of the Facilities in whole or in part. The obligation of the City to pay Base Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to make Base Rental Payments does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.”

Additional Bonds and Addition, Substitution, or Release of Facilities

The Authority may at any time issue Additional Bonds payable from the Revenues and secured by a pledge of and charge and lien upon the Revenues as provided in the Trust Agreement equal to the pledge, charge, and lien securing the Outstanding Bonds theretofore issued under the Trust Agreement, subject to certain conditions as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds.”

In addition, the City and the Authority may add, substitute, or release real property for all or part of, or may release part of, the Facilities for purposes of the Facilities Sublease 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, certain documentation and information as described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Addition, Substitution, or Release of Facilities.”

[Bond Insurance]

[Concurrently with the issuance of the Bonds, _____ (the “Bond Insurer”) will issue its municipal bond insurance policy (the “Bond Insurance Policy”) for the Bonds. The Bond Insurance Policy guarantees the scheduled payment of principal and interest with respect to the Bonds when due as set forth in the form of the Bond Insurance Policy included as Appendix G to this Official Statement. See “BOND INSURANCE.”]

Continuing Disclosure

In connection with the issuance of the Bonds, the City will covenant in the Continuing Disclosure Certificate, dated the date of delivery of the Bonds (the “Continuing Disclosure Certificate”), to provide certain financial information and operating data relating to the Authority and the City and notices of certain events listed therein. See “CONTINUING DISCLOSURE” and “APPENDIX F – Form of Continuing Disclosure Certificate.”

Limited Obligations

The Bonds are limited obligations of the Authority payable solely from Revenues, consisting primarily of Base Rental Payments to be made by the City and amounts on deposit in certain funds and accounts held under the Trust Agreement. The Bonds do not constitute a debt or liability of the State or of any political subdivision thereof (including any member of the Authority). The Authority shall be obligated to pay the principal of the Bonds, and the interest thereon, only from the Revenues, and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof (including any member of the Authority) is pledged to the payment of the principal of or the interest on the Bonds. The issuance of the Bonds shall not directly, indirectly, or contingently obligate the State or any political subdivision thereof (including any member of the Authority) to levy or pledge any form of taxation. The Authority has no taxing power.

Forward-Looking Statements

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,” “intend,” “expect,” “propose,” “estimate,” “project,” “budget,” “anticipate,” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the 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. No updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

References Qualified

The summaries of and references to all documents, statutes, reports, and other instruments referred to in this Official Statement do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

Other Information

Copies of documents referred to herein and information concerning the Bonds are available from the Chief Financial Officer, City of Moreno Valley, 14177 Frederick Street, Moreno Valley, California 92552, telephone (951) 413-3021. The City may impose a charge for copying, mailing, and handling.

THE REFINANCING PLAN

The Authority previously issued the Moreno Valley Public Financing Authority 2005 Lease Revenue Bonds (the “2005 Bonds”), in the aggregate principal amount of \$48,205,000, of which \$41,360,000 in principal amount are presently outstanding, pursuant to an Indenture of Trust, dated as of June 1, 2005 (the “2005 Indenture”), by and between the Authority and Wells Fargo Bank, National Association, as trustee. Proceeds from the sale of the 2005 Bonds were used to finance certain public improvements within the City, as more fully described in the 2005 Indenture (the “2005 Project”).

Proceeds from the sale of the Bonds will be used (i) to pay on **[UNDERWRITER TO PROVIDE:]** _____, 2014, the principal of, and interest and redemption premium on, the 2005 Bonds maturing on November 1, 2014, through November 1, 2022, inclusive, representing an aggregate principal amount of \$12,275,000 (the “Refunded 2005 Bonds”), in accordance with the terms of the 2005 Indenture, and (ii) to pay certain costs of issuance related to the Bonds. See “THE BONDS – Estimated Sources and Uses of Bond Proceeds.”

On the date of issuance of the Bonds, the Authority will cause to be transferred to Wells Fargo Bank, National Association, as escrow agent (the “Escrow Agent”), under that certain Escrow Agreement, dated as of [DATED DATE] (the “Escrow Agreement”), by and between the Authority and the Escrow Agent, an amount sufficient to redeem the Refunded 2005 Bonds, for deposit into an escrow fund (the “Escrow Fund”) established under the Escrow Agreement. The Escrow Agent will hold the amounts deposited in the Escrow Fund uninvested and apply such funds to the redemption of the Refunded 2005 Bonds, all in accordance with the terms of the Escrow Agreement.

THE BONDS

Authorization and Payment of Bonds

The Bonds are being issued by the Authority pursuant the Act and the provisions of the Trust Agreement. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof. Interest on the Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2014, until the maturity or the earlier redemption thereof.

The Bonds will be issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple thereof. Principal of and redemption premium, if any, on each Bond will be payable upon surrender of such Bond at the principal corporate trust office of the Trustee in Los Angeles,

California, upon the maturity or earlier redemption thereof. Interest will be payable by check, mailed to the Owners of the Bonds as of the applicable Record Date at their addresses as they appear on the Bond register maintained by the Trustee; provided, however, that interest payable to an Owner of \$1,000,000 or more aggregate principal amount of Bonds will be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Certain of the provisions described above will not apply as long as the Bonds are in a book-entry only system. See “THE BONDS – Book-Entry Only System” below.

Redemption of Bonds

Optional Redemption. The Bonds maturing on or before November 1, 20__, are not subject to optional redemption prior to maturity. The 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 Authority, on any date in whole or in part and among such maturities as are designated by the Authority to the Trustee, from funds derived by the Authority from any source at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued but unpaid interest to the redemption date. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

Special Mandatory Redemption. The Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole or in part by lot, from payments made by the City from funds received by the City due to a taking of the Facilities or portions thereof under the power of eminent domain, from the net proceeds of insurance received for material damage to or destruction of the Facilities or portions thereof under the circumstances and upon the conditions and terms prescribed in the Trust Agreement and Facilities Sublease, or from the proceeds of title insurance in the event of defective title to the Facilities as provided for in 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. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement.”

Mandatory Sinking Account Redemption. The Bonds maturing on November 1, 20__, are subject to redemption prior to maturity in part, by lot, at the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, from mandatory sinking fund payments in the following amounts, commencing on November 1, 20__, according to the following schedule:

Mandatory Sinking Fund

Payment Date

(November 1)

Principal Amount

(maturity)

Selection of Bonds for Redemption

Whenever less than all of the Outstanding Bonds are to be redeemed, 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. Whenever less than all the Bonds of any one maturity are to be redeemed, the Trustee will select Bonds of such maturity for redemption by lot.

Notice of Redemption

The Trustee will cause notice of each redemption to be given to the Owner of any Bonds designated for redemption at the address which appears upon the registration books of the Trustee by mailing a copy of the redemption notice at least 30 but not more than 60 days prior to the redemption date. The failure of any Owner to receive such notice or any defect in such notice will not affect the validity of the redemption of any Bonds.

Cancellation of Redemption Notice

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.

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 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 Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

The following information regarding DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or the City, and neither the Authority nor the City take any responsibility for the accuracy thereof. Neither the Authority nor the City shall have any responsibility or liability for any aspects of the records maintained by DTC relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the Bonds.

DTC will act as securities depository for the Bonds. The 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such 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 SEC. More information about DTC can be found at www.dtcc.com. *The foregoing internet address is included for reference only and the information on the internet site is not a part of this Official Statement or incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information included in such internet site.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 or the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct

Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee or the City or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City 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.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority, the City, or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered in accordance with the terms of the Trust Agreement.

The Authority or the City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC in accordance with the terms of the Trust Agreement.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE AUTHORITY NOR THE CITY TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE CITY GIVES ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE BONDS RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED OWNER, ANY REDEMPTION NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Estimated Sources and Uses of Bond Proceeds

The following table details the estimated sources and uses of the proceeds from the sale of the Bonds and moneys held under the 2005 Indenture.

**Table 1
Estimated Sources and Uses of Funds**

Estimated Sources:

Principal Amount of Bonds
 [Less/Plus]: Net Original Issue [Discount/Premium]
 Less: Underwriter’s Discount

Total Sources

Estimated Uses:

Transfer to Escrow Agent ⁽¹⁾
 [Transfer to Bond Insurer for Bond Insurance Policy Premium]
 Deposit to Acquisition and Construction Fund
 Deposit to Costs of Issuance Fund] ⁽²⁾

Total Uses

- ⁽¹⁾ To pay in full the principal, interest, and redemption premium due with respect to the Refunded 2005 Bonds on [UNDERWRITER TO PROVIDE:] _____, 2014.
⁽²⁾ Moneys on deposit in the Costs of Issuance Fund are expected to be used to pay the fees and expenses of Bond Counsel, the Trustee, and the rating agency, as well as printing costs and other miscellaneous costs related to the issuance of the Bonds.

Debt Service Schedule

The table below presents the annual debt service on the Bonds (including sinking account redemptions), assuming that there are no optional or extraordinary redemptions:

**Table 2
Debt Service Schedule**

Year Ending November 1	Principal of Bonds	Interest on Bonds	Total Debt Service on Bonds
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
Totals			

Source: Underwriter.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Base Rental Payments

For the right to the use and occupancy of the Facilities, the Facilities Sublease requires the City to make Base Rental Payments. While the City is obligated to pay Base Rental Payments from any lawfully available funds, it is the expectation of the City that the Base Rental Payments will be paid from certain revenues derived from development impact fees and utility fees, as well as certain revenues received by the City as successor agency to the former Community Redevelopment Agency of the City of Moreno Valley.

To secure the payment of the Base Rental Payments, the City will pay to the Trustee, for deposit into the Revenue Fund, on each October 25 and April 25, an amount sufficient to pay the principal of and interest on the Bonds due on the following November 1 and May 1, respectively.

Pursuant to the Trust Agreement, on or before each Interest Payment Date and each Principal Payment Date, the Trustee will transfer amounts in the Revenue Fund as are necessary to the Interest Account and the Principal Account to provide for the payment of the interest and principal in respect of the Bonds. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement – Establishment of Funds and Accounts; Flow of Funds.” See also “RISK FACTORS” and “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” for a discussion of the risks and constitutional limitations applicable to the payment of Base Rental Payments.

Additional Payments

The Facilities Sublease requires the City to pay all amounts, costs, and expenses incurred by the Authority in connection with the execution, performance, or enforcement of the Facilities Sublease, 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 and 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.

Insurance

The Facilities Sublease requires the City to cause to be maintained casualty insurance insuring the Facilities against fire, lightning, and all other risks covered by an extended coverage endorsement in an amount equal to the lesser of 100% of the replacement cost of the Facilities or 100% of the outstanding principal amount of the Bonds. The City may, subject to the restrictions contained in the Facilities Sublease, self-insure against such risks. The Facilities Sublease does not require that insurance be maintained for earthquake or flood risks.

The Facilities Sublease requires the City to cause to be maintained, throughout the term of the Facilities Sublease, rental interruption insurance to cover the Authority’s loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Facilities as a result

of any of the hazards covered by the insurance described in the preceding paragraph, in an amount sufficient at all times to pay maximum annual Base Rental Payments for any two year period.

The City is also required to obtain certain public liability and property damage insurance coverage in protection of the Authority and the City and worker's compensation insurance.

See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Facilities Sublease," for additional information regarding the insurance requirements contained in the Facilities Sublease.

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

Additional Bonds

The Authority may at any time issue Additional Bonds payable from the Revenues and secured by a pledge of and charge and lien upon the Revenues as provided in the Trust Agreement equal to the pledge, charge, and lien securing the Outstanding Bonds theretofore issued under the Trust Agreement, subject to, among other things, the following specific conditions:

1. The Authority shall be in compliance with all agreements and covenants contained in the Trust Agreement and no Event of Default shall have occurred and be continuing.

2. 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.

3. The aggregate principal amount of Bonds issued and at any time Outstanding under the Trust Agreement shall not exceed any limit imposed by law, by the Trust Agreement or by any Supplemental Trust Agreement.

4. 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 such facility to the City) 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.

5. If additional facilities, if any, are to be leased and are not situated on property described in the Master Facilities Lease, dated as of December 1, 2013 (the "Master Facilities Lease"), by and between the City and the Authority, and the Facilities Sublease, (A) the Facilities Lease shall have been amended so as to lease to the Authority such additional real property; and (B) the Facilities Sublease shall have been amended so as to lease to the City such additional real property.

See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Trust Agreement."

Addition, Substitution, or Release of Facilities

The City and the Authority may add, substitute, or release real property for all or part of, or may release part of, the Facilities 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:

1. Executed copies of the Facilities Lease and the Facilities Sublease and any 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.

2. 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.

3. 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 the Facilities Sublease.

4. 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.

5. 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.

6. An opinion of bond counsel stating that any amendment executed in connection with such addition, substitution or withdrawal, as the case may be, (A) is authorized or permitted under the Facilities Sublease; (B) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the City; and (C) will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.

The Facilities or portion thereof for which other real property is substituted, pursuant to the Facilities Sublease, shall be released from the Facilities Lease and the Facilities Sublease, and shall no longer be encumbered thereby or by the Trust Agreement at such time as the City shall have caused said substitution.

Investment of Moneys

Amounts on deposit in any fund or account held pursuant to the Trust Agreement will be invested in Permitted Investments, subject to the conditions provided for in the Trust Agreement. All investment earnings on moneys on deposit in the Rebate Fund shall be retained therein and all investment earnings on

moneys on deposit in any other fund or account held under the Trust Agreement will be transferred to the Revenue Fund, subject to the obligation of the City and/or the Authority to rebate certain amounts to the United States government as required under the Internal Revenue Code of 1986, as amended. See “APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Trust Agreement.”

[BOND INSURANCE]

[The following information has been furnished by the Bond Insurer for use in this Official Statement. Reference is made to Appendix G for a specimen of the Bond Insurance Policy.]

[TO FOLLOW, IF APPLICABLE]

RISK FACTORS

Investment in the Bonds involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Bonds for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Bonds are Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental Payments and amounts held in certain funds and accounts established under the Trust Agreement. Neither the full faith and credit nor the taxing power of City, the County of Riverside (the “County”), the State, or any political subdivision of the State is pledged to the payment of the Bonds. The Authority has no taxing power. The obligation of the City to make Base Rental Payments under the Facilities Sublease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental Payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

Availability of Moneys for Base Rental Payments

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 that it will take such action as may be necessary to include all rental payments due under the Facilities Sublease in its annual budgets and to make necessary annual appropriations for all such rental payments. The City is currently liable and will become liable on other obligations payable from general fund revenues, some of which may have a priority over payments to be made under the Facilities Sublease.

The City has the capacity to enter into other obligations which may constitute additional charges against its revenues. 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 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.

See also “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII B of the California Constitution: Limits on Appropriations” and “APPENDIX C – City of Moreno Valley Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2013.”

No Debt Service Reserve Fund

The Bonds are not secured by a debt service reserve fund.

Limited Recourse on Default

If the City defaults on its obligations to make Base Rental Payments with respect to the Facilities, the Trustee has the right to re-enter and re-let the Facilities. In the event such re-letting occurs, the City would be liable for any deficiency in Base Rental Payments that results therefrom. Alternatively, the Trustee may terminate the Facilities Sublease with respect to the Facilities and proceed against the City to recover damages pursuant to the Facilities Sublease. See “RISK FACTORS – Abatement” below. See also “APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Facilities Lease.”

Due to the governmental purpose of the Facilities, the Facilities Lease, and the Facilities Sublease, it is uncertain whether a court would permit the exercise of the remedies of repossession and re-letting of the Facilities, and no assurance can be given that the Trustee would be able to re-let the Facilities so as to provide rental income sufficient to make principal and interest payments with respect to the Bonds in a timely manner. In addition, the Trustee is not empowered to sell the fee interest in the Facilities for the benefit of the Owners of the 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. Moreover, there can be no assurance that such re-letting, if successful, would not adversely affect the exclusion of any interest on the Bonds from federal or state income taxation.

Abatement

Base Rental Payments and Additional Payments are paid by the City in each rental period for and in consideration of the right to use and occupy the Facilities during each such period. Pursuant to the Facilities Sublease, during any period in which, by reason of material damage to, or destruction or condemnation of, the Facilities, or any defect in title to the Facilities, there is substantial interference with the City’s right to use and occupy any portion of the Facilities, rental payments due under the Facilities Sublease will be abated proportionately. Such abatement will continue for the period commencing on the date of such interference resulting from such damage, destruction, condemnation, or title defect, and ending, with respect to damage to or destruction of the Facilities, upon the substantial completion of the work of repair or replacement of the Facilities, or portion thereof, so damaged or destroyed.

In the event that such portion of the Facilities, 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 for which funds are available from funds and accounts established under the Trust Agreement, or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Facilities or prepayment of the Bonds, there could be insufficient funds to make payments to Owners in full.

In the event of any such substantial interference, the Facilities Sublease continues in full force and effect, and the City waives any right to terminate the Facilities Sublease by virtue of such substantial interference. The Trustee cannot terminate the Facilities Sublease in the event of such substantial interference. Abatement of Base Rental Payments and Additional Payments is not an event of default under the Facilities Sublease and the Trustee is not permitted in such event to take any action or avail itself of any remedy against the City. See “APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Facilities Sublease – Rental Abatement.”

No Acceleration Upon Default

If the City defaults on its obligation to make Base Rental Payments, there is no available remedy of acceleration of the total Base Rental Payments due over the term of the Facilities Sublease. The City

will only be liable for Base Rental Payments on an annual basis, and the Trustee would be required to seek a separate judgment in each fiscal year for that fiscal year's rental payments.

[Bond Insurance Risk]

[TO FOLLOW, IF APPLICABLE]

Seismic Activity

The Facilities Sublease does not require the City to maintain earthquake insurance on the Facilities. The City area, however, along with much of the State, shares a history of seismic activity and is thus listed as a "Zone 4" earthquake area in the Uniform Building Code. A Zone 4 designation has the most restrictive design requirements for new construction. The City standards for development, to which the components of the Facilities were subject, have been designed to reduce the risk to the public and adequately mitigate seismic hazards.

The City lies primarily on bedrock known as the Perris Block, a large mass of granitic rock generally bounded by the San Jacinto Fault, the Elsinore Fault, the Santa Ana River, and a non-defined southeast boundary. The San Jacinto Fault is an active fault, and an Alquist-Priolo Special Fault Zone has been established for the San Jacinto Fault. Activity along the San Jacinto Fault or another proximate fault could potentially result in damage to the buildings, roads, bridges, and property within the City, including the Facilities.

Notwithstanding the development standards discussed above, which have been implemented to mitigate the potential damage from seismic activity in the area of the City, if a major earthquake were to occur within or near the City, the Facilities may suffer substantial damage or destruction, which could result in abatement of the Base Rental Payments and, in turn, a default in the payment of principal of and interest on the Bonds.

Flood Zone

[CITY TO CONFIRM WHEN FACILITIES IDENTIFIED:] The Facilities are located in a flood insurance rate zone designated by the Federal Emergency Management Agency ("FEMA") as "Zone X." According to FEMA, Zones B, C, and X refer to flood insurance rate zones that are not within the 100-year floodplain and are therefore not considered to pose a flood hazard. Consequently, no flood insurance has been or will be obtained by the City with respect to the Facilities. The term "100-year flood" refers to the flood elevation that has a one percent chance of being equaled or exceeded in any given year. A base flood may also be referred to as a "100-year storm" and the area inundated during the base flood is sometimes called the "100-year floodplain." The 100-year flood, which is the standard used by most federal and state agencies, is used by the National Flood Insurance Program as the standard for floodplain management and to determine the need for flood insurance.

Bankruptcy

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and the Facilities Sublease may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the City, there are no involuntary petitions in bankruptcy. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy proceedings or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Loss of Tax Exemption

As discussed under the heading "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Facilities Sublease or of the Authority in violation of its covenants in the Trust Agreement. Should such an event of taxability occur, the Bonds would not be subject to a special redemption and would remain outstanding until maturity or until redeemed under the redemption provisions contained in the Trust Agreement.

State Budget

The State of California is experiencing significant financial and budgetary stress due to national and statewide economic conditions and other factors over which the City has no control. The State's financial condition and budget policies affect communities and local public agencies throughout California, including the City. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget.

Information on Current State Budget. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the City or the Authority and is not incorporated in this Official Statement by reference.

The California State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's filings required by Rule 15c2-12(b)(5), as amended, adopted by the Securities and Exchange Commission in compliance with the Securities and Exchange of 1934 (the "Rule") for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation" from the State's most current Official Statement, which discusses the State budget and its impact on local governments.

The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget," includes the text of proposed and adopted State Budgets. The State Legislative Analyst's Office the ("LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Products."

2013-14 State Budget. On June 27, 2013, Governor Brown approved the 2013-14 Budget Act, projecting \$97.1 billion in general fund revenues and adopting a \$96.3 billion spending plan, the first balanced budget in many years. Temporary revenues provided by the passage of Proposition 30 and

spending cuts in the past two years mean that the State's budget is projected to remain balanced for the foreseeable future. The 2013-14 State Budget maintains a \$1.1 billion reserve and pays down budgetary deficit, to be reduced from \$35 billion to \$27 billion in 2013-14 and to below \$5 billion by the end of 2016-17. The 2013-14 State Budget overhauls the State's system of K-12 education finance. From 2011-12 through 2016-17, the Proposition 98 minimum funding guarantee is projected to increase from \$47.2 billion to \$67.1 billion, with funding levels projected to increase by \$1,045 per student through 2013-14 and by \$2,835 per student through 2016-17. The 2013-14 State Budget adopts a new allocation formula, known as the Local Control Funding Formula, dedicating \$2.1 billion in new funding beginning in 2013-14. The Local Control Funding Formula moves from a State-controlled system to a locally-controlled system, requiring school districts to increase or improve services for English learners, low income and foster youth students in proportion to supplemental and concentration grant funding. The 2013-14 State Budget includes total funding of \$70 billion (\$39.6 billion of General Fund and \$30.4 billion of other funds) for all K-12 Education programs. Proposition 98 funding increases to a total of \$55.3 billion in 2013-14, an increase of \$1.7 billion over the 2012-13 budget, and more than \$8 billion over the 2011-12 levels.

Local Control Funding Formula. The 2013-14 State Budget contains a new Local Control Funding Formula, which changes the State funding system for school districts, charter schools and county offices of education to address inequities in the distribution of education funding, by, among other changes, consolidating most categorical programs with existing revenue limit structure to provide a new student formula phased in over seven years, and implements supplemental and concentration grants to English learners and economically disadvantaged students. The Local Control Funding Formula includes the following components:

- A base grant for each local education agency equivalent to \$7,643 per unit of A.D.A.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 22.5% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the Local Control Funding Formula.

Other K-12 Budget Adjustments. In addition to the Local Control Funding Formula, the 2013-13 State Budget includes:

- • An increase of \$1.25 billion in one-time Proposition 98 funding to support the implementation of Common Core – new standards for evaluating student achievement in English-language arts and math.
- • \$250 million for one-time competitive capacity building grants for K-12 and community colleges to support programs based on work-based learning.
- • \$50 million to reflect the inclusion of graduation requirements mandate within the block grant program.

- • An increase of \$1.6 billion in 2012-13 and an increase of \$242.3 million in 2013-14 for the repayment of inter-year budgetary deferrals.
- • An increase of \$381 million to support energy efficiency projects approved by the California Energy Commission.
- • Consolidations for various special education programs to simplify special education finance and provide additional funding flexibility.

Higher Education and Health Care. The 2013-14 State Budget increases funding for higher education by between \$1,649 and \$2,491 per student through 2016-17. The 2013-14 State Budget provides funding to expand Medi-Cal to approximately 1.4 million Californians pursuant to the federal law known as the Affordable Care Act. The State anticipates that this will significantly increase health care coverage, improve access to mental health services, expand substance use disorder treatment and take advantage of new federal dollars.

The execution of the 2013-14 State Budget may be affected by numerous factors, including but not limited to: (i) shifts of costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risk associated with spending reductions, including the elimination of redevelopment agencies, (iv) rising health care costs (v) large unfunded liabilities for retired State employee's pensions and healthcare, (vi) deferred maintenance of State's critical infrastructure and (vii) other factors, all or any of which could cause the revenue and spending projections made in 2013-14 State Budget to be unattainable. The City cannot predict the impact that the 2013-14 State Budget, or subsequent budgets, will have on its own finances and operations. Additionally, the City cannot predict the accuracy of any projections made in the State's 2013-14 State Budget.

The complete 2013-14 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The City can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by such reference. The information referred to above should not be relied upon in making an investment decision with respect to the Bonds.

Future State Budgets. The City cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the City has no control. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget. Decrease in such revenues may have an adverse impact on the City's ability to pay Base Rental Payments.

Economic, Political, Social, and Environmental Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State of federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the California Constitution

Section 1(a) of Article XIII A of the California Constitution (“Article XIII A”) limits the maximum *ad valorem* tax on real property to one percent (1%) of full cash value (as defined in Section 2 of Article XIII A), to be collected by each county and apportioned among the county and other public agencies and funds according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on (a) indebtedness approved by the voters prior to July 1, 1978, (b) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or (c) bonded indebtedness incurred by a school district or a community college district for the construction, reconstruction, rehabilitation, or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Section 2 of Article XIII A defines “full cash value” to mean “the County Assessor’s valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership 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 to reflect a reduction in the consumer price index or comparable data for the area under the taxing jurisdiction, or reduced in the event of declining property values caused by substantial damage, destruction, or other factors.

Legislation enacted by the State Legislature to implement Article XIII A provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax that exceeds the 1% limitation imposed by Article XIII A except to pay debt service on indebtedness approved by the voters as described above. In addition, 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. Prior to fiscal year 1981-82, assessed valuations were reported at 25% of the full value of the property. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for voter-approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

In the June 1990 election, the voters of the State approved amendments to Article XIII A permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for a replacement dwelling purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of “new construction” triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters of the State approved an amendment of Article XIII A to permit the State Legislature to exclude from the definition of “new construction” seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990. Since 1990, the voters have approved several other minor exemptions from the reassessment provisions of Article XIII A.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) will be allocated among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of 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 B of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIII B to the California Constitution (“Article XIII B”). Article XIII B of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and cost of services rendered by the governmental entity. The “base year” for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIII B include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIII B do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Proposition 111

In June 1990, the voters of the State approved Proposition 111 (“Proposition 111”), which amended the method of calculating State and local appropriations limits. As amended in June 1990, the appropriations limit for an entity of local government in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The “change in the cost of living,” with respect to an entity of local government other than a school district or a community college district is, at such entity of local government’s option, either (A) the change in the California per capita personal income (“CPCPI”) from the preceding year, or (B) the change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction, as selected annually by such entity of local government by a recorded vote of such entity’s governing body. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. The “change in population” for a local agency for a calendar year for each city and county, means the change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the State Department of Finance pursuant to Section 2227 of the California Revenue and Taxation Code, for either (A) within its own jurisdiction, or (B) for a city only, within the county in which the city is located. Previously, a city only could use the change of population within its own jurisdiction. Each city shall select its change in population annually by a recorded vote of the governing body of the City.

As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

Proposition 111 also recomputed the appropriations limit for the fiscal year by adjusting the fiscal year 1986-87 limit by the CPCPI for the three subsequent years. Proposition 111 also excluded appropriation for “all qualified capital outlay Expansion Projects, as defined by the Legislature” from the definition of “appropriations subject to limitation.”

Article XIII B allows voters to approve a temporary waiver of a government’s Article XIII B limit. Such a waiver is often referred to as a “Gann limit waiver.” The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the City or allow the City to finance additional services.

Base Rental Payments are subject to the Article XIII B appropriations limitations. According to the City’s resolution establishing appropriation limits for fiscal year 2010-11, the City calculated its appropriations limit at \$84,193,306. For fiscal year 2011-12, the City calculated its appropriations limit at \$89,463,807. For fiscal year 2012-13, the City calculated its appropriations limit at \$93,463,807. For fiscal year 2013-14, the City has estimated its appropriation limit to be \$99,825,081. The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the California Constitution. The impact of the appropriations limit on the City’s financial needs in the future is unknown.

Articles XIIC and XIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218 (“Proposition 218”), known as the “Right to Vote on Taxes Act.” Proposition 218 added Article XIIC (“Article XIIC”) and Article XIID (“Article XIID”) to the California Constitution, which contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the City’s ability to meet certain obligations.

Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as the City’s General Fund, require a two-thirds vote. Article XIIC further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election which must be held within two years of November 5, 1996. The City has not so imposed, extended or increased any such taxes which are currently in effect.

Article XIIC also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees and charges were imposed. Article XIIC expands the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, or fees and charges. No assurance can be given that the voters of the City will not, in the future, approve initiatives which

reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. "Assessments," "fees" and "charges" are not defined in Article XIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIC as for Article XIID described below. If not, the scope of the initiative power under Article XIIC potentially could include any General Fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

The City does not levy any property related "fees" or "charges" that it considers subject to challenge under Article XIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIID also added several new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, and (iii) a majority protest procedure which involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. "Assessment" in Article XIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights and parks. The City has followed all of the requirements of Article XIID in connection with the formation of all of its existing landscape and lighting districts through which it has financed open space areas, street medians, street lights and parks, and intends to continue such compliance.

In addition, Article XIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIID, there could be future restrictions on the ability of the City's General Fund to charge its enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water and refuse collection services, or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

Proposition 62

On November 4, 1986, voters of the State adopted a statutory initiative called Proposition 62 (“Proposition 62”), 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 generally upheld by the California Supreme Court in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal.4th 220; 45 Cal .Rptr.2d 207 (1995).

Proposition 62 applies to the imposition of any taxes or the effecting of any tax increases after its enactment in 1986, but the requirements of Proposition 62 are 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 “ – Articles XIIC and XIID of the California Constitution” above.

The City has not imposed any taxes or effected any tax increases after the enactment of Proposition 62 in 1986 and prior to the effective date of Proposition 218 on November 5, 1996, other than special taxes that were approved by a vote of two-thirds of the applicable electorate.

Proposition 1A

The California Constitution and existing statutes give the State Legislature authority over property taxes, sales taxes, and the vehicle license fee (the “VLF”). The State Legislature has authority to change tax rates, the items subject to taxation, and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State mandates a new local program or higher level of service. Due to the ongoing financial difficulties of the State in recent years, it has not provided reimbursements for many mandated costs. In other cases, the State has suspended mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

On November 3, 2004, the voters of the State approved Proposition 1A (“Proposition 1A”), which amended the California 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 government’s property, sales and VLF revenues. Proposition 1A generally prohibits the shift of property tax revenues from cities, counties and special districts, except to address a “severe state financial hardship,” which must be approved by a two-thirds vote of both houses of the Legislature, and only then if, among other things, such amounts were agreed to be repaid with interest within three years. The measure also (a) protects the property tax backfill of sales tax revenues diverted to pay the State’s economic recovery bonds, and the reinstatement of the sales tax revenues once such bonds are repaid, and (b) protects local agency VLF revenue (or a comparable amount of backfill payments from the State).

If the State reduces the VLF rate below its current level of 0.65 percent of the vehicle value, Proposition 1A requires the State to provide local governments with equal replacement revenues. Proposition 1A provides two significant exceptions to the above restrictions regarding sales and property taxes. First, the State may shift to schools and community colleges up to 8 percent of local government property tax revenues if the Governor proclaims that the shift is needed due to a severe State financial hardship, the legislature approves the shift with a two-thirds vote of both houses and certain other conditions are met. The State must repay local governments for the diversion of their property tax revenues, with interest, within three years. Second, Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A amends the California Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. If the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expands the definition of what constitutes a mandate to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had complete or partial financial responsibility. This provision does not apply to mandates relating to schools or community colleges, or to those mandates relating to employee rights.

Proposition 1A restricts the State's authority to reallocate local tax revenues to address concerns regarding funding for specific local governments or to restructure local government finance. For example the State could not enact measures that changed how local sales tax revenues are allocated to cities and counties. In addition, measures that reallocated property taxes among local governments in a county would require approval by two-thirds of the members of each house of the legislature (rather than a majority vote). As a result, Proposition 1A could result in fewer changes to local government revenues than otherwise would have been the case.

Proposition 22

In November 2010, California voters adopted Proposition 22 ("Proposition 22"), which prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. The City is unable to predict how Proposition 22 will be interpreted, or to what extent the measure will affect the revenues in the general fund of local agencies, although it could eventually provide greater stability in local agency revenues.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26 ("Proposition 26"), which revises certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010, with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a “tax” means a levy, charge or exaction of any kind imposed by a local government, except: (1) 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; (2) 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; (3) 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; (4) a charge imposed for entrance to or use of local government property or the purchase, rental, or lease of local government property; (5) 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, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Article XIII D. Fees, charges and payments that are made pursuant to a voluntary contract that are not “imposed by a local government” are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a 50% voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives

The laws and Constitutional provisions described above were each adopted as measures that qualified for the ballot pursuant to California’s constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

THE AUTHORITY

The Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California pursuant to a Joint Exercise of Powers Agreement, dated as of October 28, 1997, by and between the City and the former Community Redevelopment Agency of the City of Moreno Valley. The Authority was created to assist the City in the financing and refinancing of public capital improvements.

The Authority is governed by a five-member Governing Board. The current members of the Board, who are also the members of the City Council, are listed below:

<u>Name</u>	<u>Office</u>
Tom Owings	Chair
Jesse L. Molina	Vice Chair
Richard A. Steward	Boardmember
Dr. Yxstian Gutierrez	Boardmember
Victoria Baca	Boardmember

The Authority is also served by the officers listed below who, in the case of the Chief Financial Officer and the General Counsel, serve in these capacities by virtue of their duties as Chief Financial Officer and City Attorney, respectively or, in the case of the Authority Secretary, is appointed by the Board and serves at the pleasure of the Board. The officers of the Authority are listed below:

<u>Name</u>	<u>Title</u>
Richard Teichert	Chief Financial Officer
Suzanne Bryant	General Counsel
Jane Halstead	Secretary

Neither the Authority nor its board members have any obligations or liability to the Owners of the Bonds with respect to the payment of Base Rental Payments by the City under the Facilities Sublease, or with respect to the performance of the City of other covenants made by it in the Facilities Sublease.

THE CITY

General

The City is located approximately 66 miles east of the City of Los Angeles and approximately 100 miles north of the City of San Diego. The City was incorporated on December 3, 1984, and is a general law city operating under a council/manager form of government. For additional information concerning the City, see below and “APPENDIX B – General Information Concerning the City of Moreno Valley.”

Government

The City operates under a council/manager form of government. The City Council is comprised of five members from five council districts. The Mayor is the presiding officer of the City Council and is selected by the members of the City Council. The City Council appoints a City Manager, City Clerk, City Attorney, City Treasurer, and the members of all of the City’s advisory boards and commissions. The City Manager serves as the chief administrative officer of the City.

The current members of the City Council are listed below:

<u>Name</u>	<u>Office</u>
Tom Owings	Mayor
Jesse L. Molina	Mayor Pro Tem
Richard A. Steward	Councilmember
Dr. Yxstian Gutierrez	Councilmember
Victoria Baca	Councilmember

The current City officials and their respective titles are listed below:

<u>Name</u>	<u>Title</u>
Michelle Dawson	City Manager
Thomas M. DeSantis	Assistant City Manager
Suzanne Bryant	City Attorney
Jane Halstead	City Clerk
Richard Teichert	Chief Financial Officer
John Terell	Community & Economic Development Director
Ahmad Ansari P.E.	Public Works Director/City Engineer
Michael McCarty	Parks and Community Services Director
Chris Paxton	Administrative Services Director

City Budgetary Process

The City currently uses a two-year budget cycle. 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 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. Prior to June 30 of the applicable fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year 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 current two-year budget for fiscal years 2013-14 and 2014-15 was approved by the City Council on June 11, 2013.

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, provided that the City Manager may transfer appropriations of a fund from one object or purpose to another within the same department as appropriate. All other transfers or amendments require City Council approval. 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 votes 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.

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. Any other budget amendments require authorization by the City Council. The City Manager and affected department heads are mutually responsible for controlling expenditures within budgeted appropriations.

General Fund Revenues and Expenditures

The City's budget for its General Fund includes programs and services that are provided on a largely City-wide basis. The programs and services are financed primarily by the City's share of property taxes, sales taxes, local taxes, revenues from the State, and charges for services provided by the City.

The following table compares the City's General Fund budgeted revenues and expenditures with actual General Fund revenues and expenditures for fiscal year 2008-09 through fiscal year 2012-13.

Table 3
City of Moreno Valley
Comparison of General Fund Revenues and Expenditures
Budgeted and Actual Amounts
Fiscal Year 2008-09 through Fiscal Year 2012-13
[CITY TO COMPLETE PER 2013 CAFR:]

	<u>2008-09</u>		<u>2009-2010</u>		<u>2010-2011</u>		<u>2011-12</u>		<u>2012-13</u>	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES										
Taxes:										
Property taxes	\$ 6,900,000	\$ 6,388,412	\$11,700,001	\$ 9,296,083	\$ 8,596,100	\$ 9,430,846	\$ 9,630,000	\$ 9,397,373		
Property taxes in-lieu	17,400,000	16,791,078	14,100,000	13,703,197	1,177,340	13,055,796	13,170,000	13,170,964		
Sales taxes	13,000,000	10,451,942	9,735,000	9,298,295	973,510	11,283,435	12,835,000	14,003,993		
Utility user's taxes	16,500,000	15,081,286	14,970,000	15,358,341	15,200,000	15,317,439	15,700,000	15,591,386		
Other taxes	7,000,000	7,144,746	6,256,500	6,716,428	6,556,500	7,209,262	7,590,000	7,533,532		
Licenses and permits	1,976,256	1,930,884	1,456,614	1,354,188	1,500,600	1,532,514	1,648,800	1,523,800		
Intergovernmental	1,511,000	1,619,141	1,056,326	1,183,894	360,000	895,366	436,222	398,193		
Charges for services	10,667,507	8,581,233	9,326,345	7,654,867	8,442,656	7,408,607	7,427,900	8,574,131		
Use of money and property	5,381,377	4,671,999	4,400,614	5,470,852	4,532,300	3,886,420	4,492,768	4,004,511		
Fines and forfeitures	1,108,000	1,206,711	1,087,000	1,130,414	1,176,500	791,497	551,000	603,065		
Miscellaneous	146,756	512,985	180,180	462,247	105,300	682,959	269,845	138,346		
Total Revenues:	\$81,590,896	\$74,380,417	\$74,268,580	\$71,628,806	\$67,978,456	\$71,494,141	\$73,751,535	\$74,939,294		
EXPENDITURES										
Current:										
General government										
City Council	\$ 757,880	\$ 600,077	\$ 588,320	\$ 545,316	\$ 581,564	\$ 513,868	\$ 577,150	\$ 553,224		
City Manager	1,939,208	1,611,851	1,697,000	1,708,904	896,175	726,440	1,398,087	1,345,111		
City Clerk	958,638	675,502	617,661	464,559	521,486	507,398	543,007	513,257		
City Attorney	1,382,692	1,231,971	1,150,000	1,043,838	1,090,407	1,034,442	928,169	819,388		
Economic Development	942,055	643,617	540,000	483,846	482,774	391,451	--	--		
Financial and Administrative Services	4,532,079	4,296,823	3,293,600	3,219,857	2,696,813	2,694,398	5,166,982	5,052,104		
Human Resources	1,285,279	996,659	1,149,165	966,293	958,505	923,964	890,959	773,363		
Non-Departmental	2,096,227	2,373,328/	2,547,340	1,867,455	3,517,071	2,800,066	3,715,213	4,425,745		
Public safety:										
Police	39,903,612	38,370,806	39,590,967	38,726,538	41,870,739	39,104,174	40,673,276	38,952,960		
Fire	533,348	440,322	15,566,320	15,173,224	15,466,535	14,793,909	15,778,017	14,647,452		
Animal services	2,693,362	2,507,528	2,432,081	2,372,784	2,280,118	2,214,243	--	--		
Emergency operations/volunteer services	774,067	658,130	603,592	593,830	609,566	610,084	--	--		
Crossing guards	669,906	632,775	602,126	619,308	583,439	566,063	--	--		
Community development	8,138,077	7,286,897	5,263,586	5,093,483	4,545,270	4,235,300	6,301,211	6,482,658		
Public works	6,556,876	5,352,136	4,457,840	3,893,811	3,528,195	3,413,488	2,287,897	2,109,287		
Capital outlay	--	--	--	--	555,556	56,406	730,069	673,934		
Total Expenditures	\$73,163,306	\$67,678,422	\$80,099,598	\$76,773,046	\$80,184,213	\$74,585,694	\$78,990,037	\$76,348,483		
Excess (deficiency) of Revenues Over (Under) Expenditures	\$8,427,590	\$6,701,995	(\$5,831,018)	(\$5,144,240)	(\$12,205,757)	(\$3,091,553)	(\$5,238,502)	(\$1,409,189)		
OTHER FINANCING SOURCES (USES)										
Transfers in	\$1,347,005	\$ 1,597,161	\$6,757,589	\$7,330,279	\$ 263,000	\$ 773,051	\$ 539,656	\$ 539,656		
Transfers out	(6,016,839)	(14,134,584)	(2,699,807)	(2,710,323)	(2,513,040)	(2,605,518)	(3,968,900)	(4,028,932)		
Total Other Financing Sources (Uses)	(\$4,669,834)	(\$12,537,423)	\$4,057,782	\$4,619,956	(\$2,250,040)	(\$1,832,467)	(\$3,429,244)	(\$3,489,276)		
Net change in fund balance	\$3,757,756	(\$5,835,428)	(\$1,773,236)	(\$524,284)	(\$14,445,797)	(\$4,924,020)	(\$8,667,746)	(\$4,898,465)		
Fund Balance, Beginning of Year	\$57,690,009	\$57,690,009	\$51,813,823⁽¹⁾	\$51,813,823⁽¹⁾	\$51,289,539	\$51,289,539	\$46,365,519	\$46,365,519		
Fund Balance, End of Year	\$61,447,765	\$51,854,581	\$50,040,587	\$51,289,539	\$36,833,742	\$46,365,519	\$37,697,773	\$41,467,054		

(1) The beginning General Fund balance for fiscal year 2009-10 was reduced by \$40,758, due to several accounting adjustments as described in Note 10 in the City of Moreno Valley Comprehensive Annual Financial Report for fiscal year 2009-10.

Source: City of Moreno Valley Comprehensive Annual Financial Reports for applicable fiscal years.

The following table sets forth the Statement of Revenues, Expenditures, and Changes in Fund Balances for the City's General Fund for fiscal year 2008-09 through fiscal year 2012-13.

Table 4
City of Moreno Valley
Statement of Revenues, Expenditures, and Changes
In General Fund Balances
For Fiscal Year 2008-09 through Fiscal Year 2012-13

[CITY TO COMPLETE PER 2013 CAFR:]

Fiscal Years	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
REVENUES					
Taxes:					
Property taxes	\$ 6,388,412	\$ 9,296,083	\$ 9,430,846	\$ 9,397,373	
Property taxes in lieu	16,791,078	13,703,197	13,055,796	13,170,964	
Utility taxes	15,081,286	15,358,341	15,317,439	15,591,386	
Sales taxes	10,451,942	9,298,295	11,283,435	14,003,993	
Other Taxes	7,144,746	6,716,428	7,209,262	7,533,532	
Licenses and permits	1,930,884	1,354,188	1,532,514	1,523,800	
Intergovernmental	1,619,141	1,183,894	895,366	398,193	
Charges for services	8,581,233	7,654,867	7,408,607	8,574,131	
Use of money and property	4,671,999	5,470,852	3,886,420	4,004,511	
Fines and forfeitures	1,206,711	1,130,414	791,497	603,065	
Miscellaneous	512,985	462,247	682,959	138,346	
Total Revenues	\$74,380,417	\$71,628,806	\$71,494,141	\$74,939,294	
EXPENDITURES					
Current:					
General government	\$12,429,826	\$10,296,168	\$ 9,592,027	\$13,482,192	
Public safety	42,609,565	57,450,534	57,288,473	53,600,412	
Community development	7,286,897	5,093,483	4,235,300	6,482,658	
Community and cultural	5,352,134	--	--	--	
Public works	--	3,889,593	3,413,488	2,109,287	
Capital outlay	--	43,268	56,406	673,934	
Debt service:					
Principal retirement	--	--	--	--	
Interest and fiscal charges	--	--	--	--	
Total Expenditures	\$67,678,422	\$76,773,046	\$74,585,694	\$73,348,483	
Excess (deficiency) of revenues over (under) expenditures	\$6,701,995	(\$5,144,240)	(\$3,091,553)	(\$1,409,189)	
Other Financial Sources (Uses):					
Transfers in	\$ 1,597,161	\$7,330,279	\$ 773,051	\$ 539,656	
Transfers out	(14,134,584)	(2,710,323)	(2,605,518)	(4,028,932)	
Total Other Financing Sources (Uses)	(\$12,537,423)	\$4,619,956	(\$1,832,467)	(\$3,489,276)	
Extraordinary gain (loss) on dissolution of redevelopment agency	--	--	--	--	
Net Change in Fund Balances	(\$5,835,428)	(\$524,284)	(\$4,924,020)	(\$4,898,465)	
Fund balance, July 1	\$57,690,009	\$51,813,823⁽¹⁾	\$51,289,539	\$46,365,519	
Fund balance (deficit), June 30	\$51,854,581	\$51,289,539	\$46,365,519	\$41,467,054	

(1) The beginning General Fund balance for fiscal year 2009-10 was reduced by \$40,758, as described in Note 10 in the City of Moreno Valley Comprehensive Annual Financial Report for fiscal year 2009-10.

Source: City of Moreno Valley Comprehensive Annual Financial Reports for the applicable fiscal years.

The following table sets forth the General Fund tax revenues by source for fiscal year 2003-04 through fiscal year 2012-13.

Table 5
City of Moreno Valley
General Fund Tax Revenues By Source
Fiscal Year 2003-04 through Fiscal Year 2012-13

Fiscal Year (Ended June 30)	Property Tax	Property Tax In-Lieu of VLF	Utility Users Tax	Sales and Use Tax	Transient Occupancy Tax	Franchise Fee	Motor Vehicle In-Lieu of VLF	Business License Gross Receipts	Documentary Transfer Tax	Total
2004	\$ 6,354,247	--	\$10,980,848	\$ 9,100,608	\$455,009	\$3,599,485	\$7,283,124 ⁽¹⁾	\$ 920,928	\$1,055,205	\$39,749,454
2005	7,230,082	\$ 8,644,834 ⁽²⁾	12,527,514	11,753,794	519,193	3,791,546	3,478,877 ⁽²⁾	1,059,009	1,391,200	50,396,049
2006	11,930,618	12,068,070	13,811,740	11,317,841 ⁽³⁾	582,307	4,142,646	1,275,342	1,240,764	1,548,205	57,917,533
2007	14,022,135	14,150,000	15,463,291	13,116,271	586,383	4,349,870	943,313	1,315,039	972,995 ⁽⁴⁾	64,919,297
2008	14,361,253	16,728,600	15,186,616	11,694,525	593,009	4,478,698	800,667	1,111,021	575,003	65,529,392
2009	12,790,196	16,791,078	15,081,286	10,202,384	497,936	4,997,024	865,718	1,051,701	598,084	62,875,407
2010	9,917,734	13,703,197	15,358,341	9,298,296	535,775	4,757,920	547,188	961,303	479,208	55,558,962
2011	9,430,846	13,055,796	15,317,439	11,293,435	692,586	5,038,600	887,331	1,053,145	424,931	57,184,109
2012	9,397,373	13,170,964	15,591,386	14,003,993	747,100	5,176,775	96,578	1,175,104	434,554	59,793,827
2013	9,765,007	13,414,446	15,683,931	14,043,560	831,881	5,336,919	100,727	1,305,924	350,413	60,832,808
Change (FY 2004 to 2013)	54.00% ⁽³⁾	100.00% ⁽³⁾	43.00% ⁽³⁾	54.00% ⁽³⁾	83.00%	48.00%	-99.00%	42.00%	-67.00%	53.00%

- (1) In 2004 the State discontinued the back-fill of the Vehicle License Fee In-Lieu. At the same time the basis of the revenue stream was changed from a per capita calculation to the change in assessed valuations of property.
- (2) In 2005 the governor instituted the "triple-flip," which changed the funding source for Vehicle License Fees to the ERAF fund and changed the allocation of funds to cities from a per capita computation to the change in the assessed valuation of property. The foundation of the fee is not based on the tax rates established by the City and as such is not considered to be property tax. Because this revenue is under the control of the state it would be considered a "shared" revenue rather than an "own-source" revenue.
- (3) The decline in sales tax reported in fiscal year 2005-06 is related to the implementation of the "Triple-Flip" and a take-back of revenues related to a change in the formula that was used to allocate funds to the cities. The amount of the take-back was \$720,000.
- (4) Documentary Transfer Tax has declined since fiscal year 2005-06. This decline is due to the combination of a decrease in the number of properties that transferred ownership and the decline in the value of properties being transferred.

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2013-14.

The following table sets forth the General Fund revenue projections for fiscal years 2013-14 and 2014-15, as set forth in the City's current budget.

Table 6
City of Moreno Valley
General Fund Revenue Projections
Fiscal Years 2013-14 and 2014-15

Fiscal Years	<u>2013-14</u>	<u>2014-15</u>
Taxes:		
Property taxes	\$ 9,647,100	\$ 9,803,900
Property taxes in lieu of VLF	13,640,000	13,890,000
Utility taxes	16,114,000	16,428,000
Sales taxes	15,570,000	16,420,000
Franchise Fees	5,250,000	5,375,000
Franchise Fees in-lieu	190,000	200,000
Other taxes	1,300,000	1,360,000
Business Gross Receipts	1,225,000	1,250,000
Charges for services	8,869,395	8,977,274
Use of money and property	2,688,000	2,589,600
Licenses and permits	1,514,000	1,519,200
Fines and forfeitures	601,500	606,500
Intergovernmental	265,000	235,000
Transfers in	967,341	126,489
Miscellaneous	51,400	51,400
Total Revenue Budget	\$77,892,736	\$78,832,363

Source: City of Moreno Valley Operating Budget, Fiscal Years 2013-14 and 2014-15.

Property Taxes and Property Taxes In Lieu of Vehicle License Fees

Property taxes represent approximately 12% of the City's General Fund revenue budget for fiscal year 2013-14. When combined with property tax in-lieu of VLF, which represents approximately 18% of total budgeted General Fund revenues, property tax becomes the City's largest revenue source and approximately 30% of the City's General Fund revenue budget for fiscal year 2013-14.

The VLF for property tax swap is a method employed by the State to distribute VLF through growth in assessed valuation. The method, which was implemented to provide other State General Fund backing to schools for the loss of the Educational Revenue Augmentation Fund ("ERAF"), has had a positive impact on the finances of the City. In past years, the VLF would have been distributed to the City based primarily on population increase percentages. For a city with a rapidly growing assessed valuation, the new formula means additional revenues.

Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding March 1 (January 1 beginning for fiscal year 2000-01). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and March 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of ½ % per month to the time of redemption, plus costs

and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of ½% attaches to them on the first day of each month until paid. The County has four methods of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

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.

Teeter Plan

The Board of Supervisors of Riverside County has previously approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, the counties apportion secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including cities, for which the counties act as the tax-levying or tax-collecting agency. The Teeter Plan was effective beginning in fiscal year 1994. The City participates in the Teeter Plan.

Assessed Valuation of Property

Set forth in the table below is a listing of the City’s assessed valuations for secured and unsecured property within the City for fiscal years 2008-09 through 2012-13.

**Table 7
City of Moreno Valley
Assessed Value of All Taxable Property
Fiscal Years 2008-09 through 2012-13**

Fiscal Year (Ended June 30)	Secured Value	Unsecured Value	Total Assessed Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate
2009	\$13,132,444	\$243,521	\$13,375,965	\$154,973	\$13,220,992	.00131%
2010	10,625,910	236,904	10,862,814	154,289	10,708,525	.00160
2011	10,516,338	238,786	10,755,124	227,178	10,527,946	.00164
2012	10,561,585	271,336	10,832,921	236,235	10,596,686	.00258
2013	11,042,637	352,337	11,394,974	264,161	11,130,813	.00177

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Set forth in the table below is a listing of the 20 largest secured property taxpayers for fiscal year 2012-13.

Table 8
City of Moreno Valley
Twenty Largest Secured Property Taxpayers
Fiscal Year 2012-13

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2012-13 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation ⁽¹⁾</u>
1.	Walgreen Company	Distribution	\$135,988,143	1.31%
2.	Stonegate 552	Residential	80,994,352	.78%
3.	IIT Inland Empire Logistics	Industrial	76,549,021	.74%
4.	Broadstone at Valley View	Residential	60,240,000	.58%
5.	2250 Town Circle Holdings	Commercial	45,716,800	.44%
6.	Day Street Apartments	Residential	44,752,821	.43%
7.	Buckhead Cactus Commerce	Commercial	36,771,000	.35%
8.	WFD Towngate Investment	Commercial	33,939,000	.33%
9.	Weingarten Stoneridge	Industrial	31,491,722	.30%
10.	Towngate Apartments	Residential	30,122,417	.29%
11.	Target Corporation	Commercial	24,000,372	.23%
12.	WalMart Real Estate Trust	Commercial	22,167,997	.21%
13.	Radwan Talat	Commercial	20,520,958	.20%
14.	Costco Wholesale Corp	Commercial	18,839,791	.18%
15.	Moreno Valley Festival Ltd	Commercial	16,752,765	.16%
16.	Harold Beral	Commercial	16,501,509	.16%
17.	Lowes HIW Inc	Commercial	18,991,680	.18%
18.	Gateway Company	Commercial	15,431,903	.15%
19.	Sears Roebuck & Co	Department Store	14,023,702	.13%
20.	Macy's California	Department Store	13,871,969	.13%

(1) Total fiscal year 2012-13 local secured assessed valuation = \$10,398,564,753.
Source: City.

Direct and Overlapping Debt

The ability of land owners within the City to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed on the applicable land. The statement of direct and overlapping debt (the "Debt Report") set forth on the following page was prepared by California Municipal Statistics, Inc. as of June 30, 2013. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The City takes no responsibility for its completeness or accuracy.

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Table 9
City of Moreno Valley
Statement of Direct and Overlapping Debt
Fiscal Year 2012-13

2012-13 Assessed Valuation: \$10,810,828,113

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/13	% Applicable (1)	City's Share of Debt 6/30/13
Metropolitan Water District	\$165,085,000	0.514%	\$ 848,537
Eastern Municipal Water District, I.D. No. U-22	3,609,000	100.	3,609,000
Riverside City Community College District	229,362,310	14.373	32,966,245
Moreno Valley Unified School District	39,508,521	82.384	32,548,700
San Jacinto Unified School District	43,735,786	0.489	213,868
Val Verde Unified School District	74,971,948	37.465	28,088,240
Moreno Valley Unified School District Community Facilities District No. 88-1	4,960,000	100.	4,960,000
Moreno Valley Unified School District Community Facilities District No. 2002-1	7,545,000	100.	7,545,000
Moreno Valley Unified School District Community Facilities District No. 2003-1 & 2	10,605,000	100.	10,605,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	3,035,000	100.	3,035,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,365,000	100.	5,365,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,895,000	100.	3,895,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,870,000	100.	4,870,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	27,005,000	100.	27,005,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,950,000	100.	23,950,000
Val Verde Unified School District Community Facilities District No. 98-1	21,710,000	100.	21,710,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,550,000	100.	2,550,000
Eastern Municipal Water District Community Facilities Districts	14,505,000	100.	14,505,000
City of Moreno Valley Community Facilities District No. 3	105,000	100.	105,000
City of Moreno Valley Community Facilities District No. 5	5,770,000	100.	5,770,000
City of Moreno Valley Community Facilities District No. 87-1	7,525,000	100.	7,525,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	3,055,000	100.	3,055,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$244,724,590
Less: Moreno Valley Community Facilities District No. 3 & 87-1 (100% supported from tax increment revenues)			<u>7,630,000</u>
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			\$237,094,590
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$640,243,149	5.361%	\$ 34,323,435
Riverside County Pension Obligations	346,790,000	5.361	18,591,412
Riverside County Board of Education Certificates of Participation	3,900,000	5.361	209,079
Mt. San Jacinto Community College District General Fund Obligations	11,675,000	0.016	1,868
Moreno Valley Unified School District Certificates of Participation	18,585,000	82.384	15,311,066
San Jacinto Unified School District Certificates of Participation	41,865,000	0.489	204,720
Val Verde Unified School District Certificates of Participation	81,525,000	37.465	30,543,341
City of Moreno Valley General Fund Obligations	72,301,000	100.	72,301,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$171,485,921
Less: Riverside County self-supporting obligations			<u>584,067</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$170,901,854
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>	 \$51,046,585	 100. %	 \$51,046,585
 TOTAL DIRECT DEBT			 \$72,301,000
TOTAL GROSS OVERLAPPING DEBT			\$394,956,096
TOTAL NET OVERLAPPING DEBT			\$386,742,029
 GROSS COMBINED TOTAL DEBT			 \$467,257,096
NET COMBINED TOTAL DEBT	(2)		\$459,043,029

- (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 the overlapping district's assessed value that is within the boundaries of the city divided by the 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.

Ratios to 2012-13 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt.....	2.26%
Total Net Overlapping Tax and Assessment Debt.....	2.19%
Total Direct Debt (\$72,301,000).....	0.67%
Gross Combined Total Debt.....	4.32%
Net Combined Total Debt.....	4.25%

Ratios to Redevelopment Incremental Valuation (\$2,025,486,679):

Total Overlapping Tax Increment Debt.....	2.52%
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Source: City, from data provided by California Municipal Statistics, Inc.

Utility Taxes

The City imposes a utility users tax. This tax accounted for approximately 19% of the City's General Fund revenue for the fiscal year ended June 30, 2013, and approximately 21% of the City's fiscal year 2013-14 General Fund budget. The City's utility users tax was enacted by the City Council in 1991 and ratified by the voters in 1996. There have been three attempts (in 1996, 2002 and 2004) to rescind the utility users tax, the most recent occurring at the November 2004 elections. The percentage of voters in favor of the utility users tax (those voting against the initiative to rescind the utility users tax) was 56.4% at the November 2004 election. Although there have been no further attempts by voters to rescind the utility users tax, there could be future attempts to rescind the utility users tax, in whole or in part, and there can be no assurance the utility users tax will remain in effect.

Sales and Use Taxes

Sales tax is collected and distributed by the State Board of Equalization. The City receives an amount equal to one percent (1.00%) of taxable sales within its jurisdiction. Sales tax receipts plus the State's "Triple Flip" formula (see below) that reimburses city governments' sales tax with property tax based on growth in assessed valuation, comprises approximately 20% of the City's budgeted General Fund revenue for the fiscal year 2013-14 budget. Automobile sales and retail sales at the regional mall located within the City contribute significantly to this revenue source. Sales and use taxes are, by their nature, a volatile source of revenues based on economic conditions. However, sales and use taxes have been a relatively steady source of revenues for the City in the past five fiscal years.

As part of the State's 2004 budget package, the State Legislature adopted a mechanism to fund the State's economic recovery bond program with a 0.25 cent sales tax. Under a mechanism commonly known as the "Triple Flip" and outlined in Revenue and Taxation Code Section 97.68, the local Bradley Burns Sales and Use Tax rate is reduced by 0.25 cent. This 0.25 cent sales tax is used to repay the State's outstanding economic recovery bonds. Cities and counties are then provided with *ad valorem* property tax revenues in lieu of these revenues. The State Director of Finance notifies each county auditor of the amount of sales and use tax revenue loss to each city and county as a result of the Triple Flip. Each County Auditor is then required to allocate compensating revenues to cities and the county. These compensating revenues are transferred from the *ad valorem* property tax revenues that would otherwise be allocated to the county's ERAF. See also "RISK FACTORS – State Budget."

Other Revenue Sources

Other revenues sources of the City's General Fund are described below.

Other Tax Revenues. In addition to *ad valorem* taxes on real property and sales and use taxes, the City receives other local taxes and fees, certain of which are described below. All of the following taxes were enacted prior to January 1, 1995, and, except for a voter-approved increase in the transient occupancy tax, none were imposed, increased, or extended on or after January 1, 1995. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATION."

Transient Occupancy Taxes. The City levies an 8% transient occupancy tax on hotel and motel bills.

Franchise Fees. The City levies a franchise fee on its cable television, trash collection, and utilities franchise.

Business License Fees. The City levies business license fees based on gross annual receipts and type of business enterprise.

Property Transfer Tax. The City collects property transfer tax when real property changes ownership.

Electric Utility Charges. The City's electric utility began servicing customers in February 2004, and by the first fiscal year-end, was servicing nearly 250 new homes. As of December 2012, the total number of customers exceeded 5,659. The utility was established for two major reasons: economic development and the health and stability of the City's General Fund. The City's electric utility is only available for new construction within the City. The City may offer incentives as a way to attract new businesses and jobs to the City. A November 2004 voter initiative with the intent of restricting the use of surplus electric utility funds and regulating its operations failed.

Development Impact Fees. The City receives fees from developers in connection with the approval of new development projects for the purpose of defraying all or a portion of the cost of certain public facilities related to the particular development project. Development impact fees are a special revenue of the City and cannot be used for purposes unrelated to the impact of the development for which such development impact fees were collected. Consequently, development impact fees are not available for the payment of Base Rental Payments. Development impact fees collected in fiscal year 2012-13 totaled \$1,317,514.

License and Permit Fees. License and permit fees consist primarily of business license fees and fees for building construction permits, plan checks, animal licensing, and fire permits.

Fines, Forfeitures and Penalties. Fines, forfeitures, and penalties include parking citations and other fines for municipal code violations.

Investment of Earnings. Funds held by the City are invested in accordance with the City's Statement of Investment Policy (the "Investment Policy") prepared by the Treasurer as authorized by Section 53601 of the California Government Code. A copy of the City's current Investment Policy is attached as Appendix D.

Employee Pension Plan (PERS)

Plan Description. The City's defined benefit pension plan, Public Employees Retirement System ("PERS"), provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System ("CalPERS"), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by State statutes within the California Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

Funding Policy. Active plan members in PERS are required to contribute 8.00% of their annual covered salary as of January 2008. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate is

19.344% for fiscal year 2011-12. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost. [CITY TO UPDATE PER 2013 CAFR:] For fiscal year 2012-13, the City's annual pension cost was \$ _____. The City also contributed \$ _____ on behalf of the employees for the employee contribution. The required contribution for fiscal year 2012-13 was determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases for employees that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, (c) 3.25% cost of living adjustment. Both (a) and (b) include an inflation component of 3.00%. The actuarial value of PERS assets was determined using a technique that smoothes the effect of short-term volatility in the fair value of investments over a 15-year period. The PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012 was 23 years.

Set forth in the table below is the annual pension cost of the City for fiscal year 2009-10 through fiscal year 2012-13.

Table 9
City of Moreno Valley
Annual Pension Cost
Fiscal Year 2009-10 through Fiscal Year 2012-13

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Fiscal Year</u> <u>(Ended June 30)</u>	<u>Annual Pension</u> <u>Cost ("APC")</u>	<u>Percentage of APC</u> <u>Contributed</u>
2010	\$5,233,518	100%
2011	5,214,878	100
2012	5,402,864	100
2013	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Set following table shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability ("UAAL") to payroll, and presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Table 10
City of Moreno Valley
Funded Status of Employee Pension Plan

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Valuation Date</u>	<u>Entry Age Normal</u> <u>Accrued Liability</u>	<u>Actuarial Value</u> <u>of Assets</u>	<u>Unfunded</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as</u> <u>Percentage of</u> <u>Payroll</u>
June 30, 2009	\$109,758,482	\$78,175,287	\$31,583,195	71.2%	\$26,384,952	119.7%
June 30, 2010	120,692,084	85,693,181	34,998,903	71.0	23,670,851	147.9
June 30, 2011	132,322,141	92,912,456	39,409,685	70.2	20,743,000	190.0
June 30, 2012	_____	_____	_____	_____	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Other Post Employee Benefits (OPEB)

Plan Description. The City's defined benefit postemployment healthcare plan provides a portion of certain health care for retired employees. In accordance with City policy, employees who retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability) and are not temporary employees, are eligible for these benefits. In June 2009, the City established an irrevocable trust fund to begin funding the City's unfunded liability through the California Employers' Retiree Benefit Trust ("CERBT"), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State. A menu of benefit provisions, as well as other requirements, are established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by City Council. The City is required to contribute the Annual Required Contribution ("ARC") of the employer, an amount actuarially determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The current ARC rate is 7.00% of the annual covered payroll.

Annual OPEB Cost. [UPDATE DATA PER 2013 CAFR:] For fiscal year 2011-2012, the City's annual OPEB cost was \$1,615,000. The required contribution for the fiscal year was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases for employees of 3.25%, and (c) an annual healthcare cost increase of 4.5%. Both (a) and (b) include an inflation component of 3.00%. The amortization method is the level percent of payroll. The amortization period is a 30 year fixed (closed) period for the initial unfunded accrued actuarial liability. There are 26 years remaining as of June 30, 2012.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Table 11
City of Moreno Valley
Annual OPEB Cost
(Fiscal Year 2012-13)

[CITY TO UPDATE TABLE PER 2013 CAFR:]

Annual OPEB Cost (Expense)	\$1,615,000
Contributions (Including Premiums/Benefits Paid)	1,165,000
Increase in Net OPEB Obligation	450,000
Net OPEB Obligation – Beginning of Year	--
Net OPEB Obligation – End of Year	450,000

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts 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.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009-10 through fiscal year 2012-13 are set forth in the following table:

Table 12
City of Moreno Valley
Annual OPEB Costs
Fiscal Year 2009-10 through and Fiscal Year 2012-13

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Fiscal Year</u> <u>(Ended June 30)</u>	<u>Annual OPEB Cost</u> <u>("AOC")</u>	<u>Percentage of AOC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2010	\$1,425,000	100%	--
2011	1,564,000	100	--
2012	1,615,000	72	\$450,000
2013	_____	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Set following table provides the funded status of OPEB.

Table 13
City of Moreno Valley
Funded Status of OPEB

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

<u>Valuation Date</u>	<u>Actuarial</u> <u>Accrued Liability</u>	<u>Actuarial Value</u> <u>of Assets</u>	<u>Unfunded</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as</u> <u>Percentage of</u> <u>Payroll</u>
June 30, 2008	\$ 9,338,000	--	\$ 9,338,000	0.0%	\$29,794,978	31.3%
January 1, 2010	13,600,000	\$2,386,000	11,214,000	17.5	22,465,000	49.9
June 30, 2011	11,670,000	4,428,000	7,242,000	37.9	23,195,000	31.2
[June 30, 2012]	_____	_____	_____	_____	_____	_____

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Liability Insurance

Risk exposures to the assets of the City are managed through a combination of self-insured retention and excess coverage. The City believes they have current assets adequate to cover the actuarially determined liability for general liability and worker's compensation claims, including estimated claims incurred but not reported.

The City is a member of CSAC Excess Insurance Authority. The Authority is a member of a directed joint powers insurance pool, which has been operational since October 1979. Current membership includes 53 of the 58 counties in California and 90 members of the California Public Entity Insurance Authority (CPEIA). The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages.

The City bears all of the costs associated with the excess workers' compensation and employer's liability programs of the Authority. For worker's compensation, the City has a self-insured retention of \$300,000 per occurrence. For employer's liability, the City bears all of the costs of each occurrence. The City has a pooled retention of \$5,000,000 each occurrence, a \$45,000,000 reinsurance layer in excess of the \$5,000,000 pooled retention per occurrence for worker's compensation claims.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There has been no significant reduction in pooled or insured liability coverage from coverage in the prior year.

Pending Litigation

There are several lawsuits pending against the City. The outcome and eventual liability of the City, if any, in these cases is not known at this time. None of such pending lawsuits as are known to the City challenges the issuance of the Bonds. City management estimates that the potential claims against the City, not covered by insurance or self-insurance reserves, resulting from such litigation would not materially affect the financial statements of the City.

THE FACILITIES

The Facilities are comprised of [two] separate components located within the City.

**[CITY TO PROVIDE DESCRIPTION OF THE COMPONENTS OF THE FACILITIES,
INCLUDING SIZE, LOCATION, AND ESTIMATED VALUE]**

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, 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 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds, which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority and the City have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond

Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration's proposed 2014 budget includes a legislative proposal which, for tax years beginning after December 31, 2013, would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Authority and the City have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the City or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the City and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the City or the Beneficial Owners to incur significant expense.

RATING[S]

[Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies ("Standard & Poor's"), has assigned its municipal bond rating of "___" to the Bonds, based on the issuance of the Bond Insurance Policy by the Bond Insurer. In addition,] Standard & Poor's has assigned a[n underlying] municipal bond rating of "___" to the Bonds. Such rating[s] reflect[s] only the views of the rating agency furnishing the same and any desired explanation of the significance of such rating[s] should be obtained

from the rating agency at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance the rating[s] assigned to the Bonds will continue for any given period of time or that such rating[s] will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the foregoing rating[s] may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The City will covenant in the Continuing Disclosure Certificate to provide certain financial information and operating data relating to the City and the Authority and notices of certain events listed therein. Such information and notices will be filed by the City with the Municipal Securities Rulemaking Board. The specific nature of the information to be provided is set forth in the Continuing Disclosure Certificate, a form of which is attached hereto as Appendix F. This covenant has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5), as amended ("Rule"), adopted by the Securities and Exchange Commission in compliance with the Securities and Exchange of 1934. See APPENDIX F – Form of Continuing Disclosure Certificate.

In the previous five years the City and its related entities have filed each annual report required by their respective continuing disclosure undertakings in a complete and timely manner pursuant to the Rule. In the previous five years, the City and its related entities failed to file certain material 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 and, during the previous five years, all other material event filings required to be made by the City and its related entities pursuant to their respective continuing disclosure undertakings have been made in a timely manner pursuant to the Rule.

UNDERWRITING

The Bonds are being purchased by E. J. De La Rosa & Co., Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (which represents the aggregate principal amount of the Bonds, less an Underwriter's discount of \$_____, [less/plus] a net original issue [discount/premium] of \$_____).

The contract of purchase pursuant to which the Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices or yields different from the prices or yields stated on the cover page of this Official Statement. In addition, the offering prices or yields may be changed from time to time by the Underwriter.

Although the Underwriter expects to maintain a secondary market in the Bonds after the initial offering, no guarantee can be made that such a market will develop or be maintained by the Underwriter or others.

NO LITIGATION

[CITY TO CONFIRM:] The City and the Authority will certify, and the City Attorney will render opinions on behalf of the City and the Authority upon the issuance of the Bonds to the effect that, there is no action, suit, or proceeding known to the City or the Authority to be pending or threatened, restraining, or enjoining the issuance of the Bonds or the execution or delivery of the Trust Agreement, the Facilities Sublease, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City or the Authority taken with respect to any of the foregoing or that will materially adversely affect the City’s ability to pay Base Rental Payments when due.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by Suzanne Bryant, the City Attorney. Certain matters will be passed upon for the Underwriter by Goodwin Procter LLP, Los Angeles, California, Underwriter’s Counsel. The proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto. Neither Bond Counsel nor Underwriter’s Counsel undertakes any responsibility for the accuracy, completeness, or fairness of this Official Statement.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds and of statutes and documents contained in this Official Statement do not purport to be complete, and reference is made to such statutes and documents for full and complete statements of their provisions.

The preparation and distribution of this Official Statement have been authorized by the Authority and the City.

MORENO VALLEY PUBLIC FINANCING
AUTHORITY

By: _____
Chair

CITY OF MORENO VALLEY

By: _____
Mayor

APPENDIX A

**SUMMARY OF CERTAIN PROVISIONS OF THE
PRINCIPAL LEGAL DOCUMENTS**

The following is a brief summary of certain provisions of the Trust Agreement and the Facilities Sublease. This summary does not purport to be complete and is qualified in its entirety by reference to said documents.

[TO BE PROVIDED BY BOND COUNSEL]

APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF MORENO VALLEY

The Bonds do not constitute a general obligation debt of the City of Moreno Valley (the “City”), and the City has not pledged its full faith and credit or its taxing power to the repayment of the Bonds. The following information is presented for informational purposes only.

General

The City is located in Riverside County, California (“Riverside County”), approximately 66 miles southeast of the City of Los Angeles and approximately 100 miles north of the City of San Diego. The City covers approximately 50 square miles at an average elevation of 1,631 feet above sea level. The City has a temperate climate, with a mean average temperature of 65 degrees Fahrenheit and average annual rainfall of 10.67 inches. The City currently employs 762 full time employees. Population growth in the City recently has slowed due to the economic downturn. However, with a current population of approximately 196,495, the City continues to be the second largest city in Riverside County. The City is located in the Inland Empire, which consists of Riverside and San Bernardino Counties. The Inland Empire had experienced a vibrant economic environment from the mid-1990’s to the mid-2000’s, during which period the City experienced strong residential and commercial growth. The rate of such residential and commercial growth recently has slowed considerably due to the economic downturn.

For six years, from 2002 to 2008, the City experienced double-digit growth in many industries that generate revenue for the City. During such six-year period, assessed valuations of property increased by 136%. However, assessed valuations of property decreased in the City during fiscal year 2009-10 and have continued to decline through fiscal year 2010-11. Beginning in fiscal years 2011-12 and 2012-13, the City has experienced slow growth in assessed valuation that is expected to continue for the next few fiscal years.

Government

The City was incorporated in 1984 and operates as a general law city with a council/manager form of government. The five members of the City Council of the City (the “Moreno Valley City Council”) are elected by district for four-year overlapping terms. The Moreno Valley City Council elects one of its members as Mayor and another as Mayor Pro-Tem on an annual basis. The current members of the Moreno Valley City Council, and their respective offices, are listed below:

<u>Name</u>	<u>Office</u>
Tom Owings	Mayor
Jesse L. Molina	Mayor Pro Tem
Richard A. Steward	Councilmember
Dr. Yxstian Gutierrez	Councilmember
Victoria Baca	Councilmember

Population

The following table describes the population in the City for the calendar years 2004 through 2013.

**City of Moreno Valley
Population
Calendar Years 2004 through 2013**

[CITY TO COMPLETE PER 2013 CAFR:]

<u>January 1</u>	<u>Population</u>
2004	155,105
2005	165,238
2006	174,565
2007	180,466
2008	183,860
2009	186,301
2010	188,537
2011	195,216
2012	196,495
2013	

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Labor Force and Unemployment

According to State of California Employment Development Department statistics, in May 2013, the City had a labor force of approximately 89,100 workers and an unemployment rate of approximately 9%. For the same period, Riverside County had a labor force of approximately 934,000 workers and an unemployment rate of approximately 9%.

Major Employers

The following table describes the largest employers within the City as of June 2013.

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total City Employment</u>
March Air Reserve Base	Military Reserve Base	8,600	26.12%
Moreno Valley Unified School District	Public Schools	3,366	10.22
Riverside County Regional Medical Center	County Hospital	2,600	7.9
Ross Stores	Retail Distribution	1,630	4.95
Moreno Valley Mall	Retail Mall	1,365	4.15
Kaiser Permanente Community Hospital	Hospital/Medical Services	944	2.87
City of Moreno Valley	Municipal Government	771	2.34
Walgreens Co.	Retail Distribution	685	2.08
Val Verde Unified School District (MV only)	Public Schools	674	2.05
Skechers USA	Retail Distribution	600	1.82

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIII A to the California Constitution (“Article XIII A”). Article XIII A limits *ad valorem* taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations that impact the residents of the City are comprised of debts incurred by Eastern Municipal Water District, Metropolitan Water District, Moreno

Valley Unified School District, Nuview School District, Perris Union High School District, Riverside Community College District, San Jacinto Unified School District, and Val Verde Unified School District (collectively, the “City of Moreno Valley Voter-Approved Obligations”). The following table describes the City’s direct and overlapping property tax rates for fiscal years 2002-03 through 2012-13.

**City of Moreno Valley
Direct and Overlapping Property Tax Rates
Fiscal Years 2002-03 through 2012-13**

<u>Fiscal Year Ended June 30</u>	<u>Article XIII A Basic Tax Rate</u>	<u>City of Moreno Valley Voter-Approved Obligations</u>	<u>Total Direct and Overlapping Property Tax Rates</u>
2003	1.00%	.09785%	1.09785%
2004	1.00	.08610	1.08610
2005	1.00	.15079	1.15079
2006	1.00	.13170	1.13170
2007	1.00	.11470	1.11470
2008	1.00	.18585	1.18585
2009	1.00	.23281	1.23281
2010	1.00	.25949	1.25949
2011	1.00	.29430	1.29430
2012	1.00	.31618	1.31618
2013	1.00	.37767	1.37767

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Property Tax Levies, Collections, and Delinquencies

In Riverside County, property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll becomes tax delinquent on June 30. Such property may thereafter be prepaid by payment of the delinquent taxes plus the delinquency penalty, plus a prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes remain unpaid for a period of five years or more, the property is subject to sale by the Riverside County Tax Collector.

In Riverside County, property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer, (2) filing a certificate in the office of the Riverside 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 record in the Riverside County Recorder’s office in order to obtain a lien on certain property of the taxpayer, and (4) seizure and sale of personal property, improvements, or possessory interests belonging or assessed to the taxpayer.

Riverside County has adopted the Teeter Plan pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code (the “Teeter Plan”). The Teeter Plan permits counties to use a method of apportioning taxes whereby all local agencies, including cities, receive from such counties 100% of their respective share of the amount of secured ad valorem taxes levied, without regard to actual collections of the taxes levied. So long as the Teeter Plan is continued within Riverside County, the local agencies within Riverside County (including the City) are, in effect, guaranteed the full amount of their respective share of the amount of secured *ad valorem* property taxes levied.

The following table details the City's property tax levies and collections for fiscal years 2006-07 through 2012-13.

**City of Moreno Valley
Property Tax Levies and Collections
Fiscal Years 2006-07 through 2012-13**

Year Ended June 30	Taxes Levied for the Fiscal Year ⁽¹⁾	Taxes Collected Within the Fiscal Year of Levy	Percent of Levy
2007	\$35,606,935	\$39,141,295	109.93%
2008	41,349,349	43,457,010	105.10
2009	36,524,643	41,165,168	112.71
2010	31,875,985	35,492,693	111.35
2011	30,099,696	33,658,226	111.82
2012	35,046,104	39,027,115	111.36
2013	27,035,993	31,072,148	114.93

- (1) Amounts include City property taxes, redevelopment tax increment, and in-lieu vehicle license fees.
 (2) Beginning in fiscal year 2012-13, redevelopment tax increment was excluded from the calculation of taxes levied due to the dissolution of the Community Redevelopment Agency of the City of Moreno Valley.
 Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Assessed Property Values

The following table details the assessed value of the secured and unsecured real property within the City for fiscal years 2003-04 through 2012-13.

**City of Moreno Valley
Assessed Value of Taxable Property
Fiscal Years 2003-04 through 2012-13**

Year Ended June 30	Assessed Value of Secured Real Property	Assessed Value of Public Utility Property	Assessed Value of Unsecured Real Property	Total Assessed Value
2004	\$ 6,201,783,053	\$273,900	\$145,640,727	\$ 6,347,697,680
2005	7,228,795,754	273,900	144,565,799	7,373,635,453
2006	9,073,353,798	273,900	154,044,212	9,227,671,910
2007	11,209,994,361	351,600	164,322,582	11,374,668,543
2008	13,272,082,125	351,600	197,971,302	13,470,405,027
2009	13,297,708,504	351,600	231,457,769	13,529,517,873
2010	10,769,479,454	709,625	240,052,170	11,010,241,249
2011	10,290,228,751	709,625	237,717,408	10,528,655,784
2012	10,326,588,963	709,625	270,096,944	10,597,395,532
2013	10,398,541,103	23,650	340,667,041	10,739,231,794

Source: City of Moreno Valley Comprehensive Annual Financial Report for Fiscal Year 2012-13.

Outstanding Debt

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during fiscal years 2006-07 through 2012-13 are set forth in the following table.

**City of Moreno Valley
Outstanding Debt
Fiscal Years 2006-07 through 2012-13
(Amounts expressed in thousands)**

[CITY TO COMPLETE TABLE PER 2013 CAFR:]

Fiscal Year Ended June 30	Governmental Activities					Business-Type Activities		Total Primary Governmental Debt
	Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	Redevelopment Tax Allocation Bonds	Notes and Other	Total Governmental Debt	Lease Revenue Bonds	
2007	\$21,415	\$6,590	\$47,393	--	\$ 4,696	\$ 80,094	\$30,870	\$110,964
2008	18,925	6,040	42,157	\$43,495	4,318	114,935	30,870	145,805
2009	17,265	5,470	41,297	42,725	6,849	113,606	30,775	144,381
2010	15,525	4,875	40,378	42,605	6,668	110,051	30,285	140,336
2011	13,655	0 ⁽¹⁾	39,660 ⁽¹⁾	42,475	12,301	108,091	29,780	137,871
2012	11,870	0	38,775	0	12,406	63,051	29,245	92,296
2013	—	—	—	—	—	—	—	—

(1) In 2011, the City defeased the 1997 Lease Revenue Bonds and the 1997 City Hall Certificates of Participation with private placement financing.

Source: City of Moreno Valley Financial & Administrative Services Department.

Taxable Retail Sales

Consumer spending in calendar year 2012 resulted in 1,332,500,000 in taxable sales in the City, which is approximately 13% higher than calendar year 2011. The following table describes the total taxable sales in the City for calendar years 2006 through 2012.

**City of Moreno Valley
Taxable Retail Sales
Calendar Years 2006 through 2012
(000s omitted)**

<u>Year</u>	<u>Retail Stores</u>	<u>Total Outlets</u>
2006	\$1,218,440	\$1,307,961
2007	1,170,236	1,267,045
2008	1,064,374	1,154,650
2009	947,927	1,018,353
2010	994,464	1,067,546
2011	1,092,691	1,172,223
2012	1,214,400	1,332,500

Source for years 2006 through 2011: California State Board of Equalization.

Source for year 2012: City.

The following table describes the taxable sales in the City for each type of business for calendar year 2012.

**City of Moreno Valley
Taxable Retail Sales for Each Type of Business
Calendar Year 2012
(000s omitted)**

	<u>2012</u>
Motor Vehicle and Parts Dealers	\$ 223,905
Home Furnishings and Appliance Stores	41,495
Building Materials and Garden Equipment and Supplies	86,498
Food and Beverage Stores	90,857
Gasoline Stations	213,435
Clothing and Clothing Accessories Stores	89,157
General Merchandise Stores	264,865
Food Services and Drinking Places	180,038
Other Retail Group	<u>109,760</u>
Total Retail and Food Services	\$1,300,010
All Other Outlets	<u>32,490</u>
Total All Outlets ⁽¹⁾	\$1,332,500

(1) Totals may not add due to rounding.
Source: City.

Building Activity

The following table summarizes building activity valuations in the City during the fiscal years 2006-07 through 2012-13.

**City of Moreno Valley
Building Activity Valuations
Fiscal Years 2006-07 through 2012-13
(000s omitted)**

<u>Fiscal Year</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2009-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Residential Valuation	\$132,724	\$ 35,695	\$30,154	\$ 34,476	\$ 6,606	\$ 5,340	\$ 19,044
Commercial Valuation	<u>108,337</u>	<u>90,889</u>	<u>18,482</u>	<u>80,484</u>	<u>87,359</u>	<u>60,893</u>	<u>45,811</u>
Total Valuation	\$241,061	\$126,584	\$48,636	\$114,960	\$93,965	\$66,232	64,855

Source: City.

APPENDIX C

**CITY OF MORENO VALLEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013**

APPENDIX D

CITY OF MORENO VALLEY STATEMENT OF INVESTMENT POLICY

INVESTMENT POLICY

PURPOSE: The City Council of the City of Moreno Valley (City) and its related authorities and agencies recognizes its responsibility to properly direct the investments of funds under its care. It is the purpose of this policy to provide guidelines for the prudent investment of unexpended funds in a manner which allows for maximum security, while at the same time providing the best investment return to meet the daily cash flow demands of the City, and conform to all applicable statutes pertaining to the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy supersedes.

I. Scope

- A.** Investments for the City and its related authorities and agencies will be made on a pooled basis including the City of Moreno Valley the City of Moreno Valley Housing Authority, the Moreno Valley Community Services District, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Public Financing Authority, and the Moreno Valley Industrial Development Authority. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:
1. General Fund
 2. Special Revenue Funds
 3. Debt Service Funds
 4. Capital Project Funds
 5. Internal Service Funds
 6. Agency Funds
 7. Enterprise Funds
- B.** The City Council has the authority to allow investments that do not follow this policy as long as such investments are recommended by the City Manager and City Treasurer, and expressly authorized by the City Council.
- C.** At the time this policy is adopted, the portfolio may hold investments which were made in the past and in accordance with previous policies and existing State law, but do not meet the provisions of this policy. These past investments are grandfathered as permissible investments. The City may choose to hold these investments until maturity; however, their maturity cannot be extended without the expressed authorization of the City Council.
- D.** Funds excluded from this policy
1. **Bond Proceeds.** Proceeds of debt issuance shall be invested in accordance with the City's general investment philosophy as set forth in this policy. The overriding policy for the investment of bond proceeds will be dictated by the bond documents governing such funds as long as the documents are approved by the City Council or related governing board.
 2. **Deferred Compensation Plans.** Investments related to the City's deferred compensation plans are not subject to this policy since third-party administrators manage them and the individual plan participant's direct investment and mutual fund selection. Deferred compensation plans must be approved by the City Council.

II. Prudence

- A.** Prudent Investor Standard: Management of the City's investments is governed by the Prudent Investor Standard as set forth in the California Government Code 53600.3:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11-4/24/12

INVESTMENT POLICY

are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

- B.** Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

III. Objectives

- A.** The City’s investment philosophy sets the tone for its policies, practices, procedures and objectives that control the investment function. The investment of funds will be guided by the primary objectives of safety, liquidity and a reasonable market rate of return.
1. **Safety** – Safety of principal is the foremost objective of the investment program. The City will undertake investments in a manner that ensures the preservation of capital in the portfolio taken as a whole.
 2. **Liquidity** – The City will maintain sufficient cash and short-term investment instruments which, together with projected revenues, will provide sufficient liquidity so that the City will be able to meet all operating requirements which might be reasonably anticipated including an amount to cover reasonably estimated contingencies.
 3. **Reasonable market rate of return (Yield)** – The City’s investment portfolio will be designed with the objective to attain a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City’s investment risk constraints and the cash flow characteristics of the portfolio.
- B.** The investment function will have the ongoing objectives of: assuring compliance with Federal, State and local laws governing the investment of public funds, maintaining reserves for long-term projects and contingencies, and establishing quality standards and limits related to the type of investments made and with which institutions investments are placed.

IV. Delegation of Authority

- A.** The City of Moreno Valley Municipal Code specifies that the City Council will appoint the City Treasurer. By resolution, the City Council has appointed the Financial & Administrative Services Director to serve as the City Treasurer. The Treasurer serves as the chief investment officer for the City and is authorized to invest or deposit the City’s funds in accordance with this policy, California Government Code Sections 53600 and 53630 et seq., and all other related Federal and State laws. The City Treasurer also serves as the Treasurer for the City of Moreno Valley Housing Authority, the Moreno Valley Public Financing Authority, the Moreno Valley Public Facilities Financing Corporation, the Moreno Valley Community Services District and other related City entities. In the absence of the City Treasurer, and unless otherwise delegated, the Treasury Operations Division Manager/Assistant City Treasurer will serve as the Acting Treasurer. The City Treasurer may appoint

Approved by: City Council
December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11; 4/24/12

INVESTMENT POLICY

deputy treasurers to act on behalf of the City. The City Treasurer will provide written authorization in delegating any of his/her authority.

- B. The City Manager will provide periodic oversight to the investment function which includes but is not limited to reviewing monthly investment reports issued by the City Treasurer.
- C. The City Council's primary responsibilities over the investment function include approving the Investment Policy, annually reviewing such policy, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and other unique financing transactions, and authorizing any deviations from the City's investment policies.
- D. The Finance Sub-Committee of the City Council will provide oversight to the investment function through the periodic review of the investment report at their committee meetings.
- E. The City may engage the services of one or more external investment managers to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

V. Investment Procedures

- A. The City Treasurer shall establish internal procedures for the operation of the investment program consistent with this policy. These procedures shall include, but are not limited to, the following items:
 - 1. Safekeeping
 - 2. Master repurchase agreements
 - 3. Wire transfer agreements
 - 4. Collateral/Depository agreements
 - 5. Broker/Dealer relationships
- B. Cash handling and cash management are integral components of an effective investment management program. In keeping with the Administrative Policy on Cash Control, the aforementioned procedure manual shall include references to the following:
 - 1. Cash collection practices
 - 2. Depository practices
 - 3. Cash flow issues
 - 4. Cash flow projections
 - 5. Anti-theft/Anti-fraud practices
 - 6. Banking agreements
 - 7. Accounting practices
- C. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.
- D. Allocation of Pool Interest
 - 1. All interest earnings related to the investment pool will be allocated to the General Fund unless specifically directed by Federal or State statute, City Council directive or contractual agreement.
 - 2. The allocation methodology will be maintained by the City Treasurer.

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December 17, 1996

Revised 1/13/98; 1/12/99; 2/8/00; 1/3/01; 5/14/02; 11/22/05; 2/26/08; 2/24/09; 3/23/10; 5/24/11-4/24/12

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VI. Ethics and Conflict of Interest

- A. All officials, staff members and consultants, involved in the investment functions will refrain from personal business activity that could conflict with the execution of the investment function or which may impair their ability to make impartial investment decisions. Officials, staff members, and consultants, will disclose to the City Manager any financial interests with a financial institution, provider, dealer or broker that conducts business with the City.
- B. Officials, staff members and consultants will further disclose any personal financial positions that could be related to the City's cash and investment portfolio.
- C. All bond issue participants, including but not limited to, underwriters, bond counsel, financial advisors, brokers and dealers will disclose any fee sharing arrangements or fee splitting to the City Manager prior to the execution of any transactions. The providers must disclose the percentage share and approximate dollar amount share to the City prior to the execution of any transactions.

VII. Investment Controls

- A. The City Manager shall oversee and ensure that the City Treasurer implements and maintains a system of internal investment controls and segregated responsibilities of the investment function in order to prevent the following:
 - 1. Fraud
 - 2. Theft
 - 3. Loss of principal
 - 4. Loss of control over funds
 - 5. Inaccurate reporting
 - 6. Negligence
 - 7. Over-reliance on a single employee for investment decisions
- B. Internal controls should include but are not limited to (for a more specific list of internal controls see the investment management plan):
 - 1. Segregation of duties (e.g., the purchaser of investments is different than the person recording the transaction)
 - 2. Reconciliation of investment report and cash balances
 - 3. Dual authorization of transactions
- C. An external auditor will review the investment program annually in order to provide reasonable assurance that policy and procedures are complied with.

VIII. Authorized Financial Dealers and Institutions

- A. The City Treasurer will obtain financial information from qualified institutions to determine if the institution markets in securities appropriate to the City's needs, can assign qualified sales representatives, and can provide written agreement to abide by the conditions set forth in the City of Moreno Valley Investment Policy.
- B. The City Treasurer will maintain a list of financial institutions and broker/dealers authorized to provide investment services to the City who are authorized to provide investment services in the State of California. An eligible designation does not guarantee that the City will do business with the firm or institution.

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- C. The following criteria will be used in determining investment providers
1. Broker/Dealers: The purchase by the City of any investment other than those purchased directly from the issuer shall be purchased from a broker/dealer firm designated as a "Primary Government Dealer" by the Federal Reserve Bank of New York or a regional dealer that qualifies under SEC Rule 15C3-1 (uniform net capital rule).
 2. Banks: The City shall purchase securities from banks which meet all of the following criteria:
 - a. Nationally or State chartered banks
 - b. Registered as investment securities dealers with the Securities and Exchange Commission
 - c. Independently rated "A" or higher by two nationally recognized statistical ranking organizations
 3. Investment Bankers, Underwriters and Financial Advisors: The purchase by the City of any investments from these providers in the course of completing a bond transaction must be expressly authorized by the City Council after such a provider discloses their commission, spread or fee in approximate dollar amount. Otherwise, the acquisition of such investments must be procured from the broker/dealers customarily used by the City.
 4. The Federal Reserve Bank: Direct purchases of Treasury bills, notes and bonds from the U.S. Federal Reserve Banks branches are allowed and are exempt from quality requirements.
- D. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must provide the following information to the City Treasurer:
1. A completed City of Moreno Valley Broker/Dealer Questionnaire
 2. Audited financial statements
 3. Proof of Financial Industry Regulatory Authority (FINRA) certification
 4. Trading resolution
 5. Proof of state registration
 6. Certification of having read and willingness to comply with City's investment policy.
- E. The City Treasurer will conduct an annual review of the financial condition and registrations of brokers/dealers on the City's approved list.
- F. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which or with which the City invests.
- G. Certificates of deposit will not be placed with an institution once it has received a Cease and Desist order from any bank regulatory agency.

IX. Authorized and Suitable Investments (with quality and limitation guidelines)

- A. The California Government Code sections 53600 et seq. governs the allowable investments into which a local government agency can enter. These Government Code sections also stipulate as to the portfolio percentage limits and investment quality standards for some but not all permitted investments. The Government Code sections provide a starting point for establishing the City quality standards, percentage limits and maturity levels. Should the Government Code become more restrictive than this policy, the Government Code restrictions shall prevail.

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B. Whenever a maximum allowable percentage of the portfolio is stipulated for any type of security as detailed below, the limit or maximum allowable is determined by the portfolio size or composition at the close of the date on which the security is purchased.

C. Following is a table summarizing allowable investments for the City. This table summarizes and is consistent with California Government Code Sections 53600 and 53630 et seq.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	— none —	— none —
U.S. Treasury Obligations	5 years	— none —	— none —
State Obligations — CA and Others	5 years	— none —	— none —
CA Local Agency Obligations	5 years	— none —	— none —
U.S. Agency Obligations	5 years	— none —	— none —
Bankers' Acceptances	180 days	40%	— none —
Commercial Paper —Select Agencies	270 days	25% of the agency's invested funds	"A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Commercial Paper —Other Agencies	270 days	40% of the agency's invested funds	A-1/P-1/F-1"; if the issuer has issued long-term debt it must be rated "A" without regard to modifiers
Negotiable Certificates of Deposit	5 years	30%	— none —
CD Placement Service	5 years	30%	— none —
Repurchase Agreements	1 year	— none —	— none —
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	— none —
Medium-Term Notes	5 years	30%	"A" rating
Mutual Funds and Money Market Mutual Funds	n/a	20%	Multiple
Collateralized Bank Deposits	5 years	— none —	— none —
Mortgage Pass-Through Securities	5 years	20%	"AA" rating
Bank/Time Deposits	5 years	— none —	— none —
County Pooled Investment Funds	n/a	— none —	— none —
Joint Powers Authority Pool	n/a	— none —	Multiple
Local Agency Investment Fund (LAIF)	n/a	— none —	— none —

D. Investment Pools: A thorough investigation of an Investment Pool account is required prior to investing, and on a continual basis. The investigation must include information, if available, on the following items before investing:

1. A description of eligible investment securities, and a written statement of investment policy.
2. A description of interest calculations and distribution and how gains and losses will be treated.
3. A description of how the securities are safeguarded (including the settlement process), and how often the securities are priced and the program audited.

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4. A description of who may invest in the program, how often and what is the allowable size of deposits and withdrawals, and any limitations as to number of transactions.
 5. A schedule for receiving statements and portfolio listings.
 6. Are reserves, retained earnings, etc. utilized by the pool?
 7. Is the pool eligible for bond proceeds and/or will it accept such proceeds?
- E. Repurchase Agreements are legal and authorized by policy. In order to invest in repurchase agreements the City must obtain a signed Master Repurchase Agreement from the participating bank or broker/dealer.
- F. Prohibited Investment Transactions and Derivatives:
1. The Government Code specifically prohibits certain types of investment instruments for municipalities. In addition to those prohibitions, the following investments are not permitted:
 - a. Reverse Repurchase Agreements
 - b. Financial futures or financial option contracts
 - c. Security lending
 2. Additionally the City shall not invest in any security that could result in zero interest accrual if held to maturity.
 3. Due to the complexity of the securities market and ever-changing market conditions, it is difficult to define derivatives and specifically prohibit their acquisition. Therefore, the City desires to limit the potential risk of derivatives by specifically prohibiting the most common types of derivatives with certain market exposures. These prohibited derivatives include but are not limited to: inverse floaters, interest only securities derived from mortgages, residual securities, structured notes, forward based derivatives, forward contracts, forward rate agreements, futures contracts, interest rate futures contracts, foreign currency futures contracts, option based derivatives, option contracts, interest rate caps, interest rate floors, swap contracts, interest rate swaps, interest rate collars, foreign currency swaps, cross currency exchange agreements, fixed rate currency swaps, basis swaps, equity swaps, fixed rate equity swaps, floating rate equity swaps and commodity swaps.
 4. Leveraging
 - a. The City may not purchase investments on a margin or through a margin account.
 - b. The General Portfolio may not be leveraged by more than 30% through the issuance of tax and revenue anticipation notes (TRANS). The proceeds of any TRANS issue are to be invested in accordance with the guidelines in this policy, with investment maturities not to exceed the life of the TRANS.
 - c. The City may not leverage its investments through the use of reverse repurchase agreements.

X. Collateralization

- A. Bank Deposits: Under provisions of the Government Code, California banks and savings and loan associations are required to secure the City's deposits by pledging government securities with a value of 110% of principal and accrued interest. State law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits.

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- B. Certificates of Deposit:**
1. The market value of securities that underlay certificates of deposit shall be valued at 110% of the market value of principal and accrued interest.
 2. The City Treasurer, at his/her discretion may waive the collateral requirement for deposits up to the maximum dollar amount which are covered by the Federal Deposit Insurance Corporation.
- C. Repurchase Agreements**
1. The market value of securities that underlay certificates of deposit shall be valued at 102% of the market value of principal and accrued interest.
 2. The value shall be adjusted no less than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back to 102% no later than the next business day.
- D.** A clearly marked evidence of ownership, safekeeping receipt, must be supplied to the City and retained.
- E.** The City chooses to limit collateral to US Treasuries.
- F.** Collateral will always be held by an independent third-party with whom the entity has a current written custodial agreement.
- G.** The right of collateral substitution is granted based on the approval of the City Treasurer and City Manager.

XI. Safekeeping, Custody and Competitive Bids

- A.** Third-party safekeeping is required for all investments. Securities may be maintained by a banking institution or a broker/dealer firm for safekeeping as long as the securities are held in the City's name.
- B.** Third-party safekeeping arrangements will be approved by the City Treasurer and will be corroborated by a written custodial agreement.
- C.** All investment transactions of the City will be conducted using standard delivery vs. payment (DVP) procedures.
- D.** All securities held by the safekeeping custodian on behalf of the City shall have the City of Moreno Valley as the registered owner, and all interest and principal payments and withdrawals shall indicate the City of Moreno Valley as the payee.
- E.** All bank deposits will be FDIC insured or deposited with institutions that comply with the State collateral requirements for public funds.
- F.** Securities used as collateral for repurchase agreements with a maturity from one to seven days can be held in safekeeping by a third party bank trust department or by the broker/dealer's safekeeping institution, acting as the agent for the City, under the terms of a custody agreement executed by the selling institution and by the City specifying the City's "perfected" ownership of the collateral.

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- G. All investment transactions shall be conducted on a competitive basis with quotes from a minimum of three brokers or financial institutions when possible.

XII. Diversification and Credit Risk Management

- A. Investments contained within the portfolio will be diversified by security type, institution and maturity.
- B. The diversification requirements included in Section IX are designed to mitigate credit risk in the portfolio.
- C. No more than 5% of the total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.
- D. The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or City's risk preferences; and,
- E. If securities owned by City are downgraded by any nationally recognized statistical ratings organization to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
 - 1. If a security is downgraded, the City Treasurer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
 - 2. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Council.

XIII. Maximum Maturities

- A. The City Treasurer will maintain sufficient liquidity in cash and short-term investments, which together with projected revenue receipts will meet the cash flow requirements of the City for the upcoming six months.
- B. The City will not directly invest in securities maturing more than five years away from the settlement date. In any case, where a cash flow is matched with an investment which exceeds the five year limit, the investment must be approved by the City Council.
- C. The average weighted maturity of the general portfolio shall not exceed 3 years. The general portfolio does not include bond proceeds or deferred compensation funds.
- D. To the extent possible, longer-term investment maturities will be spaced so that a portion of such investments mature each year to cover unanticipated emergencies.

XIV. Performance Standards

- A. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints.
- B. The investment performance objective for the portfolio shall be to earn a total rate of return over a market cycle which is approximately equal to the return on a market benchmark Index of similar securities, as determined by the City Treasurer.

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- C. **Market Return (Benchmark):** The City's investment strategy is active. Given this strategy, the basis used by the Treasurer to determine whether market return is being achieved shall be to identify a benchmark which reflects a portfolio structure that is comparable to the City's portfolio. *An example as it pertains to the long term portion of the portfolio would be the Bank of America Merrill Lynch Index of 1 to 5 Year Government securities.*

XV. Reporting

- A. The City Treasurer will provide a monthly report to the City Manager and City Council which will include the following information by security held at the end of the reporting period:
1. Investment Type
 2. Issuer
 3. Maturity Date
 4. Par Value
 5. Market Value
 6. Book Value
 7. Weighted Average Maturity
 8. Source of Market Valuation
 9. Monies maintained within the treasury
 10. Funds, investments and loans that are under the management of contracted parties
- B. Quarterly, and within 60 days of the completion of the quarter, the City Treasurer will submit a report to the City Council in open public meeting with the same investment information provided to the City Manager and City Council on a monthly basis with the addition of the following data:
1. A description of the compliance with the statement of investment policy, or manner in which the portfolio is not in compliance.
 2. A statement denoting the ability of the City to meet cash flow requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

XVI. Investment Policy Adoption

- A. Annually, the City Treasurer will render to the City Council a Statement of Investment Policy, including any changes or revisions, to be reviewed and approved at a public meeting.

XVII. Record Retention

- A. The following investment or cash management documents will be maintained in accordance with Chapter 2.60 of Title 2 of the City of Moreno Valley Municipal Code:
1. Investment Reports and supporting documentation
 2. Third-party statements of assets held
 3. Investment permanent files
 4. Market pricing documentation

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APPENDIX E

FORM OF BOND COUNSEL OPINION

[TO BE PROVIDED BY BOND COUNSEL]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”), dated [Closing Date], is executed and delivered by the City of Moreno Valley (the “City”), on behalf of itself and the Moreno Valley Public Financing Authority (the “Authority”), in connection with the issuance by the Authority of \$_____ aggregate principal amount of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013 (the “Bonds”). The Bonds are being issued pursuant to a Master Trust Agreement, dated as of December 1, 2013 (the “Trust Agreement”), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

The Authority hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate.

This Disclosure Certificate is being executed and delivered by the City, for itself and on behalf of the Authority, for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions.

In addition to the definitions set forth in the Trust Agreement and in the Master Facilities Sublease, dated as of December 1, 2013 (the “Facilities Sublease”), by and between the Authority and the City, 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” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Annual Report Date” shall mean the date in each year that is nine (9) months after the end of the City’s Fiscal Year, the end of which, as of the date of this Disclosure Certificate, is June 30.

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent that is so designated in writing by the City and which has filed with the then current Dissemination Agent a written acceptance of such designation.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement dated December __, 2013, relating to the Bonds.

“Participating Underwriter” shall mean E. J. De La Rosa & Co., Inc., the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5), adopted by the Securities and Exchange Commission in compliance with the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2015, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) calendar days prior to each such Annual Report Date, the City shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the City. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City (which include information regarding the funds and accounts of the City), if any, may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the City's Fiscal Year changes, the City shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(b) If the City is unable to provide to MSRB an Annual Report by the date required in subsection (a), the City shall send to MSRB a notice in substantially the form attached hereto as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

- (i) provide any Annual Report received by it to the MSRB by the date required in subsection (a); and
- (ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Certificate, and stating the date the Annual Report was so provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City, which include information regarding the funds and accounts of the Authority, if any, for the most recent Fiscal Year of the City then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the City shall provide a notice of such modification to MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(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 rates for property within the City for the most recently completed Fiscal Year;
- (iii) property tax levies, collections, and delinquencies for the most recently completed Fiscal Year; and
- (iv) outstanding debt of the City for the most recently completed Fiscal Year, including tax increment, revenue, and lease indebtedness.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority, the City, or related public entities, that are available to the public on MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 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:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on any reserve fund for the Bonds reflecting financial difficulties;
- (iv) unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;
- (v) substitution of any credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to the rights of Owners of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers for the Bonds;
- (ix) defeasances;
- (x) any release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) any bankruptcy, insolvency, receivership, or similar event of the Authority or the City [this Listed Event is considered to occur when any of the following occur: the appointment

of a receiver, fiscal agent, or similar officer for the Authority or the City 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 Authority or the City, or if such jurisdiction has been assumed by leaving the existing governing 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 Authority or the City];

(xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the City or the sale of all or substantially all of the assets of the Authority or 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, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above, the City shall as soon as possible determine if such event would be material under applicable federal securities laws. If the City determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(c) Upon and after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above), the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(d) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with MSRB, not in excess of ten (10) business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

(e) The City hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the City and that the Trustee or the Dissemination Agent shall not be responsible for determining whether the City's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the City, the Trustee, and the Dissemination Agent 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).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent may resign by providing thirty days written notice to the City and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the City. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the City in a timely manner and in a form suitable for filing.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City and the Dissemination Agent may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived; provided that the following conditions are satisfied:

(a) If the amendment or waiver is related to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the City or the type of business conducted thereby;

(b) The undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to such Trust Agreement with the consent of Owners or (ii) does not, in the opinion of the City or nationally recognized bond counsel, materially impair the interest of Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City and the Authority to meet their respective obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to MSRB.

Section 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 Annual Report or 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 Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Owner of a Bond, Participating Underwriter, or Trustee 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 a default under the Trust Agreement, 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.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent and its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities that it may incur arising out of or in the exercise or performance of its duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this section shall survive resignation or removal of the Dissemination Agent and payment of all of the Bonds. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the City pursuant to this Disclosure Certificate. The City shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

CITY OF MORENO VALLEY

Chief Financial Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Moreno Valley Public Financing Authority
Name of Bond Issue: Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2013
Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the City of Moreno Valley (the “City”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated [Closing Date], executed by the City. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY OF MORENO VALLEY

By: _____
Authorized Signatory

[APPENDIX G]

[SPECIMEN BOND INSURANCE POLICY]

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council Acting in its Capacity as the President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: PUBLIC HEARING REGARDING THE MAIL BALLOT PROCEEDINGS FOR ASSESSOR'S PARCEL NUMBERS 291-192-025; 312-250-018, -019, AND -024; AND 316-020-002 THROUGH -005 AND 316-020-012 THROUGH -019 BALLOTING FOR THE CSD ZONE M ANNUAL PARCEL CHARGE

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceedings for Assessor's Parcel Numbers (APNs) 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019 for inclusion into and approval of the annual charges for the CSD Zone M (Commercial, Industrial, and Multifamily Improved Median Maintenance) program.
2. Direct the Secretary of the CSD Board (City Clerk) to tabulate the CSD Zone M ballots for APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019.
3. Verify and accept the results of the mail ballot proceedings as identified on the Official Tally Sheet.
4. Receive and file with the City Clerk's office the accepted Official Tally Sheet.
5. If approved, authorize and impose the CSD Zone M (Commercial, Industrial, and Multifamily Improved Median Maintenance) annual parcel charge to APNs 291-192-

025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019.

SUMMARY

The action before the CSD Board is to accept public testimony, tabulate the returned ballots, verify, and accept the results of the mail ballot proceedings for APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019.

DISCUSSION

The CSD was formed simultaneously with City incorporation in 1984. The designation of zones within the CSD was established to allocate the costs of special services to those parcels receiving the benefit. The City's Arterial Median Maintenance Policy, adopted by the CSD February 2003 and subsequently amended January 2006, requires that certain commercial, industrial, and multifamily developments be conditioned to fund the ongoing maintenance of arterial medians.

Special Districts, a division of the Financial and Management Services Department, manages private landscape maintenance firms to ensure that landscape preservation activities within specially designated districts or zones are completed on a regular schedule. Landscape maintenance includes, but is not limited to mowing, trimming, pruning, fertilizing, replacing plant material(s) as necessary, litter removal, weed control, maintenance of the irrigation system, payment of water and electric utility charges, and other items necessary for the satisfactory maintenance of the landscaped medians. The CSD Zone M annual parcel charge, paid by adjacent new developments, provides funding for the maintenance of improved medians within the CSD.

S. Urena, property owner of APN 291-192-025; First Industrial, property owner of APNs 312-250-018, -019, and -024; and FR Cal Indian Ave, property owner of APNs 316-020-002 through -005 and 316-020-012 through -019 (collectively the "Property Owners") have chosen to satisfy their Conditions of Approval to help support the CSD Zone M program by approving the annual parcel charge to be collected on the Riverside County property tax bill. Mail Ballot proceedings are being conducted in compliance with Proposition 218, which requires that any new or proposed increase in property-related assessments, fees, or charges be submitted to Property Owners for approval. The Property Owners are given two opportunities to address the legislative body. These two opportunities are the Public Meeting which was held on November 12, 2013 and the Public Hearing on December 10, 2013, when the results of the ballot proceeding will be announced.

Approval of the CSD Zone M annual parcel charge fulfills their Conditions of Approval. Provided the mail ballots are approved, the City will be authorized to annually levy the CSD Zone M annual parcel charge on the Riverside County property tax bill.

ALTERNATIVES

1. **Conduct the Public Hearing**, tabulate the ballots, verify, and accept the results of the mail ballot proceedings as identified on the Official Tally Sheet, receive and file with the City Clerk's office the accepted Official Tally Sheet, and if approved, authorize and impose the CSD Zone M annual parcel charges to APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019. *This alternative will fulfill the 45-day noticing period and Public Hearing requirements as mandated by Proposition 218.*
2. **Open the Public Hearing and continue** the hearing to a future regular City Council meeting. *This alternative will fulfill the 45-day noticing period and Public Hearing requirements as mandated by Proposition 218. This alternative will not incur any additional costs for re-noticing.*
3. **Do not conduct the Public Hearing**, tabulate the ballots, verify, or accept the results of the mail ballot proceedings for APNs 291-192-025; 312-250-018, -019, and -024; and 316-020-002 through -005 and 316-020-012 through -019. *This alternative prohibits the property owner from satisfying their Conditions of Approval utilizing this funding mechanism.*
4. **Do not conduct the Public Hearing** at this time but reschedule it to a date certain, at a regular City Council meeting. *This alternative would require the 45-day noticing period to start over and cause additional costs to be incurred for re-noticing.*

FISCAL IMPACT

For fiscal year (FY) 2013/14, the estimated CSD Zone M annual parcel charges for each APN are as follows:

APN	CSD Zone M Annual Charge	APN	CSD Zone M Annual Charge
291-192-025	\$471.25	316-020-012	248.78
312-250-018	40.04	316-020-013	581.39
312-250-019	174.94	316-020-014	643.59
312-250-024	47.09	316-020-015	982.96
316-020-002	1275.01	316-020-016	611.14
316-020-003	1275.01	316-020-017	611.14
316-020-004	1335.85	316-020-018	612.49
316-020-005	1334.50	316-020-019	612.49

The CSD Zone M annual parcel charge was estimated based on each development's front linear footage to the adjacent median. For developments that have multiple parcels, the total obligation for the development was proportionately allocated based on

acreage. The CSD Zone M charge will be proportionally adjusted if said APNs are subdivided and if parcels are merged, then the annual charges for those parcels will be combined. **Funds collected for the CSD Zone M program are restricted for use for the maintenance and administration of the improved medians within the CSD Zone M program.**

CITY COUNCIL GOALS

Community Image, Neighborhood Pride, and Cleanliness

The Zone M program allows the CSD an opportunity to maintain the appearance of developed areas within the City.

Revenue Diversification and Preservation

The CSD Zone M annual charge and the NPDES maximum commercial/industrial regulatory rate provide funding for program costs, which include maintenance and administration.

NOTIFICATION

The Property Owners were given the required 45-day noticing period to review the ballot documents. The documents included a notice to the property owner, map of the project area, Zone M ballot, instructions for marking and returning the ballot, and a postage-paid envelope for returning the ballot to the City Clerk. (See Attachments 1 through 3.)

Newspaper advertising for the November 12, 2013, Public Meeting and December 10, 2013, Public Hearing was published in The Press-Enterprise on October 24, 2013. Additionally, the Public Hearing notification was published on November 21 and again on November 29, 2013.

ATTACHMENTS

Attachment 1: Mail Ballot Packet for S. Urena
Attachment 2: Mail Ballot Packet for First Industrial
Attachment 3: Mail Ballot Packet for FR Cal Indian Ave

Prepared By:
Jennifer Terry
Management Analyst

Department Head Approval:
Richard Teichert
Chief Financial Officer

Concurred By:
Candace E. Cassel
Special Districts Division Manager

TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

Socrates Urena
 20620 Avenida Hacienda
 Riverside, CA 92508

October 10, 2013

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR APN 291-192-025 FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE AND FOR COMMUNITY SERVICES DISTRICT (CSD) ZONE M (COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY IMPROVED MEDIAN MAINTENANCE)

***** OFFICIAL BALLOTS ENCLOSED *****

Introduction

In November of 1996, California voters passed Proposition 218 ("The Right to Vote on Taxes Act"). As a result, any new or proposed increase in a property-related charge requires approval of the charge by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor's Parcel Number (APN) 291-192-025 the opportunity to express support for or opposition to the approval of the NPDES regulatory rate and services, and for inclusion into and approval of the annual charge for the CSD Zone M program.

Background

NPDES Maximum Commercial/Industrial Regulatory Rate

The City shall provide the services necessary to meet mandates of the Federal Clean Water Act. The current NPDES Permit, as administered by the State, regulates the volume and amount of pollutants in stormwater runoff from all development types. NPDES Maximum Commercial/Industrial Regulatory Rate provides financial support to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

The CSD was formed simultaneously with City incorporation and established Zones to allocate the costs of special benefit services to those parcels designated to receive selective programs. The CSD Zone M program provides ongoing maintenance to improved medians adjacent to commercial, industrial, and multifamily developments in designated areas of the City. Commercial, industrial, and multifamily developments along designated arterial streets are conditioned to participate in the improved median maintenance program in compliance with the Citywide Arterial Median Maintenance Policy approved by the CSD Board in March 2003 and revised in January 2006.

Services Provided

NPDES Maximum Commercial/Industrial Regulatory Rate

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall annually inspect site design, source and treatment control Best Management Practices, verify monitoring

and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

Special Districts Division staff manages private landscape maintenance firms to ensure that landscape preservation activities are completed on a regular schedule. The CSD Zone M annual charge was established to cover administration and service costs for the landscape maintenance. Services include, but are not limited to: trimming, pruning, fertilizing, replacing plant material(s) as necessary, litter removal, weed control, maintenance of the irrigation system, payment of water and electric utility charges, staff support, and other items necessary for the satisfactory maintenance of the landscaped medians.

How is the Amount of the Charge Determined?

NPDES Maximum Commercial/Industrial Regulatory Rate

Each fiscal year (FY), the City of Moreno Valley shall determine the type of services necessary to comply with NPDES Permit requirements and levy the rate applicable for that service. The rate levied shall not exceed the rate previously approved by the property owner.

CSD Zone M Charge

The annual CSD Zone M charge includes maintenance and administration costs. The CSD Zone M charge shall be proportionally adjusted if APN 291-192-025 is subdivided in the future. The charge levied shall not exceed the charge previously approved by the property owner.

Proposed Charge

NPDES Maximum Commercial/Industrial Regulatory Rate

For FY 2013/14, the NPDES maximum commercial/industrial regulatory rate is \$223 per parcel. The total amount of the NPDES rates levied for FY 2013/14 for the program as a whole was \$419,571.00.

CSD Zone M Charge

The CSD Zone M annual charge for FY 2013/14 for the existing Alessandro Blvd. median is \$471.25. The total amount of the CSD Zone M charges levied for FY 2013/14 for the program as a whole was \$165,549.72.

Annual Adjustment

NPDES Maximum Commercial/Industrial Regulatory Rate

Beginning in FY 2014/15, the NPDES Maximum Commercial/Industrial Regulatory Rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

CSD Zone M Charge

Beginning in FY 2014/15, the CSD Zone M charge shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Commercial/Industrial Regulatory Rate, the annual levy amount will be assessed to APN 291-192-025 (and any division thereof) and shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The NPDES Maximum Commercial/Industrial regulatory rate and the CSD Zone M charge will be levied each following year at the proposed rate, which may include an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding the City/CSD has scheduled one (1) Public Meeting and one (1) Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

<u>Public Meeting</u>	<u>Public Hearing</u>
Tuesday, November 12, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)	Tuesday, December 10, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)

Tabulation of all returned ballots will commence after the close of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk/Secretary of the CSD Board of Directors in compliance with the current Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if Inclusion into and Approval of the Charges are Approved

Approval of the NPDES Maximum Commercial/Industrial maximum regulatory rate will be confirmed if the ballot is marked in favor of the NPDES rate. Inclusion into the CSD Zone M program and approval of the annual charge will be confirmed if the ballot is marked in favor of the annual charge.

Effect if Inclusion into and Approval of the Charges are Not Approved

NPDES Maximum Commercial/Industrial Regulatory Rate

Not approving the NPDES commercial/industrial regulatory rate to meet federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. If the returned valid ballot is marked opposing the NPDES rate, then the rate will not be levied on the property tax bill.

CSD Zone M Charge

If the ballot is marked in opposition to the CSD Zone M annual charge, then the annual charge will not be levied on the property tax bill and the Conditions of Approval will not be satisfied.

For More Information

If you have any questions about the proposed programs, the annual rates, or about the mail ballot proceeding process, please contact Jennifer Terry, Management Analyst, Special Districts, a Division of the Financial and Management Services Department, Monday through Thursday from 7:30 a.m. to 6:00 p.m. at 951.413.3505 or via email at JenniferT@moval.org.

Completing Your Ballot

Property owner may submit the enclosed ballots to the City Clerk in support of or opposition to the proposed programs and annual charges. Please follow the instructions listed below to complete and return your ballots. Procedures for the completion, return, and tabulation of the ballots are also on file in the City Clerk's office.

1. Mark the two enclosed ballots in support for or opposition to the proposed programs and annual charges **by placing a mark in the corresponding box.**
2. Sign your name on the ballots. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your ballots in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, two postage-paid envelopes have been included for return of the ballots.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the Public Hearing to be held on **Tuesday, December 10, 2013**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;



An X mark substantially inside a box;



A dot or oval mark substantially inside a box;



A completely shaded or filled mark substantially inside a box;



A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;



A circle around the box and/or associated clause; or



A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Number (APN) 291-192-025
National Pollutant Discharge Elimination System (NPDES)
Maximum Commercial/Industrial Regulatory Rate**

YES* — as property owner of APN 291-192-025, I approve the NPDES Maximum Commercial/Industrial Regulatory Rate and services. For fiscal year (FY) 2013/14, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$223 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Beginning FY 2014/15, the maximum regulatory rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City will annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

NO** — as property owner of APN 291-192-025, I do not approve the NPDES Maximum Commercial/Industrial Regulatory Rate and services. I understand that not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to fund federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. The NPDES maximum commercial/industrial regulatory rate shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	NPDES Maximum Commercial/Industrial Regulatory Rate
291-192-025 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223

This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Number (APN) 291-192-025
Moreno Valley Community Services District (CSD) Zone M
(Commercial, Industrial, and Multifamily Improved Median Maintenance)**

YES* — as the property owner of APN 291-192-025, I approve the annual CSD Zone M charge for fiscal year (FY) 2013/14 for the existing Alessandro Blvd. median of \$471.25. Beginning FY 2014/15, the annual CSD Zone M charge shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The CSD Zone M charge shall be proportionally adjusted if said APN is subdivided.

NO** — as the property owner of APN 291-192-025, I do not approve the CSD Zone M annual parcel charge. I understand that not incorporating said APN into the CSD Zone M program will not satisfy the Conditions of Approval. The CSD Zone M charge shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	CSD Zone M Annual Charge
291-192-025 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$471.25

This ballot must be received by the Secretary of the Board of the CSD (City Clerk) prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

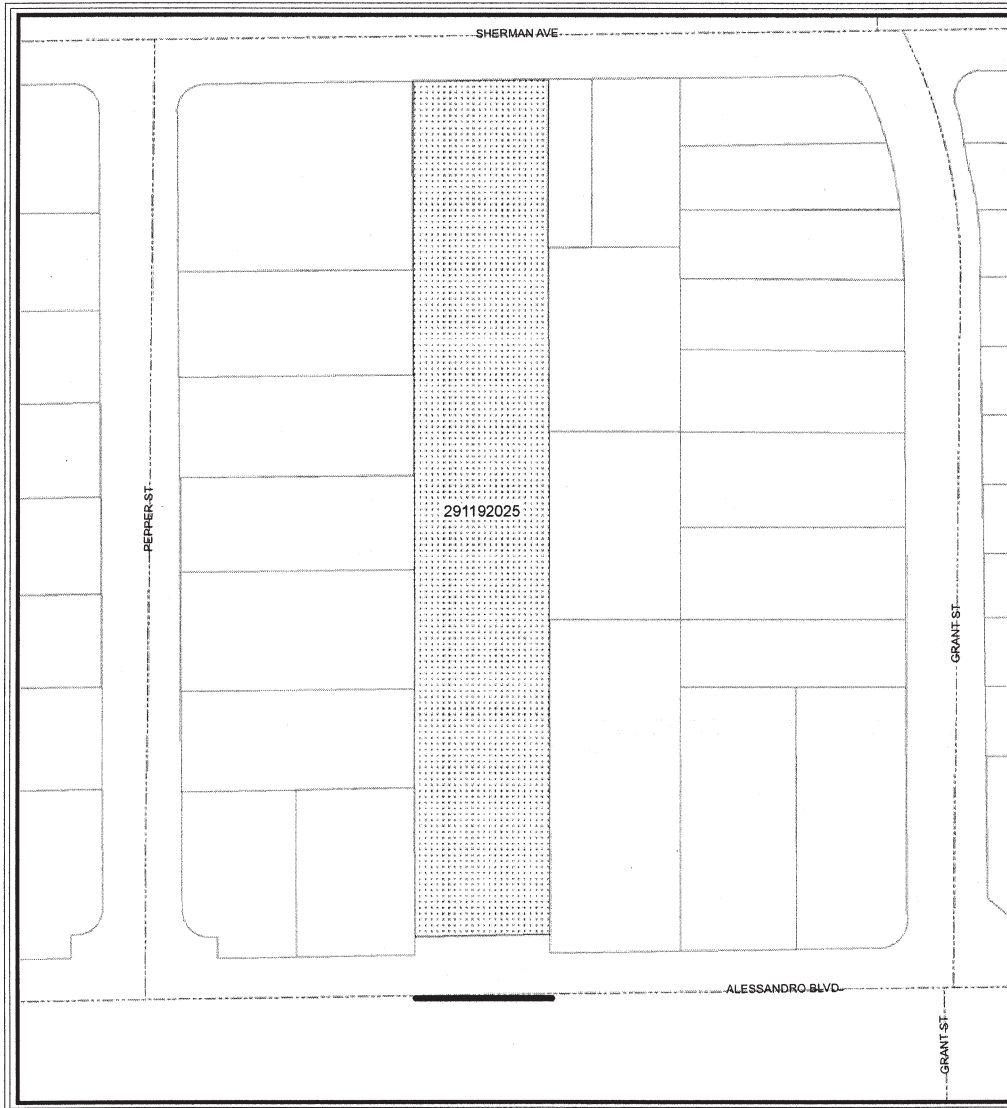
Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006







LEVEL 1			LEVEL II		
NPDES Administration			Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance		
<i>(Not covered by CSA 152)</i>					
Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management. Level I is levied on all parcels conditioned for the NPDES Rate Schedule.			Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.		
Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics					
PROPOSED PARCEL RATE	Per Month	Per Year	PROPOSED PARCEL RATE	Per Month	Per Year
	\$2.67	\$32.00		\$12.58	\$151.00

Inflation Factor Adjustments

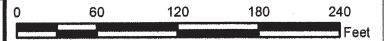
- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar



PA08-0035 Smog Station and Tire Sales

-  Median
-  Landscaped Areas
-  PA08-0035
-  Roads
-  Parcels
-  City Boundary

Map reflects all changes indicated
on Riverside County Assessor Maps
as of October 7, 2013.



G:\AVP\SDA\PA08-0035 Smog Station and Tire Sales.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.



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TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

First Industrial
 898 N Sepulveda, Suite 750
 El Segundo, CA 90245

October 10, 2013

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR APNs 312-250-018, 312-250-019, AND 312-250-024 FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE AND FOR COMMUNITY SERVICES DISTRICT (CSD) ZONE M (COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY IMPROVED MEDIAN MAINTENANCE)

******* OFFICIAL BALLOTS ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 ("The Right to Vote on Taxes Act"). As a result, any new or proposed increase in a property-related charge requires approval of the charge by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor's Parcel Numbers (APNs) 312-250-018, 312-250-019, and 312-250-024 the opportunity to express support for or opposition to the approval of the NPDES regulatory rate and services, and for inclusion into and approval of the annual charge for the CSD Zone M program.

Background

NPDES Maximum Commercial/Industrial Regulatory Rate

The City shall provide the services necessary to meet mandates of the Federal Clean Water Act. The current NPDES Permit, as administered by the State, regulates the volume and amount of pollutants in stormwater runoff from all development types. NPDES Maximum Commercial/Industrial Regulatory Rate provides financial support to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

The CSD was formed simultaneously with City incorporation and established Zones to allocate the costs of special benefit services to those parcels designated to receive selective programs. The CSD Zone M program provides ongoing maintenance to improved medians adjacent to commercial, industrial, and multifamily developments in designated areas of the City. Commercial, industrial, and multifamily developments along designated arterial streets are conditioned to participate in the improved median maintenance program in compliance with the Citywide Arterial Median Maintenance Policy approved by the CSD Board in March 2003 and revised in January 2006.

Services Provided

NPDES Maximum Commercial/Industrial Regulatory Rate

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

Special Districts Division staff manages private landscape maintenance firms to ensure that landscape preservation activities are completed on a regular schedule. The CSD Zone M annual charge was established to cover administration and service costs for the landscape maintenance. Services include, but are not limited to: trimming, pruning, fertilizing, replacing plant material(s) as necessary, litter removal, weed control, maintenance of the irrigation system, payment of water and electric utility charges, staff support, and other items necessary for the satisfactory maintenance of the landscaped medians.

How is the Amount of the Charge Determined?

NPDES Maximum Commercial/Industrial Regulatory Rate

Each fiscal year (FY), the City of Moreno Valley shall determine the type of services necessary to comply with NPDES Permit requirements and levy the rate applicable for that service. The rate levied shall not exceed the rate previously approved by the property owner.

CSD Zone M Charge

The annual CSD Zone M charge includes maintenance and administration costs. The CSD Zone M charge shall be proportionally adjusted if the previously mentioned APNs are subdivided in the future. If parcels are merged, then the annual charges for those parcels shall be combined. The charge levied shall not exceed the charge previously approved by the property owner.

Proposed Charge

NPDES Maximum Commercial/Industrial Regulatory Rate

For FY 2013/14, the NPDES maximum commercial/industrial regulatory rate is \$223 per parcel. The total amount of the NPDES rates levied for FY 2013/14 for the program as a whole was \$419,571.00.

CSD Zone M Charge

The CSD Zone M annual charge for FY 2013/14 for the existing Perris Blvd. median is \$262.07 and is spread to each APN based on the parcel's acreage. The total amount of the CSD Zone M charges levied for FY 2013/14 for the program as a whole was \$165,549.72.

Annual Adjustment

NPDES Maximum Commercial/Industrial Regulatory Rate

Beginning in FY 2014/15, the NPDES Maximum Commercial/Industrial Regulatory Rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

CSD Zone M Charge

Beginning in FY 2014/15, the CSD Zone M charge shall be subject to an annual adjustment

based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Commercial/Industrial Regulatory Rate, the annual levy amount will be assessed to APN 312-250-018, 312-250-019, and 312-250-024 (and any division thereof) and shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The NPDES Maximum Commercial/Industrial regulatory rate and the CSD Zone M charge will be levied each following year at the proposed rate, which may include an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding the City/CSD has scheduled one (1) Public Meeting and one (1) Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

<u>Public Meeting</u>	<u>Public Hearing</u>
Tuesday, November 12, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)	Tuesday, December 10, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)

Tabulation of all returned ballots will commence after the close of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk/Secretary of the CSD Board of Directors in compliance with the current Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if Inclusion into and Approval of the Charges are Approved

Approval of the NPDES Maximum Commercial/Industrial maximum regulatory rate will be confirmed if the ballot is marked in favor of the NPDES rate. Inclusion into the CSD Zone M program and approval of the annual charges will be confirmed if a simple majority of the weighted value of APNs are marked in favor of the annual charges.

Effect if Inclusion into and Approval of the Charges are Not Approved

NPDES Maximum Commercial/Industrial Regulatory Rate

Not approving the NPDES commercial/industrial regulatory rate to meet federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. If the returned valid ballot is marked opposing the NPDES rate, then the rate will not be levied on the property tax bill.

CSD Zone M Charge

If the ballot is marked in opposition to the CSD Zone M annual charge, then the annual charge will not be levied on the property tax bill and the Conditions of Approval will not be satisfied.

For More Information

If you have any questions about the proposed programs, the annual rates, or about the mail ballot proceeding process, please contact Jennifer Terry, Management Analyst, Special Districts, a

Division of the Financial and Management Services Department, Monday through Thursday
from 7:30 a.m. to 6:00 p.m. at 951.413.3505 or via email at JenniferT@moval.org.

Completing Your Ballot

Property owner may submit the enclosed ballots to the City Clerk in support of or opposition to the proposed programs and annual charges. Please follow the instructions listed below to complete and return your ballots. Procedures for the completion, return, and tabulation of the ballots are also on file in the City Clerk's office.

1. Mark the two enclosed ballots in support for or opposition to the proposed programs and annual charges **by placing a mark in the corresponding box.**
2. Sign your name on the ballots. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your ballots in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, postage-paid envelopes have been included for return of the ballots.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the Public Hearing to be held on **Tuesday, December 10, 2013**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;



An X mark substantially inside a box;



A dot or oval mark substantially inside a box;



A completely shaded or filled mark substantially inside a box;



A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;



A circle around the box and/or associated clause; or



A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall

be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Numbers (APNs)
312-250-018, 312-250-019, and 312-250-024
National Pollutant Discharge Elimination System (NPDES)
Maximum Commercial/Industrial Regulatory Rate**

YES* — as property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. For fiscal year (FY) 2013/14, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$223 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Beginning FY 2014/15, the maximum regulatory rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City will annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

NO** — as property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I do not approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. I understand that not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to fund federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. The NPDES maximum commercial/industrial regulatory rate shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	NPDES Maximum Commercial/Industrial Regulatory Rate
312-250-018 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223
312-250-019 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223
312-250-024 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223

This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Numbers (APNs)
312-250-018, 312-250-019, and 312-250-024
Moreno Valley Community Services District (CSD) Zone M
(Commercial, Industrial, and Multifamily Improved Median Maintenance)**

YES* — as the property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I approve** the annual CSD Zone M charge for FY 2013/14 for the Perris Blvd. median of \$262.07. Beginning FY 2014/15, the annual CSD Zone M charges shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. Upon approval, the CSD Zone M charges shall be placed on the Riverside County property tax bill. The CSD Zone M charges shall be proportionally adjusted if said APNs are subdivided. If parcels are merged then the annual charges for those parcels shall be combined.

NO** — as the property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I do not approve** the CSD Zone M annual parcel charges. I understand that not incorporating said APNs into the CSD Zone M program will not satisfy the Conditions of Approval. The CSD Zone M charges shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	CSD Zone M Annual Charge***
312-250-018 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$40.04
312-250-019 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	174.94
312-250-024 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	47.09

***The weighted value for each APN is equal to its proposed annual charge. The total proposed Zone M charge for this ballot is \$262.07.

This ballot must be received by the Secretary of the Board of the CSD (City Clerk) prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

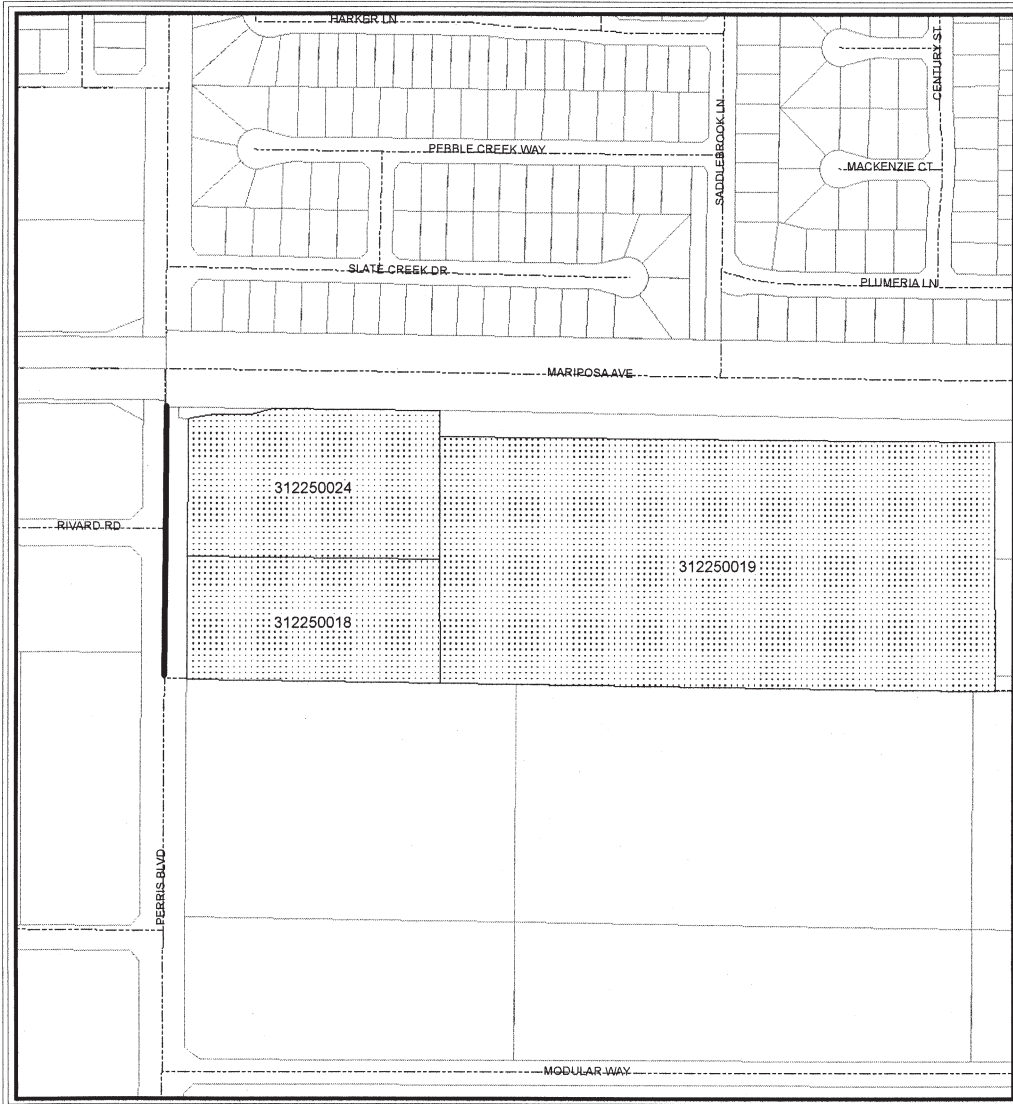
Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006

LEVEL 1			LEVEL II		
NPDES Administration			Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance		
<i>(Not covered by CSA 152)</i>					
<p>Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management.</p> <p>Level I is levied on all parcels conditioned for the NPDES Rate Schedule.</p>			<p>Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.</p>		
<p>Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics</p>					
PROPOSED PARCEL RATE	Per Month	Per Year	PROPOSED PARCEL RATE	Per Month	Per Year
	\$2.67	\$32.00		\$12.58	\$151.00

Inflation Factor Adjustments

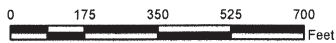
- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar



First Thirty Six Logistics P12-146 for a 555,670 sq ft Whs

- Median
- Landscaped Areas
- P12-146
- Roads
- Parcels
- City Boundary

Map reflects all changes indicated
on Riverside County Assessor Maps
as of October 7, 2013.



G:\AVP\SDA\First Thirty Six Logistics.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.



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TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

FR Cal Indian Ave
 c/o CDP Development, Inc.
 20411 SW Birch St, Suite 200
 Newport Beach, CA 92660

October 10, 2013

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR APNs 316-020-002, 316-020-003, 316-020-004, 316-020-005, 316-020-012, 316-020-013, 316-020-014, 316-020-015, 316-020-016, 316-020-017, 316-020-018, AND 316-020-019 FOR INCLUSION INTO AND APPROVAL OF THE COMMUNITY SERVICES DISTRICT (CSD) ZONE M (COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY IMPROVED MEDIAN MAINTENANCE) ANNUAL CHARGE

******* OFFICIAL BALLOT ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 ("The Right to Vote on Taxes Act"). As a result, any new or proposed increase in a property-related charge requires approval of the charge by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor's Parcel Numbers (APNs) 316-020-002, 316-020-003, 316-020-004, 316-020-005, 316-020-012, 316-020-013, 316-020-014, 316-020-015, 316-020-016, 316-020-017, 316-020-018, and 316-020-019 the opportunity to express support for or opposition to inclusion into and approval of the annual charge for the CSD Zone M program to provide ongoing maintenance of the Iris Avenue landscaped median.

Background

The CSD was formed simultaneously with City incorporation and established Zones to allocate the costs of special benefit services to those parcels designated to receive selective programs. The CSD Zone M program provides ongoing maintenance to improved medians adjacent to commercial, industrial, and multifamily developments in designated areas of the City. Commercial, industrial, and multifamily developments along designated arterial streets are conditioned to participate in the improved median maintenance program in compliance with the Citywide Arterial Median Maintenance Policy approved by the CSD Board in March 2003 and revised in January 2006.

Services Provided

Special Districts Division staff manages private landscape maintenance firms to ensure that landscape preservation activities are completed on a regular schedule. The CSD Zone M annual charge was established to cover administration and service costs for the landscape maintenance. Services include, but are not limited to: trimming, pruning, fertilizing, replacing plant material(s) as necessary, litter removal, weed control, maintenance of the irrigation system, payment of water and electric utility charges, staff support, and other items necessary for the satisfactory maintenance of the landscaped medians.

How is the Amount of the Charge Determined?

The annual CSD Zone M charge includes maintenance and administration costs. The CSD Zone M charge shall be proportionally adjusted if the previously mentioned APNs are subdivided in the future. If parcels are merged, then the annual charges for those parcels shall be combined.

Proposed Charge

The CSD Zone M annual charge for FY 2013/14 for the Iris Ave. median is \$10,124.35 and is spread to each APN based on the parcel's acreage. The total amount of the CSD Zone M charges levied for FY 2013/14 for the program as a whole was \$165,549.72.

Annual Adjustment

Beginning in FY 2014/15, the CSD Zone M charge shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The CSD Zone M charge will be levied each following year at the proposed rate, which may include an annual inflation adjustment. The charge levied shall not exceed the charge previously approved by the property owner.

Public Hearing

To provide information concerning this mail ballot proceeding the CSD has scheduled one (1) Public Meeting and one (1) Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

<u>Public Meeting</u>	<u>Public Hearing</u>
Tuesday, November 12, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)	Tuesday, December 10, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)

Tabulation of all returned ballots will commence after the close of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk/Secretary of the CSD Board of Directors in compliance with the current Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if Inclusion into and Approval of the Charges are Approved

Inclusion into the CSD Zone M program and approval of the annual charges will be confirmed if a simple majority of the weighted value of APNs are marked in favor of the annual charges.

Effect if Inclusion into and Approval of the Charges are Not Approved

If a majority of the weighted value of APNs opposes the CSD Zone M annual charges, then the annual charges will not be levied on the property tax bills and the Conditions of Approval will not be satisfied.

For More Information

If you have any questions about the proposed program, the annual charge, or about the mail ballot proceeding process, please contact Jennifer Terry, Management Analyst, Special Districts, a Division of the Financial and Management Services Department, Monday through Thursday from 7:30 a.m. to 6:00 p.m. at 951.413.3505 or via email at JenniferT@moval.org.

Completing Your Ballot

Property owner may submit the enclosed ballot to the Secretary of the CSD (City Clerk) in support of or opposition to the proposed program and annual charges. Please follow the instructions listed below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballots are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support for or opposition to the proposed program and annual charges **by placing a mark in the corresponding boxes.**
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the Public Hearing to be held on **Tuesday, December 10, 2013**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;



An X mark substantially inside a box;



A dot or oval mark substantially inside a box;



A completely shaded or filled mark substantially inside a box;



A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;



A circle around the box and/or associated clause; or



A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for Assessor's Parcel Numbers (APNs)
 316-020-002, 316-020-003, 316-020-004, 316-020-005, 316-020-012, 316-020-013,
 316-020-014, 316-020-015, 316-020-016, 316-020-017, 316-020-018, and 316-020-019
 Balloting on Moreno Valley Community Services District (CSD) Zone M
 (Commercial, Industrial, and Multifamily Improved Median Maintenance)**

YES* — as the property owner of the above mentioned APNs, **I approve** the annual CSD Zone M charge of \$10,124.35 for fiscal year (FY) 2013/14 for the ongoing maintenance of the Iris Ave. median. Beginning FY 2014/15, the annual CSD Zone M charges shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. Upon approval, the CSD Zone M charges shall be placed annually on the Riverside County property tax bill. The CSD Zone M charges shall be proportionally adjusted if said APNs are subdivided. If parcels are merged, then the annual charges for those parcels shall be combined.

NO** — as the property owner of the above mentioned APNs, **I do not approve** the CSD Zone M annual parcel charges for the ongoing maintenance of the Iris Ave. median. I understand that not incorporating said APNs into the CSD Zone M program will not satisfy the Conditions of Approval. The CSD Zone M charges are not authorized to be included on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	CSD Zone M Annual Charge***
316-020-002 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$1,275.01
316-020-003 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	1,275.01
316-020-004 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	1,335.85
316-020-005 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	1,334.50
316-020-012 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	248.78
316-020-013 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	581.39
316-020-014 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	643.59
316-020-015 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	982.96
316-020-016 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	611.14
316-020-017 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	611.14
316-020-018 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	612.49
316-020-019 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	612.49

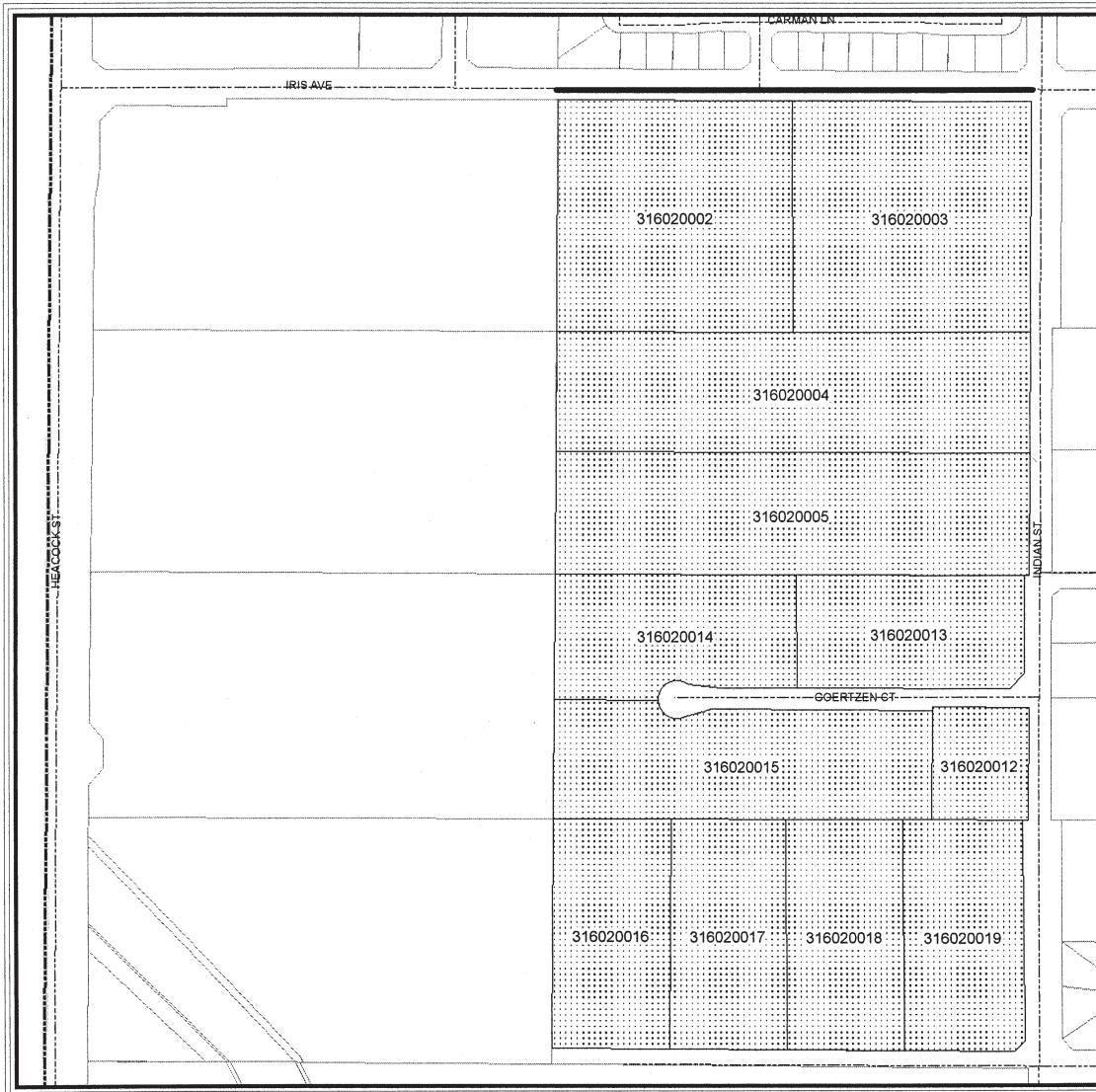
***The weighted value for each APN is equal to its proposed annual charge. The total weighted value for this ballot is \$10,124.35.

This ballot must be received by the Secretary of the Board of the CSD (City Clerk) prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.







 PROPERTY OWNER SIGNATURE

 DATE

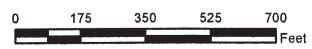
Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.



**Panattoni
PA13-0022 for a
1,467,017 sq ft whs**

-  Median
-  Landscaped Areas
-  PA13-0022
-  Roads
-  Parcels
-  City Boundary

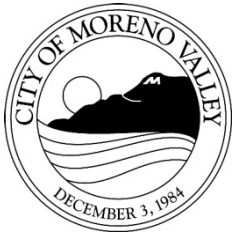
Map reflects all changes indicated on Riverside County Assessor Maps as of October 3, 2013.



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The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.





APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>[Signature]</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: PUBLIC HEARING REGARDING THE MAIL BALLOT PROCEEDINGS FOR ASSESSOR'S PARCEL NUMBERS 291-192-025; AND 312-250-018, -019, AND -024 BALLOTING FOR NPDES

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceedings for Assessor's Parcel Numbers (APNs) 291-192-025; and 312-250-018, -019, and -024 for approval of the National Pollutant Discharge Elimination System (NPDES) maximum annual rate.
2. Direct the City Clerk to tabulate the NPDES ballots for APNs 291-192-025; and 312-250-018, -019, and -024.
3. Verify and accept the results of the mail ballot proceedings as identified on the Official Tally Sheet.
4. Receive and file with the City Clerk's office the accepted Official Tally Sheet.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to APNs 291-192-025; and 312-250-018, -019, and -024.

SUMMARY

The action before the City Council is to accept public testimony, tabulate the returned ballots, verify, and accept the results of the mail ballot proceedings for APNs 291-192-025; and 312-250-018, -019, and -024.

DISCUSSION

To comply with the 1972 Federal Clean Water Act, Land Development, a division of the Public Works Department, conditions new development projects to participate in the appropriate NPDES regulatory rate to fund federally mandated programs. The City Council adopted the residential regulatory rate on June 10, 2003, and the commercial/industrial regulatory rate on January 10, 2006.

New development projects are subject to the current NPDES Permit requirements for stormwater management as mandated by the Federal Clean Water Act. Public agencies are to obtain Permits to discharge urban stormwater runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels. With funding support provided by property owners, the City annually inspects site design, source and treatment control Best Management Practices, monitors maintenance records for those on-site facilities, and performs annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

S. Urena, property owner of APN 291-192-025 and First Industrial, property owner of APNs 312-250-018, -019, and -024 (collectively the "Property Owners") have chosen to satisfy their Conditions of Approval to help support the NPDES program by approving the annual rate to be collected on the Riverside County property tax bill. Mail Ballot proceedings are being conducted in compliance with Proposition 218, which requires that any new or proposed increase in property-related assessments, fees, or charges be submitted to Property Owners for approval. The Property Owners are given two opportunities to address the legislative body. These two opportunities are the Public Meeting which was held on November 12, 2013 and the Public Hearing on December 10, 2013, when the results of the ballot proceeding will be announced.

Approval of the NPDES maximum commercial/industrial regulatory rate fulfills their Conditions of Approval. Provided the mail ballots are approved, the City will be authorized to annually levy the NPDES maximum commercial/industrial regulatory rate on the Riverside County property tax bill or as a monthly charge on a utility bill.

ALTERNATIVES

1. **Conduct the Public Hearing**, tabulate the ballots, verify, and accept the results of the mail ballot proceedings as identified on the Official Tally Sheet, receive and file with the City Clerk's office the accepted Official Tally Sheet, and if approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to APNs 291-192-025; and 312-250-018, -019, and -024. *This alternative will fulfill the 45-day noticing period and Public Hearing requirements as mandated by Proposition 218.*

2. **Open the Public Hearing and continue** the hearing to a future regular City Council meeting. *This alternative will fulfill the 45-day noticing period and Public Hearing requirements as mandated by Proposition 218. This alternative will not incur any additional costs for re-noticing.*
3. **Do not conduct the Public Hearing**, tabulate the ballots, verify, or accept the results of the mail ballot proceedings for APNs 291-192-025; and 312-250-018, -019, and -024. *This alternative prohibits the property owner from satisfying their Conditions of Approval utilizing this funding mechanism.*
4. **Do not conduct the Public Hearing** at this time but reschedule it to a date certain, at a regular City Council meeting. *This alternative would require the 45-day noticing period to start over and cause additional costs to be incurred for re-noticing.*

FISCAL IMPACT

For fiscal year (FY) 2013/14, the maximum NPDES annual regulatory rate is \$223 per parcel. The NPDES rate is levied on a per parcel basis so if parcels merge, creating one parcel, the property owner will only be levied the current rate each year based on the one parcel. The NPDES rates collected from property owners support the current Permit programs and reduce the level of General Fund support necessary to remain in compliance with unfunded federal mandates, as administered by the State. **Funds collected from the NPDES rates are restricted for use only within the Stormwater Management program.**

CITY COUNCIL GOALS

Advocacy

Management of the stormwater will ensure that water pollutants are discharged in compliance with federal mandates and City policies.

Revenue Diversification and Preservation

The NPDES maximum commercial/industrial regulatory rate provides funding for program costs, which include maintenance and administration.

NOTIFICATION

The Property Owners were given the required 45-day noticing period to review the ballot documents. The documents included a notice to the property owner, map of the project area, NPDES ballot, instructions for marking and returning the ballot, and a postage-paid envelope for returning the ballot to the City Clerk. (See Attachments 1 and 2.)

Newspaper advertising for the November 12, 2013, Public Meeting and December 10, 2013, Public Hearing was published in The Press-Enterprise on October 24, 2013. Additionally, the Public Hearing notification was published on November 21 and again on November 29, 2013.

ATTACHMENTS

Attachment 1: Mail Ballot Packet for S. Urena
Attachment 2: Mail Ballot Packet for First Industrial

Prepared by:
Jennifer Terry,
Management Analyst

Department Head Approval:
Richard Teichert
Chief Financial Officer

Concurred by:
Candace E. Cassel,
Special Districts Division Manager

Concurred by:
Mark W. Sambito, P.E.
Engineering Division Manager

TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

Socrates Urena
 20620 Avenida Hacienda
 Riverside, CA 92508

October 10, 2013

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR APN 291-192-025 FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE AND FOR COMMUNITY SERVICES DISTRICT (CSD) ZONE M (COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY IMPROVED MEDIAN MAINTENANCE)

******* OFFICIAL BALLOTS ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 ("The Right to Vote on Taxes Act"). As a result, any new or proposed increase in a property-related charge requires approval of the charge by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor's Parcel Number (APN) 291-192-025 the opportunity to express support for or opposition to the approval of the NPDES regulatory rate and services, and for inclusion into and approval of the annual charge for the CSD Zone M program.

Background

NPDES Maximum Commercial/Industrial Regulatory Rate

The City shall provide the services necessary to meet mandates of the Federal Clean Water Act. The current NPDES Permit, as administered by the State, regulates the volume and amount of pollutants in stormwater runoff from all development types. NPDES Maximum Commercial/Industrial Regulatory Rate provides financial support to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

The CSD was formed simultaneously with City incorporation and established Zones to allocate the costs of special benefit services to those parcels designated to receive selective programs. The CSD Zone M program provides ongoing maintenance to improved medians adjacent to commercial, industrial, and multifamily developments in designated areas of the City. Commercial, industrial, and multifamily developments along designated arterial streets are conditioned to participate in the improved median maintenance program in compliance with the Citywide Arterial Median Maintenance Policy approved by the CSD Board in March 2003 and revised in January 2006.

Services Provided

NPDES Maximum Commercial/Industrial Regulatory Rate

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall annually inspect site design, source and treatment control Best Management Practices, verify monitoring

and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

Special Districts Division staff manages private landscape maintenance firms to ensure that landscape preservation activities are completed on a regular schedule. The CSD Zone M annual charge was established to cover administration and service costs for the landscape maintenance. Services include, but are not limited to: trimming, pruning, fertilizing, replacing plant material(s) as necessary, litter removal, weed control, maintenance of the irrigation system, payment of water and electric utility charges, staff support, and other items necessary for the satisfactory maintenance of the landscaped medians.

How is the Amount of the Charge Determined?

NPDES Maximum Commercial/Industrial Regulatory Rate

Each fiscal year (FY), the City of Moreno Valley shall determine the type of services necessary to comply with NPDES Permit requirements and levy the rate applicable for that service. The rate levied shall not exceed the rate previously approved by the property owner.

CSD Zone M Charge

The annual CSD Zone M charge includes maintenance and administration costs. The CSD Zone M charge shall be proportionally adjusted if APN 291-192-025 is subdivided in the future. The charge levied shall not exceed the charge previously approved by the property owner.

Proposed Charge

NPDES Maximum Commercial/Industrial Regulatory Rate

For FY 2013/14, the NPDES maximum commercial/industrial regulatory rate is \$223 per parcel. The total amount of the NPDES rates levied for FY 2013/14 for the program as a whole was \$419,571.00.

CSD Zone M Charge

The CSD Zone M annual charge for FY 2013/14 for the existing Alessandro Blvd. median is \$471.25. The total amount of the CSD Zone M charges levied for FY 2013/14 for the program as a whole was \$165,549.72.

Annual Adjustment

NPDES Maximum Commercial/Industrial Regulatory Rate

Beginning in FY 2014/15, the NPDES Maximum Commercial/Industrial Regulatory Rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

CSD Zone M Charge

Beginning in FY 2014/15, the CSD Zone M charge shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Commercial/Industrial Regulatory Rate, the annual levy amount will be assessed to APN 291-192-025 (and any division thereof) and shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The NPDES Maximum Commercial/Industrial regulatory rate and the CSD Zone M charge will be levied each following year at the proposed rate, which may include an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding the City/CSD has scheduled one (1) Public Meeting and one (1) Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

<u>Public Meeting</u>	<u>Public Hearing</u>
Tuesday, November 12, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)	Tuesday, December 10, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)

Tabulation of all returned ballots will commence after the close of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk/Secretary of the CSD Board of Directors in compliance with the current Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if Inclusion into and Approval of the Charges are Approved

Approval of the NPDES Maximum Commercial/Industrial maximum regulatory rate will be confirmed if the ballot is marked in favor of the NPDES rate. Inclusion into the CSD Zone M program and approval of the annual charge will be confirmed if the ballot is marked in favor of the annual charge.

Effect if Inclusion into and Approval of the Charges are Not Approved

NPDES Maximum Commercial/Industrial Regulatory Rate

Not approving the NPDES commercial/industrial regulatory rate to meet federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. If the returned valid ballot is marked opposing the NPDES rate, then the rate will not be levied on the property tax bill.

CSD Zone M Charge

If the ballot is marked in opposition to the CSD Zone M annual charge, then the annual charge will not be levied on the property tax bill and the Conditions of Approval will not be satisfied.

For More Information

If you have any questions about the proposed programs, the annual rates, or about the mail ballot proceeding process, please contact Jennifer Terry, Management Analyst, Special Districts, a Division of the Financial and Management Services Department, Monday through Thursday from 7:30 a.m. to 6:00 p.m. at 951.413.3505 or via email at JenniferT@moval.org.

Completing Your Ballot

Property owner may submit the enclosed ballots to the City Clerk in support of or opposition to the proposed programs and annual charges. Please follow the instructions listed below to complete and return your ballots. Procedures for the completion, return, and tabulation of the ballots are also on file in the City Clerk's office.

1. Mark the two enclosed ballots in support for or opposition to the proposed programs and annual charges **by placing a mark in the corresponding box.**
2. Sign your name on the ballots. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your ballots in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, two postage-paid envelopes have been included for return of the ballots.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the Public Hearing to be held on **Tuesday, December 10, 2013**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;



An X mark substantially inside a box;



A dot or oval mark substantially inside a box;



A completely shaded or filled mark substantially inside a box;



A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;



A circle around the box and/or associated clause; or



A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Number (APN) 291-192-025
National Pollutant Discharge Elimination System (NPDES)
Maximum Commercial/Industrial Regulatory Rate**

YES* — as property owner of APN 291-192-025, **I approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. For fiscal year (FY) 2013/14, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$223 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Beginning FY 2014/15, the maximum regulatory rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City will annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

NO** — as property owner of APN 291-192-025, **I do not approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. I understand that not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to fund federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. The NPDES maximum commercial/industrial regulatory rate shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	NPDES Maximum Commercial/Industrial Regulatory Rate
291-192-025 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223

This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Number (APN) 291-192-025
Moreno Valley Community Services District (CSD) Zone M
(Commercial, Industrial, and Multifamily Improved Median Maintenance)**

YES* — as the property owner of APN 291-192-025, I approve the annual CSD Zone M charge for fiscal year (FY) 2013/14 for the existing Alessandro Blvd. median of \$471.25. Beginning FY 2014/15, the annual CSD Zone M charge shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The CSD Zone M charge shall be proportionally adjusted if said APN is subdivided.

NO** — as the property owner of APN 291-192-025, I do not approve the CSD Zone M annual parcel charge. I understand that not incorporating said APN into the CSD Zone M program will not satisfy the Conditions of Approval. The CSD Zone M charge shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	CSD Zone M Annual Charge
291-192-025 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$471.25

This ballot must be received by the Secretary of the Board of the CSD (City Clerk) prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

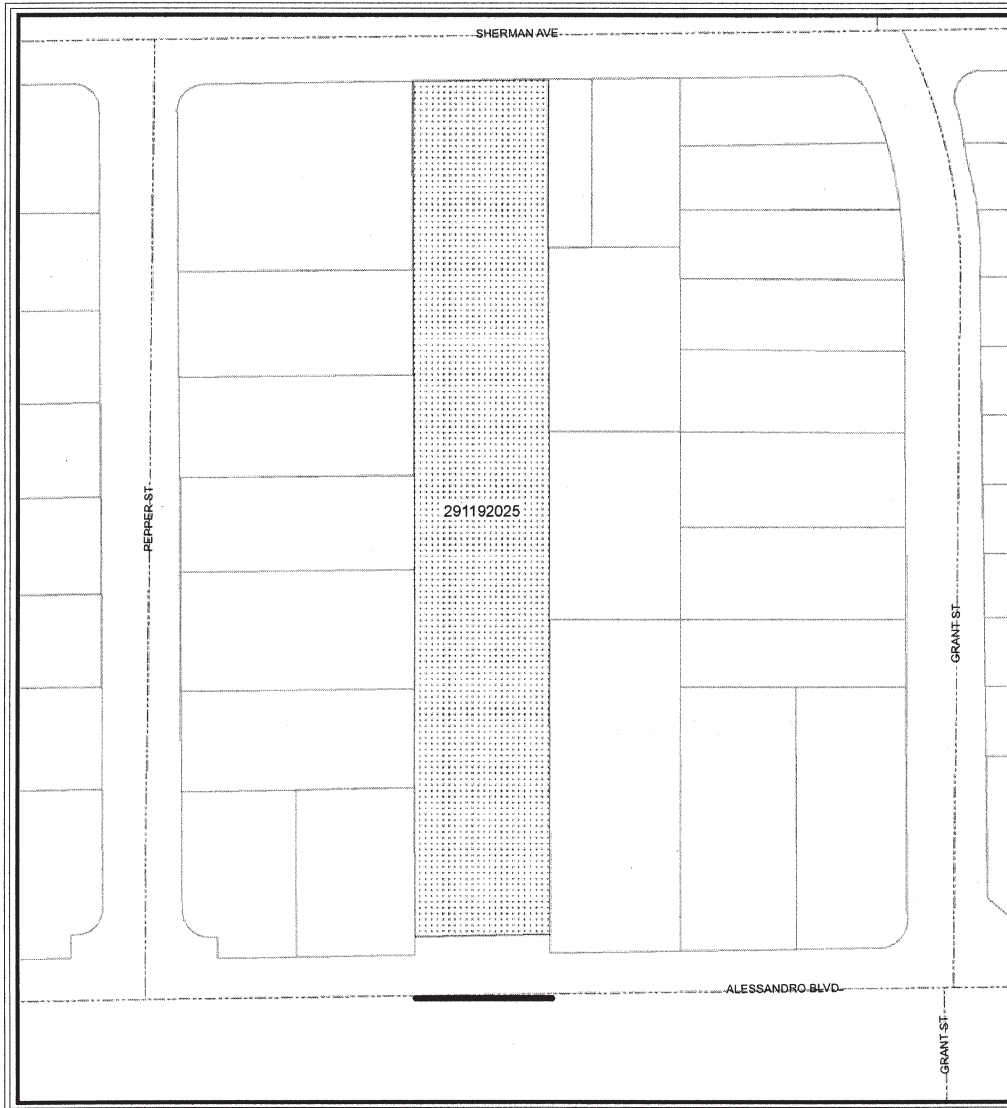
Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006







LEVEL 1			LEVEL II		
NPDES Administration			Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance		
<i>(Not covered by CSA 152)</i>					
<p>Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management.</p> <p>Level I is levied on all parcels conditioned for the NPDES Rate Schedule.</p>			<p>Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.</p>		
<p>Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics</p>					
PROPOSED PARCEL RATE	Per Month	Per Year	PROPOSED PARCEL RATE	Per Month	Per Year
	\$2.67	\$32.00		\$12.58	\$151.00

Inflation Factor Adjustments

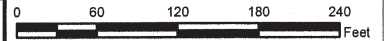
- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar



PA08-0035 Smog Station and Tire Sales

-  Median
-  Landscaped Areas
-  PA08-0035
-  Roads
-  Parcels
-  City Boundary

Map reflects all changes indicated
on Riverside County Assessor Maps
as of October 7, 2013.



G:\AVP\SDA\PA08-0035 Smog Station and Tire Sales.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.



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TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

First Industrial
 898 N Sepulveda, Suite 750
 El Segundo, CA 90245

October 10, 2013

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR APNs 312-250-018, 312-250-019, AND 312-250-024 FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE AND FOR COMMUNITY SERVICES DISTRICT (CSD) ZONE M (COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY IMPROVED MEDIAN MAINTENANCE)

******* OFFICIAL BALLOTS ENCLOSED *******

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval of the charge by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor’s Parcel Numbers (APNs) 312-250-018, 312-250-019, and 312-250-024 the opportunity to express support for or opposition to the approval of the NPDES regulatory rate and services, and for inclusion into and approval of the annual charge for the CSD Zone M program.

Background

NPDES Maximum Commercial/Industrial Regulatory Rate

The City shall provide the services necessary to meet mandates of the Federal Clean Water Act. The current NPDES Permit, as administered by the State, regulates the volume and amount of pollutants in stormwater runoff from all development types. NPDES Maximum Commercial/Industrial Regulatory Rate provides financial support to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

The CSD was formed simultaneously with City incorporation and established Zones to allocate the costs of special benefit services to those parcels designated to receive selective programs. The CSD Zone M program provides ongoing maintenance to improved medians adjacent to commercial, industrial, and multifamily developments in designated areas of the City. Commercial, industrial, and multifamily developments along designated arterial streets are conditioned to participate in the improved median maintenance program in compliance with the Citywide Arterial Median Maintenance Policy approved by the CSD Board in March 2003 and revised in January 2006.

Services Provided

NPDES Maximum Commercial/Industrial Regulatory Rate

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

CSD Zone M Charge

Special Districts Division staff manages private landscape maintenance firms to ensure that landscape preservation activities are completed on a regular schedule. The CSD Zone M annual charge was established to cover administration and service costs for the landscape maintenance. Services include, but are not limited to: trimming, pruning, fertilizing, replacing plant material(s) as necessary, litter removal, weed control, maintenance of the irrigation system, payment of water and electric utility charges, staff support, and other items necessary for the satisfactory maintenance of the landscaped medians.

How is the Amount of the Charge Determined?

NPDES Maximum Commercial/Industrial Regulatory Rate

Each fiscal year (FY), the City of Moreno Valley shall determine the type of services necessary to comply with NPDES Permit requirements and levy the rate applicable for that service. The rate levied shall not exceed the rate previously approved by the property owner.

CSD Zone M Charge

The annual CSD Zone M charge includes maintenance and administration costs. The CSD Zone M charge shall be proportionally adjusted if the previously mentioned APNs are subdivided in the future. If parcels are merged, then the annual charges for those parcels shall be combined. The charge levied shall not exceed the charge previously approved by the property owner.

Proposed Charge

NPDES Maximum Commercial/Industrial Regulatory Rate

For FY 2013/14, the NPDES maximum commercial/industrial regulatory rate is \$223 per parcel. The total amount of the NPDES rates levied for FY 2013/14 for the program as a whole was \$419,571.00.

CSD Zone M Charge

The CSD Zone M annual charge for FY 2013/14 for the existing Perris Blvd. median is \$262.07 and is spread to each APN based on the parcel's acreage. The total amount of the CSD Zone M charges levied for FY 2013/14 for the program as a whole was \$165,549.72.

Annual Adjustment

NPDES Maximum Commercial/Industrial Regulatory Rate

Beginning in FY 2014/15, the NPDES Maximum Commercial/Industrial Regulatory Rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

CSD Zone M Charge

Beginning in FY 2014/15, the CSD Zone M charge shall be subject to an annual adjustment

based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Commercial/Industrial Regulatory Rate, the annual levy amount will be assessed to APN 312-250-018, 312-250-019, and 312-250-024 (and any division thereof) and shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Upon approval, the CSD Zone M charge shall be placed on the Riverside County property tax bill. The NPDES Maximum Commercial/Industrial regulatory rate and the CSD Zone M charge will be levied each following year at the proposed rate, which may include an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding the City/CSD has scheduled one (1) Public Meeting and one (1) Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

<u>Public Meeting</u>	<u>Public Hearing</u>
Tuesday, November 12, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)	Tuesday, December 10, 2013 6:00 P.M. (Or As Soon Thereafter As The Matter May Be Called)

Tabulation of all returned ballots will commence after the close of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk/Secretary of the CSD Board of Directors in compliance with the current Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if Inclusion into and Approval of the Charges are Approved

Approval of the NPDES Maximum Commercial/Industrial maximum regulatory rate will be confirmed if the ballot is marked in favor of the NPDES rate. Inclusion into the CSD Zone M program and approval of the annual charges will be confirmed if a simple majority of the weighted value of APNs are marked in favor of the annual charges.

Effect if Inclusion into and Approval of the Charges are Not Approved

NPDES Maximum Commercial/Industrial Regulatory Rate

Not approving the NPDES commercial/industrial regulatory rate to meet federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. If the returned valid ballot is marked opposing the NPDES rate, then the rate will not be levied on the property tax bill.

CSD Zone M Charge

If the ballot is marked in opposition to the CSD Zone M annual charge, then the annual charge will not be levied on the property tax bill and the Conditions of Approval will not be satisfied.

For More Information

If you have any questions about the proposed programs, the annual rates, or about the mail ballot proceeding process, please contact Jennifer Terry, Management Analyst, Special Districts, a

Division of the Financial and Management Services Department, Monday through Thursday
from 7:30 a.m. to 6:00 p.m. at 951.413.3505 or via email at JenniferT@moval.org.

Completing Your Ballot

Property owner may submit the enclosed ballots to the City Clerk in support of or opposition to the proposed programs and annual charges. Please follow the instructions listed below to complete and return your ballots. Procedures for the completion, return, and tabulation of the ballots are also on file in the City Clerk's office.

1. Mark the two enclosed ballots in support for or opposition to the proposed programs and annual charges **by placing a mark in the corresponding box.**
2. Sign your name on the ballots. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your ballots in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, postage-paid envelopes have been included for return of the ballots.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the Public Hearing to be held on **Tuesday, December 10, 2013**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:



A check mark substantially inside a box;



An X mark substantially inside a box;



A dot or oval mark substantially inside a box;



A completely shaded or filled mark substantially inside a box;



A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;



A circle around the box and/or associated clause; or



A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall

be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Numbers (APNs)
312-250-018, 312-250-019, and 312-250-024
National Pollutant Discharge Elimination System (NPDES)
Maximum Commercial/Industrial Regulatory Rate**

YES* — as property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. For fiscal year (FY) 2013/14, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$223 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the Riverside County property tax bill or as a monthly charge on a utility bill. Beginning FY 2014/15, the maximum regulatory rate shall be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City will annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those on-site facilities, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

NO** — as property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I do not approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. I understand that not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to fund federally mandated NPDES Permit requirements will not satisfy the Conditions of Approval. The NPDES maximum commercial/industrial regulatory rate shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	NPDES Maximum Commercial/Industrial Regulatory Rate
312-250-018 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223
312-250-019 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223
312-250-024 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$223

This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE DATE

Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

**OFFICIAL MAIL BALLOT for
Assessor's Parcel Numbers (APNs)
312-250-018, 312-250-019, and 312-250-024
Moreno Valley Community Services District (CSD) Zone M
(Commercial, Industrial, and Multifamily Improved Median Maintenance)**

YES* — as the property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I approve** the annual CSD Zone M charge for FY 2013/14 for the Perris Blvd. median of \$262.07. Beginning FY 2014/15, the annual CSD Zone M charges shall be subject to an annual adjustment based on the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. Upon approval, the CSD Zone M charges shall be placed on the Riverside County property tax bill. The CSD Zone M charges shall be proportionally adjusted if said APNs are subdivided. If parcels are merged then the annual charges for those parcels shall be combined.

NO** — as the property owner of APNs 312-250-018, 312-250-019, and 312-250-024, **I do not approve** the CSD Zone M annual parcel charges. I understand that not incorporating said APNs into the CSD Zone M program will not satisfy the Conditions of Approval. The CSD Zone M charges shall not be levied on the Riverside County property tax bill.

Assessor Parcel Number	YES*	NO**	CSD Zone M Annual Charge***
312-250-018 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$40.04
312-250-019 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	174.94
312-250-024 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	47.09

***The weighted value for each APN is equal to its proposed annual charge. The total proposed Zone M charge for this ballot is \$262.07.

This ballot must be received by the Secretary of the Board of the CSD (City Clerk) prior to the close of the Public Hearing to be held on December 10, 2013, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

PROPERTY OWNER SIGNATURE

DATE

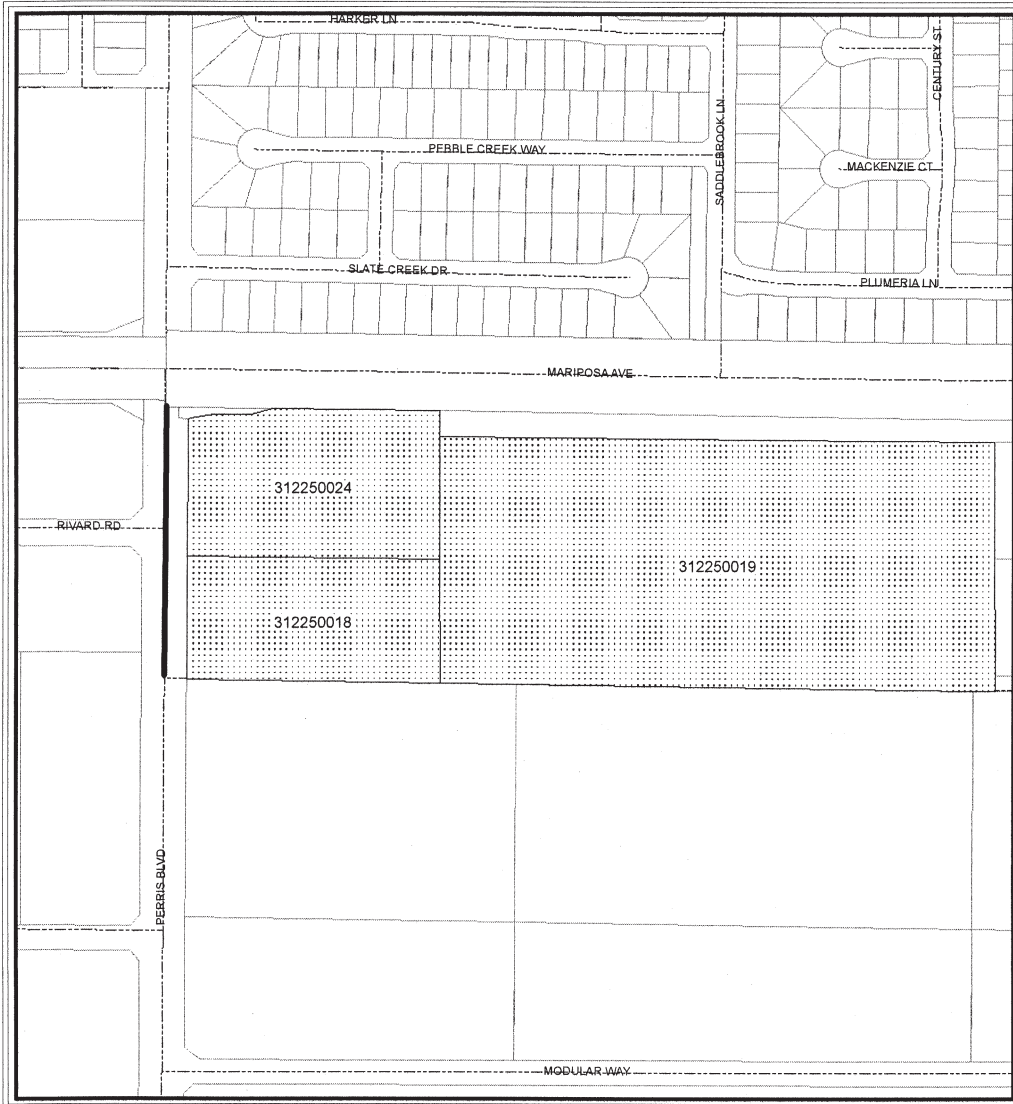
Remember to sign and date the ballot, making sure to mark the appropriate box for each APN, and return it in the enclosed envelope. Your returned ballot must be received by the City Clerk's office prior to the close of the Public Hearing, which is scheduled for 6:00 pm on December 10, 2013.

COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006

LEVEL 1			LEVEL II		
NPDES Administration			Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance		
<i>(Not covered by CSA 152)</i>					
<p>Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management.</p> <p>Level I is levied on all parcels conditioned for the NPDES Rate Schedule.</p>			<p>Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.</p>		
<p>Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics</p>					
PROPOSED PARCEL RATE	Per Month	Per Year	PROPOSED PARCEL RATE	Per Month	Per Year
	\$2.67	\$32.00		\$12.58	\$151.00

Inflation Factor Adjustments

- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar



First Thirty Six Logistics P12-146 for a 555,670 sq ft Whs

- Median
- Landscaped Areas
- P12-146
- Roads
- Parcels
- City Boundary

Map reflects all changes indicated
on Riverside County Assessor Maps
as of October 7, 2013.



G:\AVP\SDA\First Thirty Six Logistics.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.



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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: John Terell, AICP, Community & Economic Development Director

AGENDA DATE: December 10, 2013

TITLE: A PUBLIC HEARING FOR A SPECIFIC PLAN AMENDMENT (P11-061) TO THE TOWNGATE SPECIFIC PLAN TO PERMIT SENIOR HOUSING AND CONDITIONALLY PERMIT HOTELS AND ASSISTED LIVING FACILITIES IN THE OFFICE COMMERCIAL LAND USE DISTRICT, INCLUDING DEVELOPMENT AND PARKING STANDARDS AND TO UPDATE TO EXISTING HANDICAP ACCESSIBLE PARKING STANDARDS. THE APPLICANT IS FRITZ DUDA COMPANY.

RECOMMENDED ACTION

Recommendation: That the City Council:

1. **RECOGNIZE** that the proposed amendment is exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15061 of the CEQA Guidelines
2. **ADOPT** Ordinance No. 2013-872, An Ordinance of the City Council of the City of Moreno Valley, California approving P11-061, the sixth amendment to the Towngate Specific Plan (SP No. 200) to permit senior housing facilities and conditionally permit hotels and assisted living facilities in the Office Commercial Land Use District of the Plan, including development and parking standards and updated handicap accessible standards.

SUMMARY

The Planning Commission recommends adoption of an Ordinance for a Specific Plan Amendment to the Towngate Specific Plan (SP 200) to allow senior housing facilities to be permitted and hotels and assisted living facilities to be conditionally permitted within the Office Commercial Land Use District of the Plan.

DISCUSSION

The application request by the Fritz Duda Company includes adding three uses to the existing Office Commercial (OC) land use district of the Towngate Specific Plan No. 200. The uses are hotels, assisted living facilities and senior housing facilities.

A breakdown of the three requested uses into the OC land use district is as follows:

Hotels

The Municipal Code allows hotel uses to be provided in Office Commercial (OC) land use districts with a Conditional Use Permit (CUP). A CUP is required for hotels or motels, regardless of whether the use included kitchens for more or less than 20 percent of the units. The CUP would cover all regular and extended stay hotels. The proposed change to the Towngate Specific Plan is modeled after the Municipal Code provisions.

Assisted Living Facilities

The Municipal Code requires a Conditional Use Permit (CUP) for assisted living facilities in the Office zoning category if the facility is located within 300 feet of a residential use. The proposed change to the Towngate Specific Plan is modeled after the Municipal Code provisions.

Senior Housing Facilities

The Municipal Code permits this senior housing in the Office Commercial land use category. The proposed change to the Towngate Specific Plan is modeled after the Municipal Code provisions.

Development and parking standards are also included for the three uses. The development standards provided are consistent with the Municipal Code, except for the additional allowances for accessory uses within senior housing projects which may be exclusive to the residents of the project or may be open to both the general public and residents. These allowances are the inclusion of beauty salons, a pharmacy or small scale retail each under 2,000 square feet, dining facilities at or below a 3,500 square foot maximum, personal training and physical therapy, a recreation center or other similar facilities.

An additional modification has been proposed to the Towngate Specific Plan to include new standards for accessible parking. Existing outdated accessible parking standards in the Specific Plan are also proposed to defer to Municipal Code standards.

The proposed changes to Specific Plan No. 200 to add hotels, assisted living and senior house facilities to the existing Office Commercial land use district would be compatible with existing surrounding land uses. A wide land use mix currently surrounds Planning Area 7B within the Plan. Land uses surrounding the project site adjacent and east of

Memorial Way includes high density residential apartments and lower density single-family residential homes. Commercial/retail uses, including two hotels, are located north of the site directly across from Gateway Drive. An existing condominium complex as well as an established single-family residential neighborhood is located south of the site directly across from Eucalyptus Avenue, while a fire station and a supermarket lie to the west of the subject site.

The Planning Commission, at their November 14, 2013 meeting unanimously recommended approval of the Towngate Specific Plan amendment to the City Council.

The Specific Plan amendment is recommended based on the fact that the additional uses allowed would provide flexibility of uses within the OC land use district and allow a transition of uses between the higher density apartment and condominium developments to the south and east of the site and the retail supermarket development that lies immediately to the north and west of Planning Area 7B. Allowance of the three additional uses would also be consistent with existing Municipal Code standards of either permitting or conditionally permitting the three land uses within the Office Commercial or Office land use districts.

If the Specific Plan amendment is not approved, the Office Commercial District within the Towngate Specific Plan would continue to include limited land use possibilities. This approach would also not be consistent with current Municipal Code standards for Office and Office Commercial land use districts which either permits or conditionally permits office, assisted living facilities and senior housing facilities in these land use districts.

ALTERNATIVES

1. **ADOPT** Ordinance No. 2013-____, An Ordinance of the City Council of the City of Moreno Valley, California approving P11-061, the sixth amendment to the Towngate Specific Plan (SP No. 200) to permit senior housing facilities and conditionally permit hotels and assisted living facilities in the Office Commercial Land Use District of the Plan, including development and parking standards and updated handicap accessible standards **Staff recommends this alternative.**
2. Do not adopt Ordinance No. 2013-____, An Ordinance of the City Council of the City of Moreno Valley, California approving P11-061, the sixth amendment to the Towngate Specific Plan (SP No. 200) to permit senior housing facilities and conditionally permit hotels and assisted living facilities in the Office Commercial Land Use District of the Plan, including development and parking standards and updated handicap accessible standards. **Staff does not recommend this alternative.**

NOTIFICATION

Public notice was sent to all property owners of record within 300' of all existing Office Commercial land use district property within the Towngate Specific Plan. A public hearing notice for this project was also posted on the project site and published in the local newspaper.

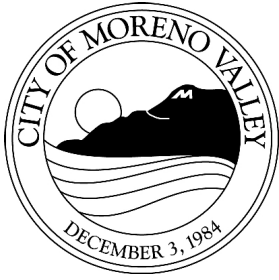
ATTACHMENTS

1. Public Hearing Notice
2. City Council Ordinance No.
3. Planning Commission Staff Report dated November 14, 2013, Excluding Attachments
4. Planning Commission Minutes of November 14, 2013
5. Strikeout/Underline Version of the Specific Plan Amendment.

Prepared By:
Mark Gross, AICP
Senior Planner

Department Head Approval:
John Terrell, AICP
CEDD Director

Concurred By:
Chris Ormsby, AICP
Interim Planning Official



Notice of PUBLIC HEARING

This may affect your property. Please read.

Notice is hereby given that a Public Hearing will be held by the City Council of the City of Moreno Valley on the following item(s):

CASE: P11-061 (Specific Plan Amendment)

APPLICANT: Fritz Duda Company

OWNER: Gateway Company L.C.

REPRESENTATIVE: John Loper

LOCATION: Towngate Specific Plan (SP No. 200), in an area bounded by Eucalyptus Ave., Memorial Way and Gateway Dr.

PROPOSAL: A Specific Plan Amendment to permit senior housing and conditionally permit hotels and assisted living facility uses within the existing Office Commercial land use district of the Towngate Specific Plan (SP200). Development and parking standards for the three uses as well as the update of existing handicap accessible parking standards are proposed within the Plan.

ENVIRONMENTAL DETERMINATION: The amendment is exempt under California Environmental Quality Act Guidelines Section 15061 in that there is no possibility that the proposed activity may have potential for a significant impact upon the environment.

COUNCIL DISTRICT: 5

STAFF RECOMMENDATION: Approval

Any person interested in any listed proposal can contact the Community and Economic Development Department, Planning Division, at 14177 Frederick St., Moreno Valley, California, during normal business hours (7:30 a.m. to 6:00 p.m., Monday through Thursday and 7:30 a.m. to 1:30 p.m. the second and fourth Fridays of the month) or may telephone (951) 413-3206 for further information. The associated documents will be available for public inspection at the above address.

In the case of Public Hearing items, any person may also appear and be heard in support of or opposition to the project or recommendation of adoption of the Environmental Determination at the time of the Hearing.

The City Council, at the Hearing or during deliberations, could approve changes or alternatives to the proposal.

If you challenge any of these items in court, you may be limited to raising only those items you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the Public Hearing.



LOCATION N Ø

CITY COUNCIL HEARING

Council Chamber, City Hall
14177 Frederick Street
Moreno Valley, Calif. 92553

DATE & TIME: December 10, 2013 6:00 P.M.

CONTACT PLANNER: Mark Gross

PHONE: (951) 413-3215

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ORDINANCE NO. 872

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA APPROVING P11-061, THE SIXTH AMENDMENT TO THE TOWNGATE SPECIFIC PLAN (SP NO. 200) TO PERMIT SENIOR HOUSING FACILITIES AND CONDITIONALLY PERMIT HOTELS AND ASSISTED LIVING FACILITIES IN THE OFFICE COMMERCIAL LAND USE DISTRICT OF THE PLAN, INCLUDING DEVELOPMENT AND PARKING STANDARDS, AND UPDATED HANDICAP ACCESSIBLE PARKING STANDARDS

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1: RECITALS

1.1 Pursuant to the provisions of law, public hearings were held before the City of Moreno Valley Planning Commission and the City Council.

1.2 The matter was fully discussed and the public and other agencies presented testimony and documentation.

1.3 The ordinance amendment is attached hereto and revised Specific Plan language has been incorporated herein and attached as Exhibit A.

1.4 The item was heard as a public hearing by the City Council on December 10, 2013.

SECTION 2: FINDINGS

2.1 Based upon substantial evidence presented to this City Council during the above-referenced meeting on December 10 2013, including written and oral staff reports, and the record from the public hearing, this City Council hereby specifically finds as follows:

1. **Conformance with General Plan Policies** – The proposed Specific Plan amendment is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The proposed Specific Plan amendment is consistent with the General Plan goals, objectives, policies and programs. The proposed amendment to the Towngate Specific Plan No. 200 proposes additions of hotels, senior housing and assisted living uses within the existing Office Commercial land use category and is consistent with existing General Plan goals, objectives, policies and programs.

2. **Conformance with the Zoning Regulations** – The proposed Specific Plan amendment is consistent with the purposes and intent of Title 9 of the City of Moreno Valley Municipal Code.

FACT: The proposed Specific Plan amendment to include additional land uses within the Office Commercial land use district of the Specific plan as well as the addition of development and parking standards for each, and updated handicap accessible parking standards within the Plan is consistent with current zoning regulations, including the purposes and intent of Title 9 of the City of Moreno Valley Municipal Code. The proposed amendment to the Towngate Specific Plan No. 200 proposes minor additions of land use and development code standards into the Office Commercial category of the specific plan. The inclusion of the three land uses into the Towngate Specific Plan is consistent with existing Municipal Code standards. Hotels, and assisted Living facilities are considered as conditionally permitted land uses within the Community Commercial zoning category of the Municipal Code. Senior housing uses are automatically permitted in the Office Commercial land use category within the Municipal Code. The uses would provide a transition from existing residential single-family, apartment and condominium land uses to the east and south of Planning Area 7B and the retail supermarket use currently existing to the west and north of the site in Planning Area 7A of the Plan.

3. **Health, Safety and Welfare** – The proposed amendment will not be detrimental to the public health, safety or welfare.

FACT: The proposed amendment to the Towngate Specific Plan No. 200 will not be detrimental to public health safety or welfare for the surrounding community, or the overall environment. All existing land use designations and proposed minor modifications to the Towngate Specific Plan Amendment are consistent and compatible with surrounding land uses included in the specific plan.

SECTION 3: ADOPTION

Based on the foregoing recitals and findings, the City Council of the City of Moreno Valley does hereby adopt and approve the ordinance amendment attached hereto as Exhibit A.

SECTION 4: 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 5: 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 6: EFFECTIVE DATE:

This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 8th day of January, 2014.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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. 872 had its first reading on December 10, 2013 and had its second reading on January 8, 2014, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 8th day of January, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

- (12) Pharmacies
 - (13) Private clubs, fraternal organizations and lodges
 - (14) Restaurants and other eating establishments
 - (15) Travel bureaus
 - (16) Senior housing
 - (17) Other uses which in the opinion of the Director of Developmental Services are of a similar nature to the above uses.
- (4) Uses Permitted with a Conditional Use Permit:
- (1) Hotels, resort hotels, and motels
 - (2) Assisted living and nursing homes
- (5) Temporary Uses Permitted
- (a) Christmas tree and Halloween pumpkin sales
 - (b) Temporary construction facilities during construction
- (6) Accessory Uses Permitted:
- (a) All accessory uses customarily incidental to the foregoing permitted uses
 - (b) Pedestrian and bicycle trails
- (7) Site Development Standards
- (a) Minimum street setback shall be 15 feet from street right-of-way
 - (b) Minimum side setback shall be 5 feet except that an additional 3 feet per story shall be provided for buildings over 2 stories. Street side setbacks shall be equivalent to front set-backs.
 - (c) Minimum rear yard setbacks shall be 15 feet except that an additional 3 feet per story shall be provided for buildings over 2 stories. If the rear lot line adjoins a street, the rear setback requirement shall be the same as required for a front setback.
 - (d) Minimum building separation shall be 10 feet for 1 and 2-story buildings and 15 feet for buildings with more than 2 stories
 - (e) Building coverage on any given lot shall not exceed 50% on interior lots and 60% on corner lots. Standards for the maximum amount of impervious surfaces to be provided in the Moreno Valley Mixed Use Development Design Handbook.
 - (f) Landscaping. Prior to the issuance of any building permits, a complete landscaping plan for the site shall be prepared in conformance with the landscape design standards of the Moreno Valley Mixed Use Development Design Handbook and shall be submitted for Planning department review and approval.
 - (g) Parking requirements shall be those set forth in Section V.B.4 of these Regulations and Standards for Development.

- (h) Fencing, walls, patio covers and other similar accessory structures shall be designed according to the standards and guidelines set forth in the Moreno Valley Mixed Use Development Design Handbook.
 - (i) Signage, lighting and refuse disposal areas shall be governed by the standards and guidelines set forth in the Moreno Valley Mixed Use Development Design Handbook.
 - (j) Standards for the screening of outside storage and loading areas shall be as provided in the Moreno Valley Mixed Use Development Design Handbook.
 - (k) All roof-mounted mechanical equipment shall be screened from surrounding ground elevation views as provided in the Moreno Valley Mixed Use Development Design Handbook.
 - (l) Projects shall conform to the architectural design standards and guidelines as set forth in the Moreno Valley Mixed Use Development Design Handbook
- (8) Senior Housing, Assisted Living and Skilled Nursing Homes Development Standards
- a) Residential occupancy for active senior housing shall be limited to single persons at least fifty (55) years old, or to a cohabiting couples of which one is at least fifty-five (55) years old. Any differing age criteria set by state or federal law shall prevail over any inconsistencies within this section.
 - b) Property Development Standards:
 - i. Density shall not exceed 30 dwelling units per gross acre for Senior Housing.
 - ii. Each dwelling unit shall consist of individual rooms that contain a full bathroom and may contain small efficiency kitchens. If provided, any common kitchens, and dining facilities must be adequate to serve all residents.
 - iii. Common living space and recreational facilities must be adequate to serve all residents
 - iv. Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public right-of-way and compatible with the neighborhood
 - v. The development shall provide laundry facilities adequate for the number of residents
 - vi. A senior housing facility may allow as an accessory use one or more of the following uses within the facility without drive-thru lanes which may be exclusive of the residents of the project or may be open to the general public and residents:
 - i. Beauty salon, barber shop, nail salon, day spa (under 2,000 SF)
 - ii. Small scale pharmacy (under 2,000 SF)
 - iii. Small scale store selling daily needs such as groceries, gifts, clothing (under 2,000 SF)
 - iv. Dining facilities, Café, Coffee shops shall be limited at or under 3,500 square feet if they are open to the public. Dining Facilities, cafés and coffee shops that are open to the public shall follow the parking requirements for the Specific Plan at 4.75 per 1000 square feet.

- v. Personal training and physical therapy (under 3,000 SF)
 - vi. Transportation, maintained and operated by the facility
 - vii. Recreation center
 - viii. Other facilities for the sole enjoyment of residents
- c) Senior Housing units shall not be less than four hundred fifteen (415) square feet in floor area for efficiency units and five hundred forty (540) square feet for one bedroom units, or as otherwise approved by the planning commission. For assisted living and skilled nursing care facilities, minimum unit size shall conform to state law for licensing of these facilities.
 - d) Parking facilities shall be designed to provide security for residents, guests, and employees and shall be integrated into the architecture of the facility.

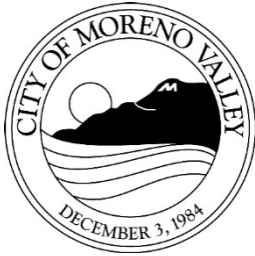
Family dwelling, driveways which are more than 100 feet long or which lead to parking areas with more than 10 parking spaces shall be not less than 24 feet wide. All other driveways shall be not less than 10 feet wide.

d. Number of Spaces Required

The minimum number of off-street parking spaces to be provided is established as follows:

- (1) One-family dwellings, two family dwelling units, two enclosed spaces for each family units.
- (2) Multi-family dwelling and apartment houses, one and one-half spaces for each unit plus one guest space for each 4 units. One space per units must be covered.
- (3) For senior housing facilities, 1 parking space per dwelling unit shall be provided plus 0.25 parking spaces per unit for guests and employees. 50% of the required dwelling unit parking spaces shall be covered (garages, carports or parking structures).
- (4) Hotels, motels, clubs, guest ranches, and similar uses, one space for each guest room or apartment
- (5) Churches, auditoriums, stadiums, nightclubs, school multipurpose rooms and other places of public assembly, 8 spaces for each 1000 sq. ft. of building area.
- (6) Hospitals, one space for each three beds and one space for each staff member and employee on the largest shift.
- (7) Homes for the skilled nursing, one space for each 3 beds. Parking may be reduced per a parking study on approval from the Director of Developmental Services.
- (8) For assisted living facilities, 0.5 parking spaces shall be provided per unit, none of which is required to be covered. Parking may be reduced per a parking study as approved by the Community and Economic Development Director.
- (9) General retail commercial, 4.75 spaces for each 1000 square feet of building area.
- (10) Theaters, when an independent use, 8 spaces for each 1000 square fete of building area. If contained within an integrated retail-service shopping center larger than six acres, the parking standard for general retail commercial shall take precedence.
- (11) Furniture and appliance stores, one space for each 500 square feet of building area.

- (12) Automobile, boat, mobile home or trailer sales or rental; retail nurseries and other commercial uses not in a building or structure, one space for each 2000 square feet of display area
- (13) Bowling alleys, 5 spaces for each alley
- (14) Office
 - a. Offices, business and professional (excluding medical or dental offices), 2.5 spaces for each 1000 square feet of floor area in the building
 - b. Medical and dental offices and medical clinics, 5 ½ spaces for each 1000 square feet of floor area in the building
- (15) Dining rooms, bars, taverns, restaurants, cafes and similar uses involving the seating and serving of the public, 10 parking spaces for each 1000 square feet of building area. When any such use is contained within an integrated retail-service shopping center larger than 6 acres, the parking
- (16) Drive-in restaurants, 10 spaces for each 1000 square feet of gross floor area in the building. Vehicular storage shall be provided for 8 vehicles at 25 feet per vehicle prior to the order pick up location. When any such use is contained within an integrated retail-service shopping center larger than 6 acres, the parking standard for “general retail commercial” shall take precedence.
- (17) In industrial uses, one space for each two employees on the largest shift, plus one space for each vehicle kept in connection with the use. However, if the number of workers cannot be determined, the required parking shall include: One (1) space for every 250 square feet of office area, one (1) space for every 500 square feet of fabrication area, one (1) space fore every 1000 square feet of storage area, and one space fore every 500 square feet of floor plan which is uncommitted to any type of use.
- (18) Day child care centers, one space fore each two employees, plus one space fore each five children the facility is designed to accommodate.
- (19) Schools, Elementary and Intermediate: One (1) space fore each classroom or one (1) space fore every three (3) seats in the auditorium or multipurpose room, whichever is greater, plus off-street loading space for at least two school buses.
- (20) Business, professional and trade schools, one space for each two students, which the facility is, designed to accommodate.
- (21) Accesible parking spaces shall be provided per City requirements.



**PLANNING COMMISSION
STAFF REPORT**

Case: P11-061(Specific Plan Amendment)

Date: November 14, 2013

Applicant: Fritz Duda Company

Representative: John Loper

Location: Towngate Specific Plan (SP No. 200),
in an area bounded by Eucalyptus Ave.,
Memorial Way and Gateway Dr.

Proposal: A Specific Plan Amendment to permit
senior housing and conditionally permit
hotels and assisted living facility uses
within the existing Office Commercial
land use district of the Towngate
Specific Plan (SP200). Development
and parking standards for the three
uses as well as an update of existing
handicap accessible parking standards
are proposed within the Plan.

Recommendation: Approval

SUMMARY

The applicant, Fritz Duda, is requesting the approval of a Specific Plan Amendment to the Towngate Specific Plan (SP 200) for the Office Commercial Land Use District to allow senior housing facilities to be permitted and hotels and assisted living facilities to be conditionally permitted. In addition, development standards for senior housing, hotels and assisted living facilities are proposed. Outdated handicap parking standards within the Towngate Specific Plan are also proposed to defer to current Municipal Code standards.

Background

The Towngate Specific Plan (SP 200) is located between Day Street to the west, Frederick Street to the east, Highway 60 to the north and Cottonwood Avenue to the south. The original Specific Plan was adopted in 1987, and was designed to allow the development of residential and commercial uses. The original land area of the entire Towngate Specific Plan No. 200 encompasses 590.7 acres, and a majority of the Towngate Specific Plan area is built out. The Specific Plan has been amended on five (5) previous occasions.

PROJECT DESCRIPTION

Project

The applicant and property owner of the Towngate Shopping Center is proposing modifications to the existing Towngate Specific Plan (SP200). The modifications propose the addition of hotel, senior housing and assisted living facility uses into the Office Commercial land use district with additional development and parking standards proposed for each. The amendment will include several parcels within the Towngate Square portion of the Plan. The proposed Specific Plan Amendment for SP 200 is the sixth such amendment since the Plan was adopted.

Site

The modification will apply to an 11.2 acre portion (Planning Area 7) of the 590.7 acre Towngate Specific Plan. The subject site is bounded by Memorial Way to the east, Eucalyptus Avenue to the south, Gateway Drive to the north. There is no immediate street access on the west, where the Robertson's Ready Mix project is currently situated. Current land uses included within Planning Area No. 7 of the Specific Plan include an existing supermarket. An existing fire station is located within a portion of Planning Area 7.

Surrounding Area

A wide variety of land uses surround Planning Area 7 or the Office Commercial land use district. Land uses surrounding the project site adjacent to the east of Memorial Way include high density residential apartments and lower density single-family residential homes. Commercial/retail uses, including two hotels, are located north of the site directly across from Gateway Drive. An existing condominium complex as well as an established single-family residential neighborhood is located south of the site directly across from Eucalyptus Avenue. An existing supermarket lies to the north and west of the site while an existing fire station lies within the Planning area adjacent to Eucalyptus Avenue.

Modifications to Specific Plan Language

The applicant proposes to allow three additional uses within the existing Office Commercial (OC) land use district of the Towngate Specific Plan No. 200 as follows:

1. Hotel Uses - The Municipal Code allows hotel uses in Office Commercial (OC) land use districts with a Conditional Use Permit (CUP). A CUP would be required for hotels, regardless if the use included kitchens for more or less than 20 percent of the units. A CUP is required for hotels primarily to verify if the use is operating correctly and not creating any impacts to surrounding properties. In the case of the Towngate Specific Plan, a CUP would be required for the same reasons listed above and be consistent with how they are approved in the Municipal Code. The CUP would cover all regular and extended stay hotels.

2. Assisted Living - The Municipal Code requires a Conditional Use Permit (CUP) for assisted living facilities in the Office Commercial zoning category if the facility is located within 300 feet of a residential use. Based on the areas where the office land use designation is included in the Towngate Specific Plan, various residential uses are typically provided within 300 feet of the parcels. Therefore, a CUP would be necessary for this use in the Towngate Specific Plan in order to review impacts associated with adjacent land uses and provide conditions of approval as necessary.

3. Senior Housing - The Municipal Code automatically permits this use in the Office and Office Commercial land use categories. Therefore, it is proposed that the use be automatically permitted in the OC land use district within the Towngate Specific Plan.

Development and parking standards are also included for the three uses. Standards provided are consistent in most instances with language included in the Municipal Code with additional allowances for accessory uses within senior housing projects such as the inclusion of beauty salons to a maximum of 2,000 square feet, dining facilities to a maximum of 3,500 square feet, a small scale pharmacy under 2,000 square feet, small scale retail under 2,000 square feet, personal training and physical therapy under 3,000 square feet, and a recreation center or other facilities that are for the sole enjoyment of residences within the facilities. For restaurant uses, dining facilities associated with senior housing projects that are open to the public shall provide additional parking for the use at the Specific Plan requirement of 4.75 spaces for every 1,000 square feet of building area.

A modification has also been proposed to the Towngate Specific Plan to update existing outdated accessible parking standards. Existing language in the Specific Plan on accessible parking standards are proposed to be removed and replaced with language deferring standards to the Municipal Code.

Staff recommends approval of the proposed specific plan amendment based on the fact that the additional uses allowed would provide flexibility of uses within the OC land use district and allow connectivity from residential land uses to adjacent commercial/retail land uses such as the existing supermarket that sits immediately to the north and west of Planning Area No. 7. Allowance of the three additional uses would also be consistent with existing Municipal Code standards of either permitting or conditionally permitting the three land uses within the Office Commercial or Office land use districts.

All text changes to the Towngate Specific Plan No. 200 are included as an exhibit to the Planning Commission Resolution. New language is provided in bold italics and is underlined, while any language to be removed is provided in cross-out form. A clean copy of the updated language is also included as an attachment to the resolution.

REVIEW PROCESS

The proposed amendment requires review by the Planning Commission and adoption by the City Council. The Planning Commission is required to provide a recommendation to the City Council prior to the Council reaching a final decision.

ENVIRONMENTAL

The proposed Towngate Specific Plan amendments would have a negligible environmental impact. The amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines in that there is no possibility that the proposed activity may have the potential for a significant impact upon the environment.

NOTIFICATION

Public notice was sent to all property owners of record within 300' of all existing Office Commercial land use district property within the Towngate Specific Plan (SP No. 200). The public hearing notice for this project was also posted on two prominent corners of the project site included within designated Office Commercial land use parcels in the Specific Plan and published in the local newspaper.

REVIEW AGENCY COMMENTS

As the proposed Specific Plan Amendment did not include any project or development proposals, the application was not forwarded for review agency comments or to the Project Review Staff Committee (PRSC).

STAFF RECOMMENDATION

APPROVE Resolution No. 2013-28, and thereby **RECOMMEND** to City Council to:

1. **RECOGNIZE** that the proposed Specific Plan amendment is exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Sections 15061 of the CEQA Guidelines, and;
2. **APPROVE** P11-061 to amend Towngate Specific Plan No. 200 to permit senior housing facilities and conditionally permit hotels and assisted living facilities in the existing Office Commercial land use district, including development and parking standards for each, and an update to existing handicap accessible parking within the Plan area (Attachment 2).

**Planning Commission Staff Report
Page 5**

Prepared by:

Mark Gross, AICP
Senior Planner

Approved by:

Chris Ormsby, AICP
Interim Planning Official

ATTACHMENTS:

1. Public Hearing Notice
2. Planning Commission Resolution No. 2013-28 with clean copy of Specific Plan Amendment.
3. Strikeout/Underline version of Specific Plan Amendment.

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TO BE PROVIDED UNDER SEPARATE COVER

Attachment 4

Planning Commission Minutes
November 14, 2013

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adjacent to Highway 60 shall also screen roof-mounted mechanical equipment so as not to be visible from the freeway.

- (e) Fencing, and walls, shall be designed according to the standards and guidelines set forth in the Moreno Valley Mixed Use Development Design Handbook.
- (f) Standards for the screening of outside storage and loading areas shall be as provided in the Moreno Valley Mixed Use Development Design Handbook.
- (g) Signage, lighting and refuse disposal areas shall be governed by the standards and guidelines set forth in the Moreno Valley Mixed Use Development Design Handbook.
- (h) Projects shall conform to the architectural and landscape design standards and guidelines as set forth in the Moreno Valley Mixed Use Development Design Handbook.

c. Office

- (1) Purpose and Intent - "Office" areas are designed to provide for development and maintenance of business, professional, and municipal offices and certain allied services normally associated with such offices.

(2) Applicability - These standards apply to Planning Unit 5 of the Moreno Valley Mixed Use Development Land Use Plan.

(3) Principal Uses Permitted

(a) The following uses are permitted provided a plot plan shall have been approved pursuant to the provisions of Section 18.30 of the City's Land Use Ordinance (Ord. #348):

- (1) Automobile parking lots
- (2) Business and professional office uses. Such uses may include accountants, advertising agencies, architects, attorneys, contractors, doctors, engineers, financial institutions, insurance agencies, photographers, real estate brokers, securities brokers, surveyors and graphic artists.
- (3) Advertising, secretarial and telephone answering services.
- (4) Business machine sales display and service
- (5) Civic and government uses
- (6) Day nurseries
- (7) Drafting and blueprint services
- (8) Electronic data processing, tabulating and record keeping services
- (9) Medical appliance sales
- (10) Medical, dental, biological and x-ray laboratories
- (11) Office furniture and equipment sales

- (12) Pharmacies
- (13) Private clubs, fraternal organizations and lodges
- (14) Restaurants and other eating establishments
- (15) Travel bureaus
- (16) Senior housing
- (17) Other uses which in the opinion of the Director of Developmental Services are of a similar nature to the above uses.

(4) Uses Permitted with a Conditional Use Permit:

- (1) Hotels, resort hotels, and motels
- (2) Assisted living and nursing homes

(5-4) Temporary Uses Permitted

- (a) Christmas tree and Halloween pumpkin sales
- (b) Temporary construction facilities during construction

(65) Accessory Uses Permitted:

- (a) All accessory uses customarily incidental to the foregoing permitted uses
- (b) Pedestrian and bicycle trails

(76) Site Development Standards

- (a) Minimum street setback shall be 15 feet from street right-of-way
- (b) Minimum side setback shall be 5 feet except that an additional 3 feet per story shall be provided for buildings over 2 stories. Street side setbacks shall be equivalent to front set-backs.
- (c) Minimum rear yard setbacks shall be 15 feet except that an additional 3 feet per story shall be provided for buildings over 2 stories. If the rear lot line adjoins a street, the rear setback requirement shall be the same as required for a front setback.
- (d) Minimum building separation shall be 10 feet for 1 and 2-story buildings and 15 feet for buildings with more than 2 stories
- (e) Building coverage on any given lot shall not exceed 50% on interior lots and 60% on corner lots. Standards fro the maximum amount of impervious surfaces to be provided in the Moreno Valley Mixed Use Development Design Handbook.

- (f) Landscaping. Prior to the issuance of any building permits, a complete landscaping plan for the site shall be prepared in conformance with the landscape design standards of the Moreno Valley Mixed Use Development Design Handbook and shall be submitted for Planning department review and approval.
- (g) Parking requirements shall be those set forth in Section V.B.4 of these Regulations and Standards for Development.
- (h) Fencing, walls, patio covers and other similar accessory structures shall be designed according to the standards and guidelines set forth in the Moreno Valley Mixed Use Development Design Handbook.
- (i) Signage, lighting and refuse disposal areas shall be governed by the standards and guidelines set forth in the Moreno Valley Mixed Use Development Design Handbook.
- (j) Standards for the screening of outside storage and loading areas shall be as provided in the Moreno Valley Mixed Use Development Design Handbook.
- (k) All roof-mounted mechanical equipment shall be screened from surrounding ground elevation views as provided in the Moreno Valley Mixed Use Development Design Handbook.
- (l) Projects shall conform to the architectural design standards and guidelines as set forth in the Moreno Valley Mixed Use Development Design Handbook.

(8) Senior Housing, Assisted Living and Skilled Nursing Homes Development Standards

- a) Residential occupancy for active senior housing shall be limited to single persons at least fifty (55) years old, or to a cohabiting couples of which one is at least fifty-five (55) years old. Any differing age criteria set by state or federal law shall prevail over any inconsistencies within this section.
- b) Property Development Standards:
 - a. Density shall not exceed 30 dwelling units per gross acre for Senior Housing.
 - b. Each dwelling unit shall consist of individual rooms that contain a full bathroom and may contain small efficiency kitchens. If provided, any common kitchens, and dining facilities must be adequate to serve all residents.
 - c. Common living space and recreational facilities must be adequate to serve all residents
 - d. Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public right-of-way and compatible with the neighborhood

- e. The development shall provide laundry facilities adequate for the number of residents
- f. A senior housing facility may allow as an accessory use one or more of the following uses within the facility without drive-thru lanes which may be exclusive of the residents of the project or may be open to the general public and residents:
 - i. Beauty salon, barber shop, nail salon, day spa (under 2,000 SF)
 - ii. Small scale pharmacy (under 2,000 SF)
 - iii. Small scale store selling daily needs such as groceries, gifts, clothing (under 2,000 SF)
 - iv. Dining facilities, Café, Coffee shops shall be limited at or under 3,500 square feet if they are open to the public. Dining Facilities, cafés and coffee shops that are open to the public shall follow the parking requirements for the Specific Plan at 4.75 per 1000 square feet.
 - v. Personal training and physical therapy (under 3,000 SF)
 - vi. Transportation, maintained and operated by the facility
 - vii. Recreation center
 - viii. Other facilities for the sole enjoyment of residents
- c) Senior Housing units shall not be less than four hundred fifteen (415) square feet in floor area for efficiency units and five hundred forty (540) square feet for one bedroom units, or as otherwise approved by the planning commission. For assisted living and skilled nursing care facilities, minimum unit size shall conform to state law for licensing of these facilities.
- d) Parking facilities shall be designed to provide security for residents, guests, and employees and shall be integrated into the architecture of the facility.

family dwelling, driveways which are more than 100 feet long or which lead to parking areas with more than 10 parking spaces shall be not less than 24 feet wide. All other driveways shall be not less than 10 feet wide.

d. Number of Spaces Required

The minimum number of off-street parking spaces to be provided is established as follows:

- (1) One-family dwellings, two family dwelling units, two enclosed spaces for each family units.
- (2) Multi-family dwelling and apartment houses, one and one-half spaces for each unit plus one guest space for each 4 units. One space per units must be covered.
- (3) For senior housing facilities, 1 parking space per dwelling unit shall be provided plus 0.25 parking spaces per unit for guests and employees. 50% of the required dwelling unit parking spaces shall be covered (garages, carports or parking structures).
- ~~(3)~~(4) Hotels, motels, clubs, guest ranches, and similar uses, one space for each guest room or apartment
- ~~(4)~~(5) Churches, auditoriums, stadiums, nightclubs, school multipurpose rooms and other places of public assembly, 8 spaces for each 1000 sq. ft. of building area.
- ~~(5)~~(6) Hospitals, one space for each three beds and one space for each staff member and employee on the largest shift.

- ~~(6)~~(7) Homes for the skilled nursing aged, sanitariums, and convalescent homes, one space for each 3 beds. Parking may be reduced per a parking study on approval from the Director of Developmental Services.
- (8) For assisted living facilities, 0.5 parking spaces shall be provided per unit, none of which is required to be covered. Parking may be reduced per a parking study as approved by the Community and Economic Development Director.
- ~~(7)~~(9) General retail commercial, 4.75 spaces for each 1000 square feet of building area.
- ~~(8)~~(10) Theaters, when an independent use, 8 spaces for each 1000 square feet of building area. If contained within an integrated retail-service shopping center larger than six acres, the parking standard for general retail commercial shall take precedence.
- ~~(9)~~(11) Furniture and appliance stores, one space for each 500 square feet of building area.
- ~~(10)~~(12) Automobile, boat, mobile home or trailer sales or rental; retail nurseries and other commercial uses not in a building or structure, one space for each 2000 square feet of display area
- ~~(11)~~(13) Bowling alleys, 5 spaces for each alley
- (14) Office**
- a. ~~(a)~~ Offices, business and professional (excluding medical or dental offices), 2.5 spaces for each 1000 square feet of floor area in the building
- ~~(12)~~b. ~~(b)~~ Medical and dental offices and medical clinics, 5 ½ spaces for each 1000 square feet of floor area in the building

- ~~(13)~~(15) Dining rooms, bars, taverns, restaurants, cafes and similar uses involving the seating and serving of the public, 10 parking spaces for each 1000 square feet of building area. When any such use is contained within an integrated retail-service shopping center larger than 6 acres, the parking
- ~~(14)~~(16) Drive-in restaurants, 10 spaces for each 1000 square feet of gross floor area in the building. Vehicular storage shall be provided for 8 vehicles at 25 feet per vehicle prior to the order pick up location. When any such use is contained within an integrated retail-service shopping center larger than 6 acres, the parking standard for "general retail commercial" shall take precedence.
- ~~(15)~~(17) In industrial uses, one space for each two employees on the largest shift, plus one space for each vehicle kept in connection with the use. However, if the number of workers cannot be determined, the required parking shall include: One (1) space for every 250 square feet of office area, one (1) space for every 500 square feet of fabrication area, one (1) space fore every 1000 square feet of storage area, and one space fore every 500 square feet of floor plan which is uncommitted to any type of use.
- ~~(16)~~(18) Day child care centers, one space fore each two employees, plus one space fore each five children the facility is designed to accommodate.

~~(17)~~(19) Schools, Elementary and Intermediate: One (1) space fore each classroom or one (1) space fore every three (3) seats in the auditorium or multipurpose room, whichever is greater, plus off-street loading space for at least two school buses.

~~(18)~~(20) Business, professional and trade schools, one space for each two students, which the facility is, designed to accommodate.

(21) Accessible parking spaces shall be provided per City requirements.

~~(19) 298A minimum of one parking space for commercial, industrial institutional and public uses shall be provided for the physically handicapped in parking lots and in parking structures containing up to one hundred (100) additional parking spaces or fraction thereof. Additional spaces shall be provided where usage indicates a greater need or where a higher than normal percentage of handicapped persons is anticipated to use the parking facility. Physically handicapped parking spaces shall be located as near as practical to a primary entrance to a single building or shall be located to provide for safety and optimum proximity to the entrances of the greatest incidence of use, when more than one building is served by the parking lot. Such spaces shall be 12 feet wide and shall be located so that a handicapped individual is not compelled to wheel or walk behind parked cars other than his own. Pedestrian ways which are accessible to the physically handicapped shall be provided from each such parking space to related facilities, including curb cuts or ramps as needed. Ramps shall no encroach into any parking space except that a ramp located at the front of a physically handicapped parking space may encroach into the length of the space by not more than sixty (60) inches nor more than thirty-six (36) inches as measured from the contact edge of the vehicle wheel bumper, where applicable.~~

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: John C. Terell, Community & Economic Development Director

AGENDA DATE: December 10, 2013

TITLE: ADOPTION OF FY 2014-2015 CDBG AND HOME PROGRAM OBJECTIVES AND POLICIES

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow for the community to comment on the needs of low-and-moderate income residents in Moreno Valley, including the CDBG Target Areas; and
2. Approve the proposed CDBG and HOME Program Objectives and Policies for the 2014-2015 Program Year.

SUMMARY

Objectives and Policies must be included in the Annual Action Plan update to HUD in order to receive Fiscal Year 2014-15 CDBG and HOME entitlement grant allocations. Staff feels the previous objectives and policies continue to work well; however recommends that the grant minimum be adjusted to \$10,000 in order to increase service levels for activities in high demand and to provide funding that addresses the growing costs of administering a CDBG subgrant. As far as priority ranking within the 'Public Service' Objective -research and community input show that demand for basic needs services such as rental assistance, utility assistance, and food continues; as does unemployment; low-cost transportation is in high demand, as well as no cost/low-cost school programs for youth. It is recommended the Council adopt the revised objectives and priorities established for FY 2014-15.

DISCUSSION

Every year, the Department of Housing and Urban Development (HUD) allocates federal grant monies to the City of Moreno Valley known as the Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME). These grants are used to provide services to benefit low-and-moderate income persons (see Attachment 1 for the 2013 Income Levels). Eligible CDBG grant activities range from social services to capital improvements to business and employment development. HOME funds must be used toward the development of affordable housing programs. Attachment 2 details eligible and ineligible activities for both programs. HUD requires that cities concentrate their programs in areas determined to contain residents of which at least 51% earn low-to-moderate incomes, these areas are referred to as 'CDBG Target Areas'. CDBG Target areas are re-evaluated every 10 years and are under review for modification based on the recently updated census data. For a map of the current Moreno Valley's CDBG Target Areas please see Attachment 3.

Each entitlement city must also prepare a Consolidated Plan that establishes CDBG activities for a five year period. Moreno Valley's last Consolidated Plan was adopted in FY 2013-14 and will remain in effect through the end of FY 2018-19 or June 30, 2019. For each individual Consolidated Plan year, entitlement cities must adopt a separate planning document called the Annual Action Plan. The Annual Action Plan identifies how the City will allocate both CDBG and HOME funds for the upcoming year while meeting the goals established in the Consolidated Plan. Each Annual Action Plan must include up-to-date Objectives and Policies for both CDBG and HOME Programs.

The CDBG and HOME program year activities are structured so that HUD will receive the 2014-15 Annual Action Plan by the mandatory federal deadline of May 17, 2014. Prior to submittal, the City is required to complete a series of sequential activities including three Public Hearings to:

1. Adopt current Objectives and Policies (tonight),
2. Recommend CDBG and HOME Project Selections to Council (March 2014), and
3. Adopt the program year Annual Action Plan (May 2014).

These activities must be completed on schedule for the FY 2014-15 Annual Action Plan to be submitted on time.

Before a City can begin the project selection process for CDBG and HOME, HUD requires a jurisdiction to complete a mandatory 'Citizen Participation Process' and adopt objectives and policies that reflect the current needs of the community.

Moreno Valley's 'Citizen Participation Process'

The 'Citizen Participation Process' is intended to encourage active and informed participation in the CDBG and HOME Programs by the community. Each year as part of this process, Moreno Valley holds community-based meetings and Public Hearings to receive input on the current 'needs' of its low-to-moderate income residents. Attendees

are asked to comment on issues and problems affecting low-to-moderate income persons so that the City makes informed funding decisions.

Comments received at these meetings are taken into consideration when forming the Objectives and Policies for the program year. The City held two public meetings during the month of November 2013. The first Community Meeting was held the evening of Tuesday, November 5, 2013 at the Moreno Valley Conference and Recreation Center and the second meeting was held the evening of Wednesday, November 6, 2013 at the Moreno Valley Library. Attachment 4 provides comments that were received from residents and service providers who attended the meetings.

Purpose of Objectives and Policies

In accordance with HUD's requirements, Moreno Valley's Objectives and Policies must be re-evaluated each year to ensure they adequately reflect the current needs of the community. The updated Objectives and Policies must then be adopted by the City Council for the upcoming CDBG and HOME program year. Objectives and Policies primarily focus on: (1) defining the City's funding priorities, (2) offering project selection criteria, and (3) providing guidance for staff when reviewing and recommending programs and projects for funding. Both are distributed to non-profit agencies who are interested in applying for funding to develop a local social service program in Moreno Valley and convey important information about the eligible categories of programs and the City's priorities for local organizations.

For several years, the City had worked with the same eight objectives and four policies, but last year introduced one new policy encouraging collaborations between community non-profits. The new policy rewards collaborating groups with additional points on their application during the evaluation process. Staff felt that if the non-profits were open to combining their limited resources and staff, their individual programs could become a significantly stronger and more effective collaborative program.

This year, City staff recommends an increase in the minimum grant limit from \$5,000 to \$10,000 in order to allow the City to invest its grant dollars into activities and programs that are in high demand and decrease the amount of administrative efforts. The increased grant limit would allow non-profits the opportunity to increase their service levels and address operational costs associated with administering the City program with reduced staffing (subgrant).

This Year's (2014-15) Recommendation of Priority Ranking under the 'Public Services' Objective

An eligible use of CDBG monies is 'Public Services.' Public Services can include, but are not limited to, food banks, homeless shelters, specialized counseling, foster youth services that benefit the City's low income households. HUD limits the monies that can be used toward Public Services to 15% of the overall annual CDBG allocation, which for Moreno Valley averages approximately \$280,000 per year. Because these particular

monies are very limited and the demand is so high, staff has established a priority ranking within this objective category that assists in reaching decisions on which programs are best suited for the community within a given year.

After research, including consideration of public input and review of various program reports, including those provided by the City's local non-profits currently serving the City's low-and-moderate income population, staff recommends the following priority ranking under the Public Service Objective:

- (1) 'Basic Needs' Related Social Services Programs (such as homelessness/threat of homelessness, emergency food programs, rental assistance, and utility assistance)
- (2) Employment Services/Programs and Job (Skills) Training
- (3) Programs offering Low-Cost Transportation
- (4) Free/Low-Cost programs for School-Aged Youth

The City seeks to address the most urgent 'needs' of its residents first. Because of the documented public demand for the 'basic needs' types of programs and the City's continuing issues with high local unemployment (12.6%), staff recommends that the top two priorities continue from last year. However, it recommends that Priority 1 be expanded to include homelessness and the threat of homelessness. Decent housing is a basic need. This year, community input, feedback from local service providers and the Continuum of Care have re-emphasized that there is limited occupancy at the local shelters, that available grants are dwindling (such as Homelessness Prevention and Rapid Rehousing Program, HPRP), and despite Moreno Valley having been awarded its first Emergency Shelter Grant (ESG), it will take time for that program to be implemented in our community, therefore the addition to the top priority ranking is appropriate.

For the past 2 years in a row, the Riverside Transit Agency (RTA) has been breaking records for ridership with both passenger buses and their specialized 'Dial-a-Ride' program aimed at transporting seniors and the disabled. Not surprisingly, the MoVan program (operated by the Friends of the Senior Center) which also provides local transportation for the elderly and the disabled has extremely high user rates. The CDBG sponsored transportation program operating out of the US Vets Shelter located on the air reserve base has been successful and experienced high user rates in its first year of CDBG sponsorship. The City is cognizant of the need and whether it be due to gas prices or a troubled economy, is responding to the demand for low-cost transportation by placing the programs on the priority list.

This year, attendees of the Community Needs Assessment Meetings overwhelming voiced their request for free and low-cost programs aimed at disadvantaged school-aged youth in Moreno Valley. The attendees acknowledged that there were some programs available at through the City's Parks and Recreation Center and limited sports programs available through the schools, however noted that not all these programs are within budget for struggling families. The residents requested that the City consider

sponsoring more programs that could potentially be located throughout the City, and help keep the kids focused and improve their self-esteem.

ALTERNATIVES

1. Staff recommends that the City Council conduct a Public Hearing, receive comments, and adopt the proposed CDBG and HOME Objectives and Policies as listed on Attachment 5. Doing so will meet HUD's requirements, as well as provide the public and staff with direction regarding funding proposals for FY 2014-15.
2. The City Council may amend or reprioritize any of the proposed Objectives and Policies.

FISCAL IMPACT

The approval of Objectives and Policies for the Fiscal Year 2014-15 Annual Action Plan will not impact other City funding, including the General Fund. CDBG and HOME funds are restricted funding sources to be used exclusively for projects and programs allowed by HUD regulations and may not be used to fund other general government programs and services. It is important to note that, the CDBG and HOME funds are HUD grants and do not require matching funds.

Objectives and Policies are needed for staff to begin the budget process for FY 2014-15 CDBG and HOME Programs. To ensure the timely receipt of the 2014-15 CDBG and HOME entitlement allocations, the entire process (including project selection and submittal of the Annual Action Plan to HUD) must be completed by May 17, 2014.

At the time of this staff report submittal, the federal government has not yet approved the grant allocations. However, based on last fiscal year's entitlement allocations, staff estimates the 2014-15 CDBG grant to be approximately \$1.9 million and HOME grant to be approximately \$490,000.

CITY COUNCIL GOALS

Approval of this proposed action would support the following Council goals:

1.	Revenue Diversification & Preservation	By utilizing CDBG and HOME funds the City will enhance its ability to create a stable revenue base and fiscal policies that will support essential City services.
2.	Public Safety	Many of the proposed CDBG and HOME programs will directly or indirectly help to provide a secure environment for people and property in the community.
3.	Positive Environment	The variety of community-based CDBG and HOME programs help develop and/or contribute to a positive environment in the community.

4.	Community Image, Neighborhood Pride & Cleanliness	CDBG and HOME programs such as Code Enforcement and Housing Rehabilitation will help to preserve, rehabilitate, and improve Moreno Valley's neighborhoods.
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NOTIFICATION

Notice of this meeting was published in the local section of *The Press-Enterprise* newspaper on November 25, 2013.

ATTACHMENTS

Attachment 1: 2013 Income Limits Table

Attachment 2: Eligible & Ineligible Grant Activities

Attachment 3: CDBG Target Area Map

Attachment 4: Minutes from Community Meetings

Attachment 5: Proposed CDBG and HOME Objectives and Policies 2014-2015

Prepared By:
Isa Rojas
Management Analyst

Department Head Approval:
John C. Terrell
Community & Economic Development Director

2013 INCOME LIMITS
 Revised Annually
 Neighborhood Preservation Division

FAMILY SIZE	1	2	3	4	5	6	7	8
EXTREMELY LOW (30%)	\$13,400	\$15,300	\$17,200	\$19,100	\$20,650	\$22,200	\$23,700	\$25,250
LOW INCOME 50%	\$22,300	\$25,500	\$28,700	\$31,850	\$34,400	\$36,950	\$39,500	\$42,050
MODERATE INCOME 80%	\$35,700	\$40,800	\$45,900	\$50,950	\$55,050	\$59,150	\$63,200	\$67,300

Eligible CDBG Activities

- ∨ Acquisition, design, construction, rehabilitation, or installation of certain publicly owned facilities such as:
 - Parks, playgrounds and recreational facilities.
 - Senior centers, except 24-hour care facilities.
 - Neighborhood facilities.
 - Fire protection facilities and equipment.
 - Parking facilities.
 - Street improvements.
 - Flood, drainage, or sewer facilities.
 - Other improvements vital to a community's development.
- ∨ Acquisition of property that is: of historic value; appropriate for beautification or conservation of open spaces; appropriate for low or moderate income housing.
- ∨ Clearance and demolition of buildings and land which may be a health hazard to the community. Interim assistance or temporary help to alleviate harmful or dangerous conditions.
- ∨ Removal of architectural barriers which restrict the mobility of handicapped persons.
- ∨ Rehabilitation and preservation of buildings and improvements, both publicly and privately owned.
- ∨ Code enforcement in designated target areas.
- ∨ Historic preservation activities.
- ∨ Eligible economic development activities.
- ∨ Eligible planning and environmental design costs.
- ∨ Public services including, but not limited to: fair housing activities, public safety services, homeless services, senior citizen services, educational programs, youth services, drug abuse counseling & treatment and recreation programs.

Ineligible CDBG Activities

- ∨ Buildings for the general conduct of government, such as city halls, courthouses, and police stations.
- ∨ Stadiums, sports arenas, auditoriums, museums and central libraries (Note: branch libraries may be built in CDBG Target Areas).
- ∨ Purchase of equipment such as construction equipment, fire protection equipment, furnishings, and personal property.
- ∨ Schools
- ∨ Airports, subways, bus or other stations.
- ∨ Hospitals, nursing homes, and other medical facilities.
- ∨ Treatment works for liquid industrial wastes or sewage.
- ∨ Expenses of general government for operation and maintenance of public facilities.
- ∨ Political activities.
- ∨ Direct income payments to residents.

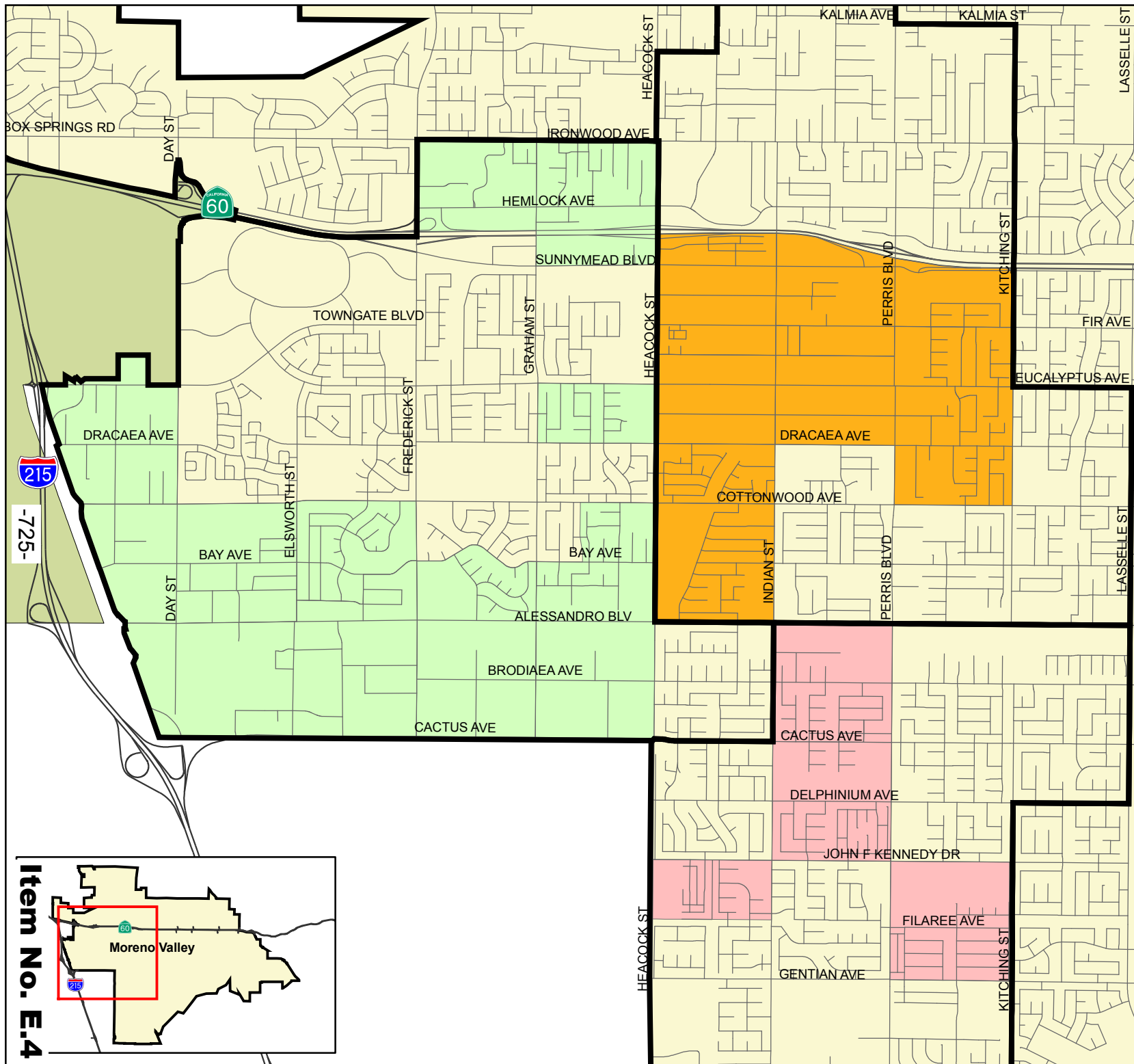
Eligible HOME Activities

- ∇ Loans and grants provided by Participating Jurisdictions (the City of Moreno Valley is a Participating Jurisdiction) to develop and support affordable rental housing and homeownership affordability through acquisition, new construction, reconstruction, or rehabilitation of non-luxury housing (including manufactured housing).
- ∇ Operating expenses and capacity building costs for eligible Community Housing Development Organizations (CHDO).
- ∇ Eligible administrative and planning costs.

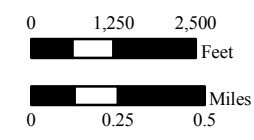
Ineligible HOME Activities

- ∇ Project reserve accounts or operating subsidies.
- ∇ Tenant-based rental assistance for the special purposes of the Section 8 program.
- ∇ To provide non-federal matching contributions.
- ∇ To provide assistance to annual contributions for the operation of public housing.
- ∇ Modernization of public housing.
- ∇ Prepayment of low-income housing mortgages.
- ∇ Assistance to a project previously assisted with HOME funds during the period of affordability.

CITY OF MORENO VALLEY CDBG TARGET AREAS

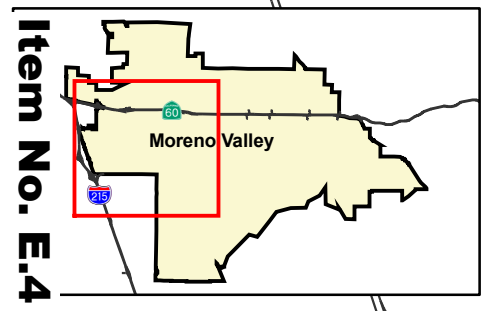


- CDBG Districts**
- District 1
 - District 4
 - District 5
 - Council District Boundaries
 - Moreno Valley
 - Riverside



Map Produced by Moreno Valley Geographic Information System
 Geographic Information in:
 State Plane NAD 83 California Zone 6 Feet
 G:\ArcMap\Code\
 CDBG target areas_1007.mxd
 October 30, 2007

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map.



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ATTACHMENT 4

FORTHCOMING

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FY 2014-15 Proposed CDBG & HOME Objectives and Policies

The City of Moreno Valley has established the following Community Development Objectives and Policies in order to give maximum priority to projects and activities that will benefit low-and-moderate income residents. Proposed programs for the upcoming year should fit into one of the categories of Objectives. Staff will abide to the given Policies when reviewing proposed programs for potential funding.

OBJECTIVES *(listed alphabetically)*

Capital Improvement Activities

Acquisition, design, construction, and installation of needed public facilities and improvements located in CDBG income eligible Target Areas where infrastructure is missing or substandard. Public facilities and improvements may include street improvements, storm drains, and water and sewer lines. Improvements shall facilitate pedestrian activity, eliminate flooding, and provide for safer streets within the Target Areas.

Economic Development Activities*

Expanded economic opportunities through micro-enterprise loan programs and counseling as well as employment and job skills programs to create and retain jobs for low-and-moderate persons.

Fair Housing Activities *

The promotion of housing choice and support of state and federal fair housing laws to ensure that all residents have access to a decent home in a suitable living environment in the City. Fair Housing activities are met by promoting and affirmatively furthering equitable housing opportunities through education, counseling, enforcement, and training.

This objective also includes the prevention of foreclosure through counseling, mediation, and case management for homeowners facing mortgage delinquency, default, or any stage of foreclosure, thereby maintaining safe, stable neighborhoods and community.

Health, Safety, and Public Welfare

Eliminating conditions which are detrimental to health, safety, and public welfare through interim rehabilitation, code enforcement, etc.

**Objectives and Policies
CDBG & HOME Programs (Continued)**

Historic Preservation*

Restoring and preserving properties formally designated as historic structures.

Housing and Neighborhood Improvement Activities

Conserving and improving housing stock through rehabilitation of units occupied by low-and-moderate income households. Activities are designed to: (1) improve existing substandard or deteriorated housing stock that does not meet building, safety, or fire code and (2) achieve the goals identified in the City's Consolidated Plan.

Public Service Activities*

Improving the quantity and quality of public services, principally for low-and-moderate income persons, including the homeless, elderly, and disabled. The following services are identified by order of priority:

- (1) 'Basic Needs' Related Social Services Programs (such as homelessness/threat of homelessness, emergency food programs, rental assistance, and utility assistance)
- (2) Employment Services/Programs and Job (Skills) Training
- (3) Programs offering Low-Cost Transportation
- (4) Free/Low-Cost programs for School-Aged Youth

Slum or Blight Activities

Elimination of slums and blight in order to prevent the deterioration of City neighborhoods, principally in the CDBG Target Areas.

**** These activities pertain to the CDBG Program only.***

**Objectives and Policies
CDBG & HOME Programs (Continued)**

POLICIES

In order to meet the objectives and ensure efficient use of CDBG and HOME funds, the following policies have been established:

City Projects and Programs

Certain public improvements, such as storm drains, curb, gutter, and sidewalks may at the Council's discretion be given priority and that provide long term benefits to improve low-and-moderate income CDBG Target Areas. Examples of these City sponsored programs include Code Enforcement activities, Community Policing, and Neighborhood Clean-ups.

Provider Collaboration

Providers (local non-profits) that intend to provide similar services and programs to Moreno Valley's low-and-moderate residents shall be given funding priority for combining resources and efforts into a single program. Providers complete and submit a single CDBG or HOME application on behalf of the collaborating group. Funding priority would be given at the time of application review in the form of extra points on their overall application.

Local Services

Providers that are located in the City will be given funding priority when they are providing services equivalent to those offered by providers located outside the City.

The ultimate goal is to have services available and accessible within the City limits to serve all residents, especially those of low-and-moderate income. Prior to final selection of projects, other factors such as track record and experience will need to be considered.

Minimum Grant Level

A minimum grant level of \$10,000 for CDBG and \$25,000 for HOME has been established for the purpose of ensuring the most efficient use of these funds. Priority shall be given to grant requests that exceed \$10,000, subject to staffing and administrative capabilities. Grant requests less than \$5,000 will be considered at the discretion of the City Council.

Project and Program Funding *

Projects and Programs having other funding sources, in addition to funds requested through CDBG will be given priority. CDBG funding is intended to

**Objectives and Policies
CDBG & HOME Programs (Continued)**

supplement a project or a program and not be its full funding source. Federal funding varies from year to year as do the needs of the community. It is therefore important for a project or proposal to sustain itself should CDBG funding not be available. Such an approach will also provide for the maximum leveraging and impact of CDBG monies.

** These activities pertain to the CDBG Program only.*



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: John Terell, Community and Economic Development Director

AGENDA DATE: December 10, 2013

TITLE: ADOPTION OF 2013 CALIFORNIA BUILDING CODES, CALIFORNIA CODE OF REGULATIONS, TITLE 24, INCORPORATING THE LATEST EDITIONS OF THE MODEL CODES WITH AMENDMENTS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing to receive public input on the proposed Ordinance.
2. Adopt Ordinance No. 871 amending Title 8, of the City of Moreno Valley Municipal Code by repealing and replacing Chapters 8.20, 8.22, 8.23, 8.24, 8.26, 8.36 and adopting, as modified, the California Building Standards Code, California Code of Regulations, Title 24; incorporating the 2012 International Building Code, 2012 Uniform Mechanical Code, the 2012 International Residential Code, the 2012 Uniform Plumbing Code, the 2012 International Fire Code, and the 2011 National Electrical Code; and adopting other regulations relating to Building and Fire Prevention requirements.

SUMMARY

On November 12, 2013, City Council approved the Introduction of Ordinance No. 871 and set a Public Hearing to receive comment on the proposed Ordinance.

The adoption of the 2013 California Building Standards Code, California Code of Regulations, Title 24 as amended will ensure that minimum building standards are implemented to safeguard life, limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within the City of Moreno Valley.

DISCUSSION

The California Building Standards Commission is mandated by Health and Safety Code Section 18928 to adopt the most recent editions of applicable model codes within one year of the date of publication. In July of 2013, the California Building Standards Commission adopted the California amended versions of the International, National and Uniform Model Codes as published by the International Code Council (ICC), National Fire Protection Association (NFPA) and the International Association of Plumbing and Mechanical Officials (IAPMO).

In addition, the City has made various “Findings of Need” with regard to the specific International Building Code and International Fire Code amendments to be adopted by the City to reflect the City’s unique climatic, geographical, and topographical conditions.

Adopting the California Building Standards Code, California Code of Regulations, Title 24 as amended will provide continued consistency for the future development in the City of Moreno Valley.

ALTERNATIVES

California Building Standards are applicable to all occupancies throughout California, whether or not the local government agency takes action to adopt those California Building Standards (Health and Safety Code, §§ 17950 and 18938 (b)). However, if no action is taken, local amendments cannot be effectuated.

FISCAL IMPACT

No fiscal impact.

CITY COUNCIL GOALS

Enhance Community 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.

Create a Positive Environment

Create a positive environment for the development of Moreno Valley’s future.

NOTIFICATION

The City Council meeting of December 10, 2013, has been properly noticed as a Public Hearing as required by Government Code Section 6066.

Upon adoption, a copy of this ordinance will be forwarded to the Building Standards Commission and Housing and Community Development for filing as per Health and Safety Code Section 17958.8.

ATTACHMENTS

Attachment 1: Proposed Ordinance

Prepared By:
Name: Allen D. Brock, CBO
Title: Building Official

Department Head Approval:
Name: John Terell
Title: Community and Economic
Development Director

Concurred By:
Name: Abdul Ahmad
Title: Fire Chief

Concurred By:
Name: Randall Metz
Title: Fire Marshal

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ORDINANCE NO. 871

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING TITLE 8, OF THE CITY OF MORENO VALLEY MUNICIPAL CODE BY REPEALING AND REPLACING CHAPTERS 8.20, 8.22, 8.23, 8.24, 8.26, 8.36, AND ADOPTING, AS MODIFIED, THE 2013 CALIFORNIA BUILDING STANDARDS CODE, CALIFORNIA CODE OF REGULATIONS, TITLE 24: INCORPORATING THE 2012 INTERNATIONAL BUILDING CODE, THE 2012 UNIFORM MECHANICAL CODE, THE 2012 INTERNATIONAL RESIDENTIAL CODE, THE 2012 UNIFORM PLUMBING CODE, THE 2012 INTERNATIONAL FIRE CODE, AND THE 2011 NATIONAL ELECTRICAL CODE; AND ADOPTING OTHER REGULATIONS RELATING TO BUILDING AND FIRE PREVENTION REQUIREMENTS.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1. PRIOR ENACTMENTS REPEALED:

1.1 All prior enactments of the City, which are in conflict with this Ordinance, are hereby repealed, effective upon the date on which this Ordinance becomes effective and operative.

SECTION 2. CONTINUING EFFECT:

2.1 Notwithstanding Section 1.1 of the Ordinance, and solely for the purposes of this Section 2.1, this Ordinance shall be construed as a continuation of said prior enactments as the same may have been heretofore amended from time to time, and compliance therewith prior to the effective date hereof shall be deemed to be compliance with this Ordinance unless provided otherwise herein.

2.2 Except as specifically or by necessary implication required to the contrary by this Ordinance, no right or entitlement granted, or obligation imposed, or action or proceeding commenced or taken pursuant to a prior resolution or ordinance repealed or modified hereby shall be deemed to be invalidated, waived, terminated or otherwise affected by the enactment hereof.

SECTION 3. EFFECT OF ENACTMENT:

3.1 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. FINDINGS:

1
Ordinance No. 871
Date Adopted: December 10, 2013

4.1 The International Code Council is a private organization which has been in existence for at least three (3) years.

4.2 The 2012 International Building Code, the 2012 International Fire Code, the California Building Standards Code, and the International Fire Code Standards published by said organization, are a nationally recognized compilation of proposed rules, regulations, and standards of said organization.

4.3 The International Building Code and the International Fire Code have been printed and published as a code in book form within the meaning of Section 50022.2 et seq., of the California Government Code and said code has been adopted and amended by the California Building Standards Commission into the California Code of Regulations (CCR) as Title 24, 2013 edition.

4.4 That one (1) copy of the 2013 California Building Code based on the 2012 International Building Code and one (1) copy of the 2013 California Fire Code based on the 2012 International Fire Code have been on file for use and examination by the public in the office of the Building Official prior to adoption of this Ordinance.

4.5 That the sections of the International Building Code and California Building Code Standards may be referred to by the same number used in said published compilation preceded by the words "City of Moreno Valley International Building Code Section" or "International Building Code Section" or "Building Code Section". Said amendments to the California Building Standards Code under the California Building Code shall be referred to in the same manner as listed above for ease of application.

4.6 That the sections of the International Fire Code and International Fire Code Standards may be referred to by the same number used in said published compilation preceded by the words "City of Moreno Valley International Fire Code Section" or "International Fire Code Section" or "Fire Code Section". Said amendments to the California Building Standards Code under the California Fire Code shall be referred to in the same manner as listed above for ease of application.

4.7 Pursuant to Section(s) 17958.5(a) and (b) as well as Section 17958.7 of the California Health and Safety Code, the Section contained herein shall be submitted as the "Findings of Need" with regard to the specific International Building Code and International Fire Code Ordinance Amendments adopted by the City of Moreno Valley and addressed herein. Additional requirements and standards herein are necessary to properly protect the health, safety and welfare of the existing and future residents as well as workers of the City of Moreno Valley. Under the provisions of Section 17958.7 of the Health and Safety Code, local amendments shall be based on climatic, geographical, or topographical conditions. The "Findings of Need" contained herein shall address each of these situations and shall present the local situation which singularly or in combination cause the established amendments to be adopted. Each such modification is identified as to which section such finding refers.

4.7.1 Life Safety: That the additional requirements and standard established herein are needed to properly protect the health, safety, life and limb, and

2

Ordinance No. 871

Date Adopted: December 10, 2013

welfare of existing and future residents, workers and guests of the City of Moreno Valley.

4.7.2 That these changes and modifications to the standards published in the International Building Code and International Fire Code are reasonably necessary because of local climatic, geological, and topographical conditions. The following are hereby adopted as non-inclusive specific findings in respect to such local conditions and refer to amendments made to the International Building Code, California Code of Regulations, Title 24, and International Fire Code as more particularly set forth below.

Climatic Conditions:

4.7.2.1 The City of Moreno Valley receives relatively low amounts of precipitation, low humidity and high temperatures. Such climate conditions are conducive to the spread of fire (Information from the University of California, Riverside, Meteorological Weather Station). This finding refers to and supports modifications to 319; 320; 321; 322; 322.1; 323; 324; 325; 326; 5601.2; 5601.3 of the California Fire Code, 2013 edition.

4.7.2.2 Strong winds, commonly referred to as the Santa Ana Winds, have reached speeds up to 57 miles per hour in Moreno Valley during various months of past years. Damage that can occur during such winds includes the creation of highly flammable conditions of brush, downed trees, utility poles, utility circuits, and power line (Wind speeds documented at March Air Reserve Base). This finding refers to and supports modifications to Chapter 1, Division II, Section 105.2 of the California Building Code, 2013 edition and to Chapter 1, Division II, Section R105.2 of the California Residential Code, 2013 edition. This finding also refers to and supports modifications to 319; 320; 321; 322; 322.1; 323; 324; 325; 326; 606.10.2; 609.2; 4906.3; 4908; 5601.2; 5601.3 of the California Fire Code, 2013 edition.

4.7.2.3 Other areas within the City of Moreno Valley are subject to landslides, wind erosion, blown sand, flooding and wildfires. This finding refers to and supports modifications to Chapter 1, Division II, Section 105.2 of the California Building Code, 2013 edition and to Chapter 1, Division II, Section R105.2 and Section R405.1 of the California Residential Code, 2013 edition. This finding also refers to and supports modifications to 319; 320; 321; 322; 322.1; 323; 324; 325; 326; 4906.3; 4908; 5601.2; 5601.3 of the California Fire Code, 2013 edition.

Geological:

4.7.2.4 Within the city limits of Moreno Valley, there are two (2) earthquake faults; the San Jacinto Fault and the Casa Loma Fault. There are also other faults in the immediate adjacent areas. In the event of a severe earthquake, these faults present the potential for catastrophic damage including fire, damage to roadways, and other impairments of emergency apparatus (Fault information from California Division of Mines and Geology). This finding refers to and supports modifications to Chapter 1, Division II, Section 105.2 of the California Building Code, 2013 edition and to Chapter 1, Division II, Section R105.2 and Chapter 4, Section R403.1.3 and Section R405.1 of the California Residential Code, 2013 edition.

4.7.2.5 There is a lack of fire hydrants and water supply to new construction hillside areas in the City of Moreno Valley. This finding refers to and supports modifications to Sections 319; 320; 321; 322; 322.1; 323; 324; 325; 326; 502.1; 503.1; 503.1.1; 503.1.4; 503.2.1; 503.2.2; 503.2.7; 505.1; 901.3.1; 901.6; 903.2.11.1.1; 903.2; 903.3.5.5; 903.4; 912.2.1; 914.5; 4906.3; 4908 of the California Fire Code, 2013 edition.

4.7.2.6 In Moreno Valley there are known areas where the radio coverage is insufficient to ensure the life safety of emergency personnel due to the mountainous and hilly terrain at the City's northern and eastern boundaries. These areas include the Reche Vista area, the Hidden Springs area near Box Springs Mountain, and the entrance to San Timoteo Canyon off of both Moreno Beach Boulevard and Redlands Boulevard near the northern City limits. This finding refers to and supports modifications to Sections 508.1; 508.1.1; 508.1.2; 508.1.3; 508.1.5; 508.1.6; 510.1 of the California Fire Code, 2013 edition.

Topographical:

4.7.2.7 Development has occurred and continues to occur in Moreno Valley at a rapid pace. Traffic congestion occurs during certain peak business hours, weekends, and on holidays along main thoroughfares such as Sunnymead Blvd, Perris Blvd., Alessandro Blvd., Heacock St., Pigeon Pass/Frederick St., and at some points along Indian St. and Cactus Ave. (Information provided by the Transportation Engineering Division of the Public Works Department). This finding refers to and supports modifications to 502.1; 503.1; 503.1.1; 503.1.4; 503.2.1; 503.2.2; 503.2.7; 505.1 of the California Fire Code, 2013 edition.

4.7.2.8 The distance between fire stations, and the response time in our City compared to the time when flashover generally occurs creates a need for on-site fire suppression capability in all structures, and also the need for specific turning radius and turnaround requirements for fire apparatus. In order to accommodate fire equipment during emergency response, we find that fire apparatus roads, grades, turning radius and turnaround dimensions are required as set forth herein. This finding refers to and supports modifications to Sections 502.1; 503.1; 503.1.1; 503.1.4; 503.2.1; 503.2.2; 503.2.7; 505.1; 606.10.2; 609.2; 901.3.1; 901.6; 903.2.11.1.1; 903.2; 903.3.5.3; 903.4; 907.3.1; 912.2.1; 914.5 of the California Fire Code, 2013 edition.

4.7.2.9 Moreno Valley has a number of different water companies serving the area, with varying capacity to deliver water flows for fire suppression purposes. This finding refers to and supports modifications to Sections 507.1; 507.2.1; 507.5.7; 901.3.1; 901.6; 903.2.11.1.1; 903.2; 903.3.5.3; 903.4 of the California Fire Code, 2013 edition.

4.7.2.10 Radio communications and ability to access a breathing air supply can be hindered by topographical features in Moreno Valley as well as building design which can include subterranean structures. It is vital to ensure there is adequate radio coverage and breathing air throughout the City for the life safety of the emergency response personnel. This finding refers to and supports modifications to

Sections 508.1; 508.1.1; 508.1.2; 508.1.3; 508.1.5; 508.1.6; 510.1 of the California Fire Code, 2013 edition.

SECTION 5. MUNICIPAL CODE AMENDED:

5.1 The list of chapters of Title 8 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

“Title 8

BUILDINGS AND CONSTRUCTION

<u>Chapter 8.04</u>	<u>STANDARDS AND PRACTICES</u>
<u>Chapter 8.12</u>	<u>FLOOD DAMAGE PREVENTION AND IMPLEMENTATION OF NATIONAL FLOOD INSURANCE PROGRAM</u>
<u>Chapter 8.14</u>	<u>GENERAL</u>
<u>Chapter 8.20</u>	<u>CALIFORNIA BUILDING CODE</u>
<u>Chapter 8.21</u>	<u>GRADING REGULATIONS</u>
<u>Chapter 8.22</u>	<u>CALIFORNIA MECHANICAL CODE</u>
<u>Chapter 8.23</u>	<u>CALIFORNIA RESIDENTIAL CODE</u>
<u>Chapter 8.24</u>	<u>CALIFORNIA PLUMBING CODE</u>
<u>Chapter 8.26</u>	<u>CALIFORNIA ELECTRICAL CODE</u>
<u>Chapter 8.36</u>	<u>INTERNATIONAL FIRE CODE</u>
<u>Chapter 8.60</u>	<u>THREATENED AND ENDANGERED SPECIES</u>
<u>Chapter 8.12</u>	<u>RECYCLING AND DIVERSION OF CONSTRUCTION AND DEMOLITION WASTE”</u>

5.2 Chapter 8.20 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.20

California Building Code

Sections

8.20.010 Adopted

8.20.010 Adopted

The California Building Code, 2013 Edition, based on the 2012 International Building Code as published by the International Code Council, excluding Chapter 29 and Chapter 34 and including Appendix H and the Standards referred to therein, is adopted and made part of this title by reference with the following modifications:

5

Ordinance No. 871

Date Adopted: December 10, 2013

- A. Chapter 1, Division II, Section 101.2, Exception is amended to read as follows:

Exception: Detached one- and two-family dwellings and multiple single family dwellings (townhouses) not more than three stories above grade plane in height with a separate means of egress and their accessory structures shall comply with the California Residential Code, Title 24, Part 2.5.

- B. Chapter 1, Division II, Section 101.4 is deleted.
C. Chapter 1, Division II, Section 105.1.1 and 105.1.2 are deleted.
D. Chapter 1, Division II, Section 105.2, Building 2 is hereby amended to read as follows:

Fences not over six (6) feet high, masonry concrete block walls under three (3) feet measured from top of footing, or combination masonry concrete block walls with wrought iron under three (3) feet measured from top of footing.

- E. Chapter 1, Division II, Section 105.2.3 is deleted.
F. Chapter 1, Division II, Section 105.3.2 is amended to read as follows:

Time limitation of application. An application for a permit for any proposed work shall be deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit had been issued; except that that the building official is authorized to grant one or more extensions of time for additional periods not exceeding 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

- G. Chapter 1, Division II, Section 107.3.3 is deleted.
H. Chapter 1, Division II, Section 113 is deleted.
I. Chapter 3, Section 304.1 is amended to include (show in bold)

Motor Vehicle Showrooms

Police and Fire Stations

Post Office”

5.3 Chapter 8.22 of the Title of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.22

California Mechanical Code

Sections

8.22.010 Adopted

6

Ordinance No. 871

Date Adopted: December 10, 2013

8.22.010 Adopted

The California Mechanical Code, 2013 Edition, including Appendices B, C and D thereto, based on the 2012 Uniform Mechanical Code and the Standards incorporated therein, as published by the International Association of Plumbing and Mechanical Officials is adopted and made a part of this chapter by reference with the following modifications:

- A. Chapter 1, Division II Section 110.0 is deleted.
- B. Chapter 1, Division II Section 114.4 is amended to read as follows

Expiration. Every permit issued under the provisions of this code shall expire by limitation and become null and void if the work authorized by such permit is not commenced within one-hundred and eighty (180) days from the date of such permit, or if the work authorized by such permit is suspended or abandoned at any time after the work is commenced for a period of one-hundred and eighty (180) days. Before such work can be recommenced, a new permit must be first be obtained.

A permittee holding an unexpired permit shall be permitted to apply for an extension of the time within which work may be commenced under that permit when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The City shall have the authority to extend the time for action by the permittee for a period not exceeding one –hundred and eighty (180) days upon written request by the permittee showing that circumstances beyond the control of said permittee have prevented action from being taken.

Expiration of Plan Review. Applications for which no permit is issued within one-hundred and eighty (180) days following the date of application shall expire by limitation, and plans and other data submitted for review shall by permitted to be returned to the applicant or destroyed by the City. The City shall be permitted to extend the time for action by the applicant for a period not to exceed one-hundred and eighty (180) days upon request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. No application shall be extended more than once.

- C. Chapter 1, Division II Section 115.0 is deleted.”

5.4 Chapter 8.23 of Title 8 of the City of Moreno Valley Municipal Code is hereby added to read as follows:

“Chapter 8.23

California Residential Code

Sections

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Ordinance No. 871

Date Adopted: December 10, 2013

8.23.010 Adopted

8.23.010 Adopted

The California Residential Code, 2013 Edition, based on the 2012 International Residential Code and the Standards referred to therein, as published by the International Code Council, is adopted and made part of this chapter by reference with the following modifications:

- A. Chapter 1, Division II, Section R103.2 is deleted.
- B. Chapter 1, Division II, Section R105.2, Building 2 is hereby amended to read as follows:

Fences not over six (6) feet high, masonry concrete block walls under three (3) feet measured from top of footing, or combination masonry concrete block walls with wrought iron under three (3) feet measured from top of footing.
- C. Chapter 1, Division II, Section R105.2.3 is deleted.
- D. Chapter 1, Division II, Section R106.3.3 is deleted.
- E. Chapter 1, Division II, Section R112 is deleted.
- F. Chapter 3, Table R301.2(1) is revised to read:

**TABLE R301.2(1)
CLIMATIC AND GEOGRAPHIC DESIGN CRITERIA**

GROUND SNOW LOAD	WIND DESIGN		SEISMIC DESIGN CATEGORY ^f	SUBJECT TO DAMAGE FROM			WINTER DESIGN TEMP ^e	ICE BARRIER UNDERLAYMENT REQUIRED ^h	FLOOD HAZARDS ^g	AIR FREEZING INDEX ⁱ	MEAN ANNUAL TEMP ^j
	Speed ^d (mph)	Topographic effects ^k		Weathering ^a	Frost line Depth ^b	Termite ^c					
Zero	85	No	D ₂ or E	Negligible	12"	Very Heavy	43	No	See Title 8	0	64

For SI: 1 pound per square foot = 0.0479 kPa, 1 mile per hour = 0.447 m/s.

- a. Weathering may require a higher strength concrete or grade of masonry than necessary to satisfy the structural requirements of this code. The weathering column shall be filled in with the weathering index (i.e., "negligible," "moderate" or "severe") for concrete as determined from the Weathering Probability Map [Figure R301.2(3)]. The grade of masonry units shall be determined from ASTM C 34, C 55, C 62, C 73, C 90, C 129, C 145, C 216 or C 652.
- b. The frost line depth may require deeper footings than indicated in Figure R403.1(1). The jurisdiction shall fill in the frost line depth column with the minimum depth of footing below finish grade.

- c. The jurisdiction shall fill in this part of the table to indicate the need for protection depending on whether there has been a history of local subterranean termite damage.
- d. The jurisdiction shall fill in this part of the table with the wind speed from the basic wind speed map [Figure R301.2(4)]. Wind exposure category shall be determined on a site-specific basis in accordance with Section R301.2.1.4.
- e. Temperatures shall be permitted to reflect local climates or local weather experience as determined by the building official
- f. The jurisdiction shall fill in this part of the table with the seismic design category determined from Section R301.2.2.1.
- g. The jurisdiction shall fill in this part of the table with (a) the date of the jurisdiction's entry into the National Flood Insurance Program (date of adoption of the first code or ordinance for management of flood hazard areas), (b) the date(s) of the Flood Insurance Study and (c) the panel numbers and dates of all currently effective FIRMs and FBFMs or other flood hazard map adopted by the authority having jurisdiction, as amended.
- h. In accordance with Sections R905.2.7.1, R905.4.3.1, R905.5.3.1, R905.6.3.1, R905.7.3.1 and R905.8.3.1, where there has been a history of local damage from the effects of ice damming, the jurisdiction shall fill in this part of the table with "YES." Otherwise, the jurisdiction shall fill in this part of the table with "NO."
- i. The jurisdiction shall fill in this part of the table with the 100-year return period air freezing index (BF-days) from Figure R403.3(2) or from the 100-year (99%) value on the National Climatic Data Center data table "Air Freezing Index- USA Method (Base 32°)" at www.ncdc.noaa.gov/fpsf.html.
- j. The jurisdiction shall fill in this part of the table with the mean annual temperature from the National Climatic Data Center data table "Air Freezing Index-USA Method (Base 32°F)" at www.ncdc.noaa.gov/fpsf.html.
- k. In accordance with Section R301.2.1.5, where there is local historical data documenting structural damage to buildings due to topographic wind speed-up effects, the jurisdiction shall fill in this part of the table with "YES." Otherwise, the jurisdiction shall indicate "NO" in this part of the table.

- G. Chapter 4, Section R403.1.3 is modified by deleting the exception for masonry stem walls:

In Seismic Design Categories D₀, D₁ and D₂ masonry stem walls without solid grout and vertical reinforcing are not permitted.

~~Exception: In detached one and two family dwellings which are three stories or less in height and constructed with stud bearing walls, plain concrete footings without longitudinal reinforcement supporting walls and isolated plain concrete footings supporting columns or pedestals are permitted.~~

H. Chapter 4, Section R405.1 is modified to delete the exception as follows:

~~Exception: A drainage system is not required with the foundation is installed on well drained ground or sand gravel mixture soils according to the Unified Soil Classification System, Group 1 Soils, as detailed in Table R405.1“~~

5.5 Chapter 8.24 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.24

California Plumbing Code

Sections

8.24.010 Adopted

8.24.010 Adopted

The California Plumbing Code, 2013 Edition, including the Appendices thereto, based on the 2012 Uniform Plumbing Code and installation standards incorporated therein, as published by the International Association of Plumbing and Mechanical Officials, is adopted and made part of this chapter by reference with the following modifications:

A. Chapter 1, Division II Section 103.3.3 is amended to read as follows

Expiration. Every permit issued under the provisions of this code shall expire by limitation and become null and void if the work authorized by such permit is not commenced within one-hundred and eighty (180) days from the date of such permit, or if the work authorized by such permit is suspended or abandoned at any time after the work is commenced for a period of one-hundred and eighty (180) days. Before such work can be recommenced, a new permit must first be obtained.

A permittee holding an unexpired permit shall be permitted to apply for an extension of the time within which work may be commenced under that permit when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The City shall have the authority to extend the time for action by the permittee for a period not exceeding one –hundred and eighty (180) days upon written request by the permittee showing that circumstances beyond the control of said permittee have prevented action from being taken.

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Expiration of Plan Review. Applications for which no permit is issued within one-hundred and eighty (180) days following the date of application shall expire by limitation, and plans and other data submitted for review shall be permitted to be returned to the applicant or destroyed by the City. The City shall be permitted to extend the time for action by the applicant for a period not to exceed one-hundred and eighty (180) days upon request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. No application shall be extended more than once.

B. Chapter 1, Division II Section 103.4 is deleted.”

5.6 Chapter 8.26 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.26

California Electric Code

Sections

8.26.010 Adopted

8.26.010 Adopted

The California Electric Code, 2013 Edition, based on the 2011 National Electric Code as published by the National Fire Protection Association, is adopted and made a part of this chapter by reference.”

5.7 Chapter 8.36 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.36

International Fire Code

Sections

- 8.36.010 Definitions
- 8.36.020 Adoption of the International Fire Code
- 8.36.030 California Fire Code Administration & Definitions
- 8.36.040 General Precautions Against Fire
- 8.36.050 Emergency Planning and Preparedness
- 8.36.060 Fire Service Features
- 8.36.070 Building Services and Systems
- 8.36.080 Fire-Resistance-Rated Construction
- 8.36.090 Interior Finish, Decorative Materials and Furnishings
- 8.36.100 Fire Protection Systems
- 8.36.110 Means of Egress
- 8.36.120 Aviation Facilities
- 8.36.130 Dry Cleaning

- 8.36.140 Combustible Dust-Producing Operations
- 8.36.150 Fire Safety During Construction and Demolition
- 8.36.160 Flammable Finishes
- 8.36.170 Fruit and Crop Ripening
- 8.36.180 Fumigation and Thermal Insecticidal Fogging
- 8.36.190 Semiconductor Fabrication Facilities
- 8.36.200 Lumber Yards and Woodworking Facilities
- 8.36.210 Manufacture of Organic Coatings
- 8.36.220 Industrial Ovens
- 8.36.230 Motor Fuel-Dispensing Facilities and Repair Garages
- 8.36.240 High Piled Combustible Storage
- 8.36.250 Tents and Other Membrane Structures
- 8.36.260 Tire Rebuilding and Tire Storage
- 8.36.270 Welding and Other Hot Work
- 8.36.280 Hazardous Materials – General Provisions
- 8.36.290 Aerosols
- 8.36.300 Combustible Fibers
- 8.36.310 Compressed Gases
- 8.36.320 Corrosive Materials
- 8.36.330 Cryogenic Fluids
- 8.36.340 Explosives and Fireworks
- 8.36.350 Flammable and Combustible Liquids
- 8.36.360 Flammable Gases and Flammable Cryogenic Fluids
- 8.36.370 Flammable Solids
- 8.36.380 Highly Toxic and Toxic Materials
- 8.36.390 Liquefied Petroleum Gases
- 8.36.400 Organic Peroxides
- 8.36.410 Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids
- 8.36.420 Pyrophoric Materials
- 8.36.430 Pyroxilin (Cellulose Nitrate) Plastics
- 8.36.440 Unstable (Reactive) Materials
- 8.36.450 Water-Reactive Solids and Liquids
- 8.36.460 Marinas
- 8.36.470 Construction Requirements for Existing Buildings
- 8.36.480 Referenced Standards
- 8.36.490 Motion Picture and Television Production Stages and Facilities
- 8.36.500 Requirements for Wildland-Urban Interface Fire Areas
- 8.36.510 Appendices
- 8.36.520 Designation of Fire Code
- 8.36.530 Severability

8.36.010 Definitions

The following definitions shall be added to the existing definition in the 2012 Edition of the International Fire code and the California Fire Code 2013 Edition:

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“Corporation Counsel” shall mean the city attorney.

“NFPA” shall mean National Fire Protection Association.

“Municipality” shall mean the city of Moreno Valley.

8.36.020 Adoption of the International Fire Code

A. The city council of the city of Moreno Valley hereby adopts as amended, the 2012 Edition of the International Fire Code, California Fire Code 2013 Edition, California Code of Regulations Title 24 Part 9, Appendices Chapter 4, A, B, BB, C, CC, E, F, G, and H, the California Fire Code Standards and the body of code in its entirety, with the exception of appendix D, I, and J of the California Fire Code as compiled and adopted by the International Code Council.

8.36.030 California Fire Code Administration & Definitions

A. Section 101.4 of the California Fire Code is hereby amended to read as follows:

Section 101.4 Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance, it being expressly declared that this ordinance and each section, subsection, paragraph, sentence, clause and phrase thereof would have been adopted, irrespective of the fact that one or more other section, subsection, paragraph, sentence, clause or phrase be declared invalid or unconstitutional.

B. Section 103.2 of the California Fire Code is hereby amended to read as follows:

Section 103.2 Appointment. The fire code official shall be appointed by the chief appointing authority of the jurisdiction; and the fire code official shall not be removed from office without prior consultation with the Fire Chief regarding implementation, administration and enforcement of the provisions of this Code.

C. Section 103.4 of the California Fire Code is hereby amended to read as follows:

Section 103.4 Liability. Any liability against the County of Riverside or any officer or employee shall be as provided for in California Government Code and case law.

Fire suppression, investigation and rescue or emergency medical costs are recoverable in accordance with California Health and Safety Code Sections 13009 and 13009.1.

Any person who negligently or intentionally, or in violation of law, causes an emergency response, including but not limited to, a traffic accident or spill of toxic or flammable fluids or chemicals, is liable for the costs of securing such emergency, including those costs set out in Government Code Section 53150, et seq. Any expense

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incurred by the fire department for securing such an emergency situation shall constitute a debt of such person and shall be collectable by the County of Riverside, or political subdivision thereof if incorporated, in the same manner as in the case of an obligation under contract, expressed or implied.

D. Section 104.1 of the California Fire Code is hereby amended at the end of existing paragraph to read as follows:

Section 104.1 Authority of the Fire Chief and the Fire Department. The chief is authorized to administer, interpret and enforce the California Fire Code. Under the chief's direction, the Riverside County Fire Department is authorized to enforce all ordinances of the County of Riverside pertaining to:

- (1) The prevention of fires.
- (2) The suppression or extinguishment of dangerous or hazardous fires.
- (3) The storage, use and handling of hazardous materials.
- (4) The installation and maintenance of automatic, manual and other private fire alarm systems and fire extinguishing equipment.
- (5) The maintenance and regulation of fire escapes.
- (6) The maintenance of fire protection and the elimination of fire hazards on land and in buildings, structures and other property, including those under construction.
- (7) The maintenance of means of egress.
- (8) The investigation of the cause, origin and circumstance of fire and unauthorized releases of hazardous materials.

D. Section 104.1.1 of the California Fire Code is hereby added to read as follows:

Section 104.1.1 Authority of the Fire Chief. The chief is hereby given the authority to officially determine and publicly announce the closure of any hazardous fire area or portion thereof. However, any closure by the chief for a period of more than fifteen (15) days must be approved by the City Council within fifteen (15) days of the chief's original order of closure. No person shall go in or be upon any hazardous fire area, except upon the public roadways and inhabited areas therein during such time as the area is closed to entry. This section shall not prohibit residents or owners of private property within any closed area, or their invitees, from going in or being upon their lands. This section does not apply to any entry, in the course of duty by a peace officer or any other duly authorized public officer, member of any fire department, Riverside County Fire Department or member of the U.S. Forest Service or California Department of Forestry and Fire Protection nor does this section apply to National Forest Land in any respect. During periods of closure, the chief shall erect and maintain at all entrances to the closed area sufficient signs giving adequate notice of closure.

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E. Section 104.3.2 of the California Fire Code is hereby added to read as follows:

Section 104.3.2 Fire Department Personnel and Peace Officers (1) The chief and his or her designees are authorized and directed to enforce all applicable State fire laws and the provisions of this code and he shall perform such related duties as may be fixed by the City Council, and for such purposes, he or she shall have the power of a peace officer.

(2) The chief is authorized to administer, interpret and enforce this code. Under the chief's direction, the fire department is authorized to enforce all ordinances of the jurisdiction pertaining to:

- (a) The prevention of fires,
- (b) The suppression or extinguishment of dangerous or hazardous fires,
- (c) The storage, use and handling of hazardous materials,
- (d) The installation and maintenance of automatic, manual and other private fire alarm systems and fire extinguishing equipment,
- (e) The maintenance and regulation of fire escapes,
- (f) The maintenance of fire protection and the elimination of fire hazards on land and in buildings, structures and other property, including those under construction,
- (g) The maintenance of means of egress, and
- (h) The investigation of the cause, origin and circumstance of fire and unauthorized releases of hazardous materials.

(3) The following persons are hereby authorized to interpret and enforce the provisions of this Code (except as provided in Section 101.4) and to make arrests and issue citations as authorized by law:

- 1. The Unit Chief and peace officers and public officers of the California Department of Forestry and Fire Protection.
- 2. The Fire Chief, Peace Officers and Public Officers of the Riverside County Fire Department.
- 3. The City Fire Marshal and members of the Moreno Valley Fire Prevention Bureau.
- 4. The Riverside County Sheriff and any Deputy Sheriff.
- 5. The Police Chief and any Police Officer of any city served by the County Fire department.
- 6. Officers of the California Highway Patrol.
- 7. Peace Officers of the California Department of Parks and Recreation.
- 8. The law enforcement officers of the Federal Bureau of Land management.

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F. Section 105.6.14 of the California Fire Code is hereby amended to read as follows:

105.6.14 Explosives. An operating permit is required for the manufacture, storage, handling, sale or use of any quantity of explosive material, fireworks or pyrotechnic special effects. The determination of the Fire Chief with concurrence of Sheriff, or Chief of Police, shall be obtained and is final. The chief may impose conditions and procedures as to protect the public health and safety based upon the pyrotechnic or blasting operation. The chief, shall provide the pyrotechnic operator or blaster with the additional conditions or procedures in writing and the operator/blaster shall comply with them until the permit expires or the Sheriff is satisfied they are no longer required and cancels the additional requirements.

The blaster shall permit the chief or his designee, to inspect the pyrotechnic/blast site, blast materials, explosives or explosive storage magazines at any reasonable time.

G. The following definitions of Section 202 of the California Fire Code are hereby amended to read as follows:

Section 202 General Definitions

HAZARDOUS FIRE AREA is land other than state designated fire hazard severity zone (FHSZ) and/or local designated FHSZ which is covered with grass, brush, or dense vegetation, whether privately or publicly owned, which is so situated or is of such inaccessible location that a fire originating upon such land would present an abnormally difficult job of suppression or would result in great and unusual damage through fire or resulting erosion. Such areas are designated on the maps entitled "Hazardous Fire Areas of Moreno Valley" on file in the office of the city clerk and in the office of the fire chief.

SKY LANTERN. An airborne lantern typically made of paper, Mylar, or other lightweight material with a wood, plastic, or metal frame containing a candle, fuel cell, or other heat source that provides buoyancy.

8.36.040 General Requirements

Chapter 3 General Requirements is adopted in its entirety with the following amendments:

A. Section 304.1.2 (7) Vegetation is hereby revised by adding Section "(E)" as follows:

(E) MVFD Vegetation Management Guideline.

B. Section 319 Fuel Modification Requirements for New Construction is hereby added as follows:

319 Fuel Modification Requirements for New Construction. All new buildings to be built or installed in areas containing combustible vegetation shall comply with the following:

1. Preliminary fuel modification plans shall be submitted to and approved by the fire code official concurrent with the submittal for approval of any tentative map.
2. Final fuel modification plans shall be submitted to and approved by the fire code official prior to the issuance of a grading permit.
3. The fuel modification plans shall meet the criteria set forth in the Fuel Modification Section of the Moreno Valley Fire Department Vegetation Management Guideline.
4. The fuel modification plan may be altered if conditions change. Any alterations to the fuel modification areas shall have prior approval by the fire code official.
5. All elements of the fuel modification plan shall be maintained in accordance with the approved plan and are subject to the enforcement process outlined in the Fire Code.

C. Section 320 Clearance of brush or vegetation growth from roadways is hereby added as follows:

320 Clearance of brush or vegetation growth from roadways. The fire code official is authorized to cause areas within 10 feet (3048 mm) on each side of portions of highways and private streets which are improved, designed or ordinarily used for vehicular traffic, to be cleared of flammable vegetation and other combustible growth. Measurement shall be from the flow-line or the end of the improved edge of the roadway surfaces .

Exception: Single specimens of trees, ornamental shrubbery or cultivated ground cover such as green grass, ivy, succulents or similar plants used as ground covers, provided that they do not form a means of readily transmitting fire.

D. Section 321 Unusual Circumstances is hereby added as follows:

321 Unusual circumstances. The fire code official may suspend enforcement of the vegetation management requirements and require reasonable alternative measures designed to advance the purpose of this code if determined that in any specific case that any of the following conditions exist:

- 1 Difficult terrain.
- 2 Danger of erosion.

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- 3 Presence of plants included in any state and federal resources agencies, California Native Plant Society and county-approved list of wildlife, plants, rare, endangered and/or threatened species.
- 4 Stands or groves of trees or heritage trees.
- 5 Other unusual circumstances that make strict compliance with the clearance of vegetation provisions undesirable or impractical.

E. Section 322 Use of Equipment is hereby added as follows:

322 Use of equipment. Except as otherwise provided in this section, no person shall use, operate, or cause to be operated, in, upon or adjoining any hazardous fire area any internal combustion engine which uses hydrocarbon fuels, unless the engine is equipped with a spark arrester as defined in Section 321.1 maintained in effective working order, or the engine is constructed, equipped and maintained for the prevention of fire.

Exception:

1. Engines used to provide motor power for trucks, truck tractors, buses, and passenger vehicles, except motorcycles, are not subject to this section if the exhaust system is equipped with a muffler as defined in the Vehicle Code of the State of California.
2. Turbocharged engines are not subject to this section if all exhausted gases pass through the rotating turbine wheel, there is no exhaust bypass to the atmosphere, and the turbocharger is in good mechanical condition

F. Section 322.1 Spark Arrestors is hereby added as follows:

322.1 Spark arrestors. Spark arrestors shall comply with the following:

1. A spark arrester is a device constructed of nonflammable material specifically for the purpose of removing and retaining carbon and other flammable particles over 0.0232 of an inch (0.58 mm) in size from the exhaust flow of an internal combustion engine that uses hydrocarbon fuels or which is qualified and rated by the United States Forest Service.
2. Spark arresters affixed to the exhaust system of engines or vehicles subject to Section 321 shall not be placed or mounted in such a manner as to allow flames or heat from the exhaust system to ignite any flammable material.

G. Section 323 Restricted Entry is hereby added as follows:

323 Restricted Entry. The fire chief shall determine and publicly announce when hazardous fire areas shall be closed to entry and when such areas shall again be

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opened to entry. Entry on and occupation of hazardous fire areas, except public roadways, inhabited areas or established trails and camp sites which have not been closed during such time when the hazardous fire area is closed to entry, is prohibited.

Exception:

1. Residents and owners of private property within hazardous fire areas and their invitees and guests going to or being upon their lands.
2. Entry, in the course of duty, by peace or police officers, and other duly authorized public officers, members of a fire department and members of the United States Forest Service.

H. Section 324 Trespassing on posted property is hereby added as follows:

324 Trespassing on posted property. When the fire chief determines that a specific area within a hazardous fire area presents an exceptional and continuing fire danger because of the density of natural growth, difficulty of terrain, proximity to structures or accessibility to the public, such areas shall be closed until changed conditions warrant termination of closure. Such areas shall be posted as hereinafter provided.

1. Signs. Approved signs prohibiting entry by unauthorized persons and referring to applicable fire code chapters shall be placed on every closed area.
2. Trespassing. Entering and remaining within areas closed and posted is prohibited.

Exception: Owners and occupiers of private or public property within closed and posted areas, their guests or invitees, and local, state and federal public officers and their authorized agents acting in the course of duty.

I. Section 325 Sky Lanterns or similar devices is hereby added as follows:

325 Sky Lanterns or similar devices. The ignition and/or launching of a Sky Lantern or similar device is prohibited.

Exception: Upon approval of the fire code official, sky lanterns may be used as necessary for religious or cultural ceremonies providing that adequate safeguards have been taken as approved by the fire code official. Sky Lanterns must be tethered in a safe manner to prevent them from leaving the area and must be constantly attended until extinguished.

J. Section 326 Outdoor fires is hereby added as follows:

326 Outdoor fires. Outdoor fires shall not be built, ignited or maintained in or upon hazardous fire areas, except by permit from the fire code official.

Exception: Outdoor fires within habited premises or designated campsites where such fires are built in a permanent barbecue, portable barbecue, outdoor fireplace, incinerator or grill and are a minimum of 30 feet (9144 mm) from a grass, grain, brush, or forest-covered area. Permanent barbecues, portable barbecues, outdoor fireplaces or grills shall not be used for the disposal of rubbish, trash or combustible waste material.

8.36.050 Emergency Planning and Preparedness

Chapter 4: Emergency Planning and Preparedness Adopt only the Sections listed below:

1. 401
2. 401.3.4
3. 401.9
4. 402
5. 403
6. 404.6 - 404.76
7. 407
8. 408.3.1 – 408.3.2
9. 408.12 – 408.12.3

8.36.060 Fire Service Feature

Chapter 5 Fire Service Features is adopted in its entirety with the following amendments:

A. The following definitions of Section 502.1 of the California Fire Code are hereby amended to read as follows:

FIRE APPARATUS ACCESS ROAD. A road that provides fire apparatus access from a fire station to a facility, building or portion thereof. This is a general term inclusive of all other terms such as public street, private street, parking lot lane and access roadway.

FIRE LANE. A road or other passageway developed to allow the passage of fire apparatus. A fire lane is not necessarily intended for vehicular traffic other than fire apparatus. A fire lane shall be distinguished from a fire apparatus access road in that a fire lane shall be the road or passage that is located directly adjacent to the exterior walls and main entrance of the building.

B. Section 503.1 of the California Fire Code is hereby amended to read as follows:

503.1 Where required. Fire apparatus access roads shall be provided and maintained in accordance with Section 503.1.1 through 503.1.3. The fire chief or his/her designee shall be the only authority authorized to designate fire lanes.

C. Section 503.1.1 of the California Fire Code is hereby amended to read as follows:

503.1.1 Exception. Remove item #3 from the Exception clause.

D. Section 503.1.4 of the California Fire Code is hereby added to read as follows:

503.1.4 Other obstructions to access. When other obstructions are installed that cause the distances from an approved fire department access road or exceed the maximum distance allowed in Section 503, the fire chief or his/her designee is authorized to require additional fire protection as specified in Section 901.4.3.

E. Section 503.2.1 of the California Fire Code is hereby amended to read as follows:

503.2.1 Fire Lane Dimensions. Fire lanes shall have an unobstructed width of not less than 24 feet when the height of a building does not exceed 35 feet. Buildings with heights in excess of 35 feet will require an unobstructed fire lane to be at least 30 feet in width. All roof height dimensions shall be measured on a vertical plane from the lowest level of vehicular access to the highest point of the roofs edge, or to the top of the parapet, whichever is higher.

F. Section 503.2.2 of the California Fire Code is hereby amended to read as follows:

503.2.2 Authority. The fire code official shall have the authority to modify the minimum fire lane access widths where they are inadequate for fire or rescue operations, or otherwise modify the conditions when the minimum fire lane access widths are not practical. The fire code official is authorized to approve alternate, methods, and materials as means of mitigating practical difficulties and require additional fire protection where applicable as specified in Section 901.4.4.

G. Section 503.2.7 of the California Fire Code is hereby amended to read as follows:

503.2.7 Grade. The grade of the fire apparatus access road shall be within the limits established by the fire chief or his/her designee based on the fire department's apparatus, however, no grade will exceed twelve (12) percent. Grade transitions shall not exceed Moreno Valley Fire Department apparatus maximum approach and departure angles as determined by the fire chief or his/her designee.

H. Section 503.3 of the California Fire Code is hereby amended to add the following information at the end of the first paragraph:

503.3 Marking Fire apparatus access lanes and roads shall be identified by curbs painted red on both the top and face along the entire length of the fire apparatus access road. Where no curb exists or a rolled curb is installed, a six (6) inch wide red strip or approved posted signs applied the full length of the fire apparatus access road shall be installed.

Exception: On school grounds to be implemented as approved by the fire chief or his/her designee.

I. Section 505.1 Address Identification is amended to read as follows:

505.1 Address identification. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Where required by the fire code official, address numbers shall be provided in additional approved locations to facilitate emergency response. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall be a minimum of 4 inches (101.6 mm) high with a minimum stroke width of 0.5 inch (12.7 mm) for R-3 occupancies, for all other occupancies the numbers shall be a minimum of 6 inches high with a minimum stroke width of 1 inch. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address numbers shall be maintained.

J. Section 507.1 of the California Fire Code is hereby amended to add the following information at the end of the first paragraph:

507.1 Required water supply An approved permanent water supply capable of supplying the required fire flow for fire protection, shall be provided by the developer prior to the commencement of construction to all premises upon which buildings or portion of buildings are hereafter constructed or moved into or within the jurisdiction. Water supplies for fire protection and hydrants shall be in accordance with Appendix B and C.

K. Section 507.2.1 of the California Fire Code is hereby amended to read as follows:

507.2.1 Private fire service mains. Private fire service mains and appurtenances shall be installed in accordance with NFPA 24, and the applicable provisions of NFPA 13, Chapter 10.

L. Section 507.5.7 is hereby added to the California Fire Code:

507.5.7 Fire hydrant size and outlets. Fire hydrant size and outlets shall be required as determined by the fire code official

1. Residential Standard – one (1) four (4) inch outlet, and one (1) two and one half (2 ½) inch outlet.

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2. Super Hydrant Standard – one (1) four (4) inch outlet, and two (2) two and one half (2 ½) inch outlet.
3. Super Hydrant Enhanced - two (2) four (4) inch outlet, and one (1) two and one half (2 ½) inch outlet.

M. Section 508.1 of the California Fire Code is hereby amended to read as follows:

508.1 General. Where required by other sections of this code and in all buildings classified as high-rise buildings by the California Building Code, buildings greater than 300,000 square feet in area, and Group I-2 occupancies having occupied floors located more than 75 feet above the lowest level of fire department vehicle access, a fire command center for fire department operations shall be provided and shall comply with Sections 508.1. through 508.1.5.

N. Section 508.1.1 of the California Fire Code is hereby amended to read as follows:

508.1.1 Location and access The fire command center shall be located adjacent to the main lobby and shall be accessible from fire department vehicular access or as approved by the fire code official. The room shall have direct access from the building exterior at the lowest level of fire department access

O. Section 508.1.2 of the California Fire Code is hereby amended to read as follows:

508.1.2 Separation The fire command center shall be separated from the remainder of the building by not less than a two (2) hour fire barrier constructed and in accordance with Section 707 of the California Building Code, or horizontal assembly constructed in accordance with section 712 of the California Building Code, or both.

P. Section 508.1.3 of the California Fire Code is hereby amended to read as follows:

508.1.3 Size The fire command center shall be a minimum of 200 square feet (19m²) in area with a minimum dimension of 10 feet (3048 mm)

Exception:

When solely required due to building area greater than 300,000 square feet, the fire command center shall be a minimum of 96 square feet (9 m²) with a minimum dimension of 8 feet (2438 mm)

Q. Section 508.1.5 of the California Fire Code is hereby amended to read as follows:

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508.1.5 Required features. The fire command center shall comply with NFPA 72 and shall contain the following features:

Exception:

When solely required due to building area greater than 300,000 square feet, the fire command center shall comply with NFPA 72 and contain features 3, 5, 8, 10, 12, 13 & 14. All other features shall be provided only when the building contains the respective system.

R. Section 508.1.6 is hereby added to the California Fire Code:

508.1.6 Fire command center identification. The fire command center shall be identified by permanent easily visible sign stating "Fire Dept. Command Center", located on the door to the fire command center.

S. Section 510.1 Emergency responder radio coverage is hereby amended as follows:

510.1 Emergency responder radio coverage in new buildings. All new buildings shall have approved radio coverage for emergency responders within the building based upon the existing coverage levels of the public safety communication systems of the jurisdiction at the exterior of the building. This section shall not require improvement of the existing public safety communication systems. The Emergency responder radio coverage system shall comply with one of the following:

1. An emergency radio system installed in accordance with the local authority having jurisdiction's ordinance.
2. An emergency radio coverage system installed in accordance with Riverside County Fire Department's Emergency Responder Digital Radio Guideline.

Exceptions:

1. Where it is determined by the fire code official that the radio coverage system is not needed.
2. In facilities where emergency responder radio coverage is required and such systems, components or equipment could have a negative impact on normal operations of the facility, the fire code official shall have the authority to accept an automatically activated emergency responder radio coverage system.

Sections 510.2; 510.3; 510.4; 510.5; 510.6 are hereby deleted without replacement:

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8.36.070 Building Services and Systems

Chapter 6 Building Services and Systems is adopted in its entirety with the following amendments

A. Section 606.10.1.2 Manual Operation is hereby amended to read as follows:

606.10.2 Manual operation. When required by the fire code official, automatic crossover valves shall be capable of manual operation. The manual valves shall be located in an approved location immediately outside of the machinery room, in a secure metal box or equivalent and marked as Emergency Controls.

B. Section 609.2 of the California Fire Code is hereby amended to read as follows:

609.2 Where required A Type 1 hood shall be installed at or above all commercial cooking appliances and domestic cooking appliances used for commercial purposed that produce grease laden vapors.

Exception: Fire stations where the use of the commercial appliance is by station personnel and not for the intention of a commercial cooking facility as defined by the California Mechanical Code.

8.36.080 Fire-Resistance-Rated Construction

Chapter 7 Fire-Resistance-Rated Construction is hereby adopted in its entirety without amendments.

8.36.090 Interior Finish, Decorative Materials and Furnishings

Chapter 8 Interior Finish, Decorative Materials and Furnishings is hereby adopted in its entirety without amendments.

8.36.100 Fire Protection Systems

Chapter 9 Fire Protection Systems is adopted in its entirety with the following amendments

A. Section 901.3.1 is hereby added to the California Fire Code:

901.3.1 Modifications. No person shall remove or modify any fire protection system installed or maintained under the provisions of the California Fire Code without approval by the fire marshal and the building official.

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B. Section 901.6 of the California Fire Code is hereby amended to read as follows:

901.6 Inspection, testing and maintenance. Fire detection, alarm and extinguishing systems shall be maintained in an operative condition at all times, and shall be replaced or repaired where defective. It shall be the responsibility of the owner to ensure that these requirements are met. Non required fire protection systems and equipment shall be inspected, tested and maintained or removed. Prior to the removal of any fire protection system approval shall be obtained from the fire marshal or building official.

C. Section 903.2.11.1.1 of the California Fire Code is hereby amended to read as follows:

903.2.11.1.1 Opening dimension and access. Openings shall have a minimum dimension of not less than 36 inches (762 mm). Such openings shall be accessible to the fire department from the exterior and shall not be obstructed in a manner that the fire fighter or rescue cannot be accomplished from the exterior.

D. Section 903.2 of the California Fire Code is hereby amended as follows:

903.2 Where required. Approved automatic sprinkler systems in buildings and structures shall be provided when one of the following conditions exists

1. New buildings: Notwithstanding any applicable provisions of Sections 903.2.1 through 903.2.12, an automatic fire-extinguishing system shall also be installed in all occupancies when the total building area exceeds 3,600 square feet (465 m²) as defined in Section 202, regardless of fire areas or allowable area. Where the California Fire Code is requiring more restrictive requirements in Sections 903.2.1, 903.2.1.1, 903.2.1.2, 903.2.1.3, 903.2.1.4, 903.2.1.5, 903.2.2, 903.2.3, 903.2.4, 903.2.5, 903.2.5.2, 903.2.6, 903.2.7, 903.2.8, 903.2.9, 903.2.10, 903.2.11.6, 903.2.16, 903.2.18, the more restrictive requirement shall take precedence.

Exception: Group R-3 occupancies. Group R-3 occupancies shall comply with Section 903.2.8.

2. Existing Buildings: Notwithstanding any applicable provisions of this code, an automatic sprinkler system shall be provided in an existing building when an addition occurs and when one of the following conditions exists:

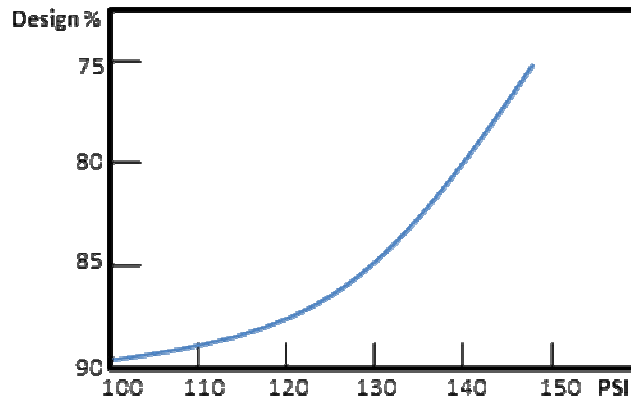
- a. When an addition is 33% or more of the existing building area, and the resulting building area exceeds 3,600 square feet (465 m²) as defined in Section 202; or
- b. When an addition exceeds 1500 square feet (186 m²) and the resulting building area exceeds 3,600 square feet (465 m²) as defined in Section 202.

E. Section 903.3.5.3 of the California Fire Code is hereby amended to read as follows:

903.3.5.3 Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity.

Exception: When static pressure exceeds 100 psi, and required by the Fire Code Official, the fire sprinkler system shall not exceed water supply capacity specified by Table 903.3.5.3

**TABLE 903.3.5.3
Hydraulically Calculated Systems**



F. Section 903.4 of the California Fire Code is hereby amended to read as follows:

903.4 Sprinkler system supervision and alarms. All valves controlling the water supply for automatic sprinkler systems, fire pumps, booster pumps, water supply tanks, water levels and temperatures, critical air pressures, and water-flow switches on all sprinkler systems shall be electrically supervised in accordance with NFPA 72, regardless of the number of sprinklers in 13 and 13R systems.

Exception:

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1. Automatic sprinkler systems protecting one- and two-family dwellings.
2. Limited area systems serving fewer than 20 sprinklers.
3. Jockey pump control valves that are sealed or locked in the open position.
4. Valves controlling the fuel supply to fire pump engines that are sealed or locked in the open position.
5. Trim valves to pressure switches in dry, preaction and deluge sprinkler systems that are sealed or locked in the open position.

F. Section 907.3.1 of the California Fire Code is hereby amended as follows:

907.3.1 Duct smoke detectors. Smoke detectors installed in ducts shall be listed for the air velocity, temperature and humidity present in the duct. Duct smoke detectors shall be connected to the building's fire alarm control unit when a fire alarm system is installed. Activation of a duct smoke detector shall initiate a visible and audible supervisory signal at a constantly attended location and shall perform the intended fire safety function in accordance with this code and the California Mechanical Code. Duct smoke detectors shall not be used as a substitute for required open area detection.

Exception:

1. In occupancies not required to be equipped with a fire alarm system, actuation of a smoke detector shall activate a visible and an audible signal in an approved location. Smoke detector trouble conditions shall activate a visible or audible signal in an approved location and shall be identified as air duct detector trouble.

G. Section 912.2.1 of the California Fire Code is hereby amended to read as follows:

912.2.1 Visible locations. Fire department connections shall be located on the front access side of buildings, fully visible and recognizable from the street or nearest point of fire department vehicle access or as otherwise approved by the fire chief or his/her designee. The location of fire department connections shall be approved and installed as follows:

1. Within 40 feet of an approved roadway or driveway and arranged so that hose lines can be readily attached to the inlets without interference from any nearby objects including buildings, fences, posts, plantings, or other fire department connections or otherwise approved by the fire chief or his/her designee.

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2. Within 50 feet of an approved hydrant.
3. So that the inlet height shall not be less than 18 inches or more than 48 inches above grade.
4. Guard posts or other approved means shall be required to protect fire department inlet connections from vehicular damage.

L. Section 914.5 of the California Fire Code is hereby amended to read as follows:

914.5 Underground and windowless buildings. Underground buildings shall comply with sections 914.5.1 through 914.5.5 and windowless buildings with a total floor area that exceeds 5000 square feet shall comply with Section 914.5.2 through 914.5.5.

Exception: This section shall not apply to one and two-family residential dwellings.

8.36.110 Means of Egress

Chapter 10 Means of Egress is adopted in its entirety without amendments

8.36.120 Construction Requirements for Existing Buildings

Chapter 11 Construction Requirements for Existing Buildings Adopt only those Sections and Subsections listed below:

1. 1103.7
2. 1103.7.3
3. 1103.7.3.1
4. 11.3.7.8 – 1103.7.8.2
5. 1103.7.9 – 1103.7.9.10
6. 1103.8 – 1103.8.5.3
7. 1106

8.36.130 Aviation Facilities

Chapter 20 Aviation Facilities is adopted in its entirety without amendments

8.36.140 Dry Cleaning

Chapter 21 Dry Cleaning is adopted in its entirety without amendments.

8.36.150 Combustible Dust –Producing Operations

Chapter 22 Combustible Dust-Producing Operations is adopted in its entirety without amendments.

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8.36.160 Motor Fuel-Dispensing Facilities and Repair Garages

Chapter 23 Motor Fuel-Dispensing Facilities and Repair Garages is adopted in its entirety without amendments.

8.36.170 Flammable Finishes

Chapter 24 Flammable Finishes is adopted in its entirety without amendments.

8.36.180 Fruit and Crop Ripening

Chapter 25 Fruit and Crop Ripening is adopted in its entirety without amendments.

8.36.190 Fumigation and Insecticidal Fogging

Chapter 26 Fumigation and Insecticidal Fogging is adopted in its entirety without amendments.

8.36.200 Semiconductor Fabrication Facilities

Chapter 27 Semiconductor Fabrication Facilities is adopted in its entirety without amendments

8.36.210 Lumber Yards and Woodworking Facilities

Chapter 28 Lumber Yards and Woodworking Facilities is adopted in its entirety without amendments:

8.36.220 Manufacture of Organic Coatings

Chapter 29 Manufacture of Organic Coatings is adopted in its entirety without amendments.

8.36.230 Industrial Ovens

Chapter 30 Industrial Ovens is adopted in its entirety without amendments.

8.36.240 Tents, and Other Membrane Structures

Chapter 31 Tents and Other Membrane Structures is adopted in its entirety without amendments.

8.36.250 High –Piled Combustible Storage

Chapter 32 High-Piled Combustible Storage is adopted in its entirety without amendments.

8.36.260 Fire Safety During Construction and Demolition

Chapter 33 Fire Safety During Construction and Demolition is adopted in its entirety without amendments.

8.36.270 Tire Rebuilding & Tire Storage

Chapter 34 Tire Rebuilding & Tire Storage is adopted in its entirety without amendments.

8.36.280 Welding and Other Hot Work

Chapter 35 Welding and Other Hot Work is adopted in its entirety without amendments.

8.36.290 Marinas

Chapter 36 Marinas is adopted in its entirety without amendments.

8.36.300 Motion Picture and Television Production Studio Sound Stages, Approved Production Facilities, and Production Locations

Chapter 48 Motion Picture and Television Production Studio Sound Stages, Approved Production Facilities, and Production Locations is adopted in its entirety without amendments.

8.36.310 Requirements for Wildland-Urban Interface Fire Areas

Chapter 49 Requirements for Wildland-Urban Interface Fire Areas is adopted in its entirety with the following amendments:

A. **Section 4906.3 Vegetation** is hereby revised by adding Section “(5)” as follows:

(5) MVFD Vegetation Management Guideline.

B. **Section 4908 Fuel Modification Requirements for New Construction** is hereby added as follows:

4908 Fuel Modification Requirements for New Construction. All new buildings to be built or installed in hazardous fire areas shall comply with the following:

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1. Preliminary fuel modification plans shall be submitted to and approved by the fire code official concurrent with the submittal for approval of any tentative map.
2. Final fuel modification plans shall be submitted to and approved by the fire code official prior to the issuance of a grading permit.
3. The fuel modification plans shall meet the criteria set forth in the Fuel Modification Section of the Moreno Valley Fire Department Vegetation Management Guidelines.
4. The fuel modification plan may be altered if conditions change. Any alterations to the fuel modification areas shall have prior approved by the fire code official.
5. All elements of the fuel modification plan shall be maintained in accordance with the approved plan and are subject to the enforcement process outlined in the Fire Code.

8.36.320 Hazardous Materials – General Provisions

Chapter 50 Hazardous Materials – General Provisions is adopted in it's entirely with the following amendments.

8.36.330 Aerosols

Chapter 51 Aerosols is adopted in its entirety without amendments.

8.36.340 Combustible Fibers

Chapter 52 Combustible Fibers is adopted in its entirety without amendments.

8.36.350 Compressed Gases

Chapter 53 Compressed Gases is adopted in its entirety without amendments.

8.36.360 Corrosive Materials

Chapter 54 Corrosive Materials is adopted in its entirety without amendments.

8.36.370 Cryogenic Fluids

Chapter 55 Cryogenic Fluids is adopted in its entirety without amendments.

8.36.380 Explosives and Fireworks

Chapter 56 Explosives and Fireworks. California Fire Code Chapter 33 is adopted in its entirety with the following amendments.

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A. **Section 5601.2 Retail Fireworks** is hereby added as follows:

5601.2 Retail Fireworks. The storage, use, sale, possession, and handling of fireworks 1.4G (commonly referred to as Safe & Sane) and fireworks 1.3G is prohibited.

Exception – Fireworks 1.4G and fireworks 1.3G may be part of an electrically fired public display when permitted and conducted by a licensed pyrotechnic operator

B. **Section 5601.3 Seizure of Fireworks** is hereby added as follows:

5601.3 Seizure of Fireworks. The fire chief shall have the authority to seize, take, remove all fireworks stored, sold, offered for sale, used or handled in violation of the provisions of Title 19 CCR, Chapter 6. Any seizure or removal pursuant to this section shall be in compliance with all applicable statutory, constitutional, and decisional law.

C. **Section 5608.1 General** is hereby amended as follows:

5608.1 GENERAL. Outdoor fireworks displays, use of pyrotechnics before proximity audience and pyrotechnic special effects in theatrical, and group entertainment productions, shall comply with California Code of Regulations, Title 19 , Division 1, Chapter 6 – Fireworks, the Moreno Valley Fire Department Guideline for Public Fireworks Displays, and with the conditions of the permit as approved by the fire code official.

D. **Section 5609 Explosives and Blasting** is hereby added as follows:

5609 Explosives and Blasting. Explosives shall not be possessed, kept, stored, sold, offered for sale, given away, used, discharged, transported or disposed of within wildland-urban interface areas, or hazardous fire areas except by permit from the fire code official.

8.36.390 Flammable and Combustible Liquids

Chapter 57 Flammable and Combustible Liquids is adopted in its entirety without amendments.

8.36.400 Flammable Gases and Flammable Cryogenic Fluids

Chapter 58 Flammable Gases and Flammable Cryogenic Fluids is adopted in its entirety without amendments.

8.36.410 Flammable Solids

Chapter 59 Flammable Solids is adopted in its entirety without amendments.

8.36.420 Highly Toxic and Toxic Materials

Chapter 60 Highly Toxic and Toxic Materials is adopted in its entirety without amendments.

8.36.430 Liquefied Petroleum Gases

Chapter 61 Liquefied Petroleum Gases is adopted in its entirety without amendments.

8.36.440 Organic Peroxides

Chapter 62 Organic Peroxides is adopted in its entirety without amendments.

8.36.450 Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids

Chapter 63 Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids is adopted in its entirety without amendments.

8.36.460 Pyrophoric Materials

Chapter 64 Pyrophoric Materials is adopted in its entirety without amendments.

8.36.470 Pyroxylin (Cellulose Nitrate) Plastics

Chapter 65 Pyroxylin (Cellulose Nitrate) Plastics is adopted in its entirety without amendments.

8.36.480 Unstable (Reactive) Materials

Chapter 66 Unstable (Reactive) Materials is adopted in its entirety without amendments.

8.36.490 Water-Reactive Solids and Liquids

Chapter 67 Water-Reactive Solids and Liquids is adopted in its entirety without amendments.

8.36.500 Referenced Standards

Chapter 80 Referenced Standards is adopted in its entirety without the amendments:

8.36.510 Appendices

Appendix 4, A, B, BB, C, CC, E, F, G, H are adopted in their entirety without amendment.

8.36.520 Designation of Fire Code

The provisions of this Chapter, together with the provisions of Chapter 8.38 of this Title may be known collectively as “The Fire Code of the City of Moreno Valley”.

SECTION 6. SEVERABILITY

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the meaning portions of this chapter or any part thereof. The city council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsection, subdivision, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 7. 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 8. EFFECTIVE DATE:

This ordinance shall take effect on January 9, 2014.

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APPROVED AND ADOPTED this 10th day of December, 2013.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

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Ordinance No. 871
Date Adopted: December 10, 2013

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. 871 had its first reading on November 12, 2013 and had its second reading on December 10, 2013, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 10th day of December, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk, CMC

AGENDA DATE: December 10, 2013

TITLE: APPOINTMENTS TO THE ACCESSIBILITY APPEALS BOARD, ARTS COMMISSION, LIBRARY COMMISSION AND SENIOR CITIZENS' BOARD

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Review the ballots for appointments to various City Council Boards and Commissions (to be provided by the City Clerk) and mark your choices where appropriate.
2. Appoint those applicants who received majority vote by the City Council:

Appoint (1) applicant to the Accessibility Appeals Board for a Public Representative with a term expiring June 30, 2015.
3. Appoint (1) applicant to the Arts Commission with a term expiring June 30, 2015.
4. Appoint (1) applicant to the Library Commission with a term expiring June 30, 2016 and (2) applicants with terms expiring June 30, 2015.
5. Appoint (3) applicants to the Senior Citizens' Board with three terms expiring June 30, 2016, one (1) applicant with a term expiring June 30, 2015 and two (2) applicants with terms expiring June 30, 2014.
6. 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.

SUMMARY

Applications were accepted by the City Clerk's Office to fill vacancies for the various City Council Boards and Commissions, with certain terms originally expiring June 30, 2013. Members with expiring terms were notified and advised of the need to submit a new application to be considered for reappointment. Appropriate time frames with respect to posting notices of vacancies were followed.

At the June 25, 2013, the City Council continued appointments to the Senior Citizens' Board to the August 27, 2013 City Council meeting and extended June 30, 2013 expiring terms to August 31, 2013. At the September 10, 2013 City Council meeting, the City Council rarified extending the expiring August 31, 2013 terms of the current City Council Advisory Board and Commission members to October 31, 2013. At the October 22, 2013 Council meeting, the City Council extended the expiring terms of the current Senior Citizens' Board members to December 10, 2013 and continued the appointments to the December 10, 2013 meeting to allow additional time for recruitment.

As provided in the City's Municipal Code, the appointees will serve without compensation for designated terms.

Per the Council-adopted policy, prospective applicants are required to attend at least one meeting of their desired board or commission prior to appointment. Maria D. Davis, an applicant to the Senior Citizens' Board, was not able to attend any of the meetings.

The Accessibility Appeals Board has one vacant position for a Public Representative with a term expiring June 30, 2015. The City Clerk's Office received one application for this position from Calvin J. Belcher.

The Arts Commission has one vacant position with a term expiring June 30, 2015. The City Clerk's Office received six applications for this position. The applications were submitted by Christopher Baca, Linda Hayes, Stephen "Steve" Heulton, Clarence Robert Hogan, Jenny Janecek, and Saifure R. Osmani.

The Library Commission has one vacant position with a term expiring June 30, 2016 and two terms with terms expiring June 30, 2015. The City Clerk's Office received two applications from Elena Santa Cruz and Margie Yumul.

The Senior Citizens' Board has three terms expiring June 30, 2016, one term expiring June 30, 2015 and two terms expiring June 30, 2014. The City Clerk's Office received seven applications for these openings: from Sara W. Anderson (incumbent), Miguel Arciniega, Maria D. Davis, Vonzetta Fielding (incumbent), Linda D. Moore, Robert Palomarez and Delanna Townsend (incumbent).

ALTERNATIVES

Members of the Council appointed boards and commissions serve in an advisory capacity to the City Council. Choosing not to appoint members to the above-mentioned boards and commissions would result in decreased participation from residents. This option is not consistent with the City Council goal of creating a positive environment for the development of Moreno Valley's future. Therefore, staff recommends that the City Council make the recommended appointments

NOTIFICATION

1. Posting of Notices of Openings
2. Publication of the agenda
3. Report and agenda mailed to applicants

ATTACHMENTS

None

Prepared By:
Ewa Lopez
Deputy City Clerk, CMC

Department Head Approval:
Jane Halstead
City Clerk, CMC

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APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Jane Halstead, City Clerk CMC

AGENDA DATE: December 10, 2013

TITLE: City Council Reorganization – Selection of Mayor and Mayor Pro Tem

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Staff recommends that the City Council conduct the reorganization of the City Council by selecting two Council Members to serve one-year terms respectively as Mayor and Mayor Pro Tem.

SUMMARY

The City Council's Rules of Procedure provide that the City Council meet annually at its first regular meeting in December of each year to choose one of its number as Mayor and another of its number as Mayor Pro Tem. Said Rules of Procedure also provide that the new Mayor and Mayor Pro Tem shall be installed and sworn in during a special ceremonial meeting on the first Tuesday of January (January 7, 2014) and shall assume their offices at the regular City Council meeting on the second Tuesday of January (January 28, 2014).

DISCUSSION

Section 4.2.3 of the Rules of Procedure provides that nominations for the office of Mayor and Mayor Pro Tem may be made by any member of the City Council and need not be seconded in order to be effective. Each selection shall be by three or more affirmative votes. In the event that no person receives three or more votes in the selection process for one or both offices, the selection process shall be repeated immediately; provided, however, that the two persons receiving the highest number of

votes in the preceding selection process shall be the only nominees for the office to be filled. If, upon repeating the selection process for Mayor or Mayor Pro Tem, no person has yet received three affirmative votes for such office, the City Council may either repeat the selection process until the officer has been duly selected or may continue the selection to the next regular meeting of the City Council.

Voting in the selection of Mayor and Mayor Pro Tem shall be by written ballot unless the City Council, by three or more affirmative votes, determines to conduct the selection process by voice vote. If conducted by written ballot, the vote of each Council Member shall remain undisclosed until all votes have been cast and have been lodged with the City Clerk. The City Clerk shall then read aloud into the minutes of the City Council the identity of the voting Councilmember and the name of the person for whom such person is voting. The written ballots shall be public documents and shall be retained in the records of the City Council. The Standard Code of Parliamentary Procedure shall apply to resolve any question of procedure arising during the selection process, which is not governed by Section 4.2 of the City Council Rules of Procedure.

The new Mayor and Mayor Pro Tem shall serve until the next meeting scheduled for selection of Mayor and Mayor Pro Tem in December 2014.

ALTERNATIVES

1. Conduct the reorganization of the City Council by selecting a new Mayor and Mayor Pro Tem.
2. Continue the selection to the next regular meeting of the City Council if upon repeating the selection process, no person receives three affirmative votes for either Mayor or Mayor Pro Tem.

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

NOTIFICATION

Publication of agenda

Prepared By:
Jane Halstead, City Clerk, CMC

Department Head Approval:
Jane Halstead, City Clerk, CMC



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 10, 2013

TITLE: FISCAL YEAR 2012/13 YEAR-END BUDGET REVIEW AND
FISCAL YEAR 2013/14 FIRST QUARTER BUDGET REVIEW

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Receive and file the Fiscal Year 2012/13 year-end budget review
2. Receive and file the Fiscal Year 2013/14 first quarter budget review

DISCUSSION

The City Council approved a Two-Year Operating Budget on June 14, 2011 for the Fiscal Years (FY) 2011/12 and 2012/13. The Adopted Operating Budget was updated on June 12, 2012 for the FY 2012/13 and projected operating revenues and expenditures for the fiscal year. The budget included all component units of the City, including the General Fund, Community Services District and Successor Agency.

The original Two-Year Budget used the City Council-adopted Three-Year Deficit Elimination Plan (DEP) as the basis for the expenditure budgets for the two years. The DEP represented significant effort on the part of the City Council and staff to construct a reasonable balance of expenditure and service reductions to significantly reduce the deficit each year, while maintaining core City services. This was and is a significant challenge since the City had already experienced major reductions in staffing, expenditures and services during the previous three fiscal years.

On June 11, 2013, the City Council adopted the Two-Year Operating Budget for Fiscal Years (FY) 2013/14 – 2014/15. During the two-year budget period the City Council will

be apprised of the City's financial condition through the process of First Quarter and Mid-Year Budget Reviews. This ongoing process ensures a forum to look at expenditure and revenue deviations from the estimates made in the budget document. Additionally, any significant variances in projected revenue or unanticipated expenditures will be shared with the City Council should they occur.

The City Council is updated on the City's financial status through First Quarter, Mid-Year, and Year-End budget reviews which reflect operational results for each respective period. This budget review shall cover the year-end budget review for the fiscal year (FY) ended June 30, 2013 along with first quarter budget review for the FY 2013/14. The reviews will focus on the City's General Fund, which represents the greatest focus as Council and staff work to maintain a balanced General Fund. The reports also present operational results from other key funds such as Community Services District (CSD) and the Electric Utility.

FISCAL IMPACT

There is no fiscal impact. The budget review reports are provided for informational purposes only.

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.

NOTIFICATION

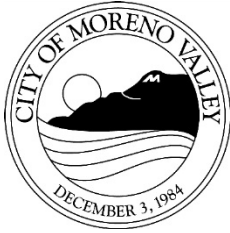
Publication of the agenda

ATTACHMENTS

Attachment 1: FY 2012/13 Year-End Budget Review
Attachment 2: FY 2013/14 First Quarter Budget Review

Prepared By:
Marshall Eyerman
Financial Resources Division Manager

Department Head Approval:
Richard Teichert
Chief Financial Officer



City of Moreno Valley Fiscal Year 2012/13 Year-End Financial Summary

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

DATE: December 10, 2013

INTRODUCTION

The City Council approved a Two-Year Operating Budget on June 14, 2011 for the Fiscal Years (FY) 2011/12 and 2012/13. The Adopted Operating Budget was updated on June 12, 2012 for the FY 2012/13 and projected operating revenues and expenditures for the fiscal year. The budget included all component units of the City, including the General Fund, Community Services District and Successor Agency.

The original Two-Year Budget used the City Council-adopted Three-Year Deficit Elimination Plan (DEP) as the basis for the expenditure budgets for the two years. The budgets included identified expense reductions and a few revenue increases with a goal of stabilizing the City's revenue and expense structure by FY 2013/14. Specific actions for balancing the General Fund budget were adopted by Council through the Deficit Elimination Plan on April 19, 2011. The DEP focused primarily on eliminating the deficit of \$14.2 million in the City's General Fund. The Adopted Operating Budget applied the actions approved in the first two years of the DEP against the base budget of FY 2010/11 to create a two-year operating budget for FY 2011/12 and FY 2012/13. The DEP planned to reduce the General Fund Deficit by \$6.1 million in FY 2011/12 and \$4.7 million in FY 2012/13.

The DEP represented significant effort on the part of the City Council and staff to construct a reasonable balance of expenditure and service reductions to significantly reduce the deficit each year, while maintaining core City services. This was and is a significant challenge since the City had already experienced major reductions in staffing, expenditures and services during the previous three fiscal years.

This report provides a review of the unaudited financial results for the recently completed FY 2012/13 Year-End (July 2012 – June 2013, 100% of the fiscal year).

CITYWIDE OPERATING EXPENDITURE SUMMARY

The following table contains a summary of the adopted budget, amended budget and the year-end expenditures. The totals represent each major fund type and component unit of the City.

Table 1. Citywide Operating Expenditures

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Fund/Component Unit				
General Fund	\$ 79,622,470	\$ 81,532,832	\$ 80,605,589	98.9%
Community Services District (CSD)	18,062,795	18,626,396	16,797,319	90.2%
Successor Agency	9,516,905	6,458,421	17,760,799	275.0%
Housing Fund	25,561	25,561	9,742	38.1%
Special Revenue Funds	32,957,772	36,056,793	27,547,976	76.4%
Capital Projects Funds	1,381,698	1,482,031	7,977,174	538.3%
Electric Utility Funds	17,246,683	18,111,683	17,443,706	96.3%
Internal Service Funds	14,149,722	15,745,302	11,297,378	71.8%
Debt Service Funds	5,967,970	5,792,970	5,681,896	98.1%
Total	\$ 178,931,576	\$ 183,831,989	\$ 185,121,579	100.7%

The City Council adopts the budget at a fund level. Throughout the fiscal year, amendments to the budget are presented to the City Council primarily during the mid-year budget adjustments and the approval of the prior fiscal year carry overs. Additionally, as grants or other funds are received during the fiscal year, actions may be taken by Council to approve both the expenditures and offsetting revenues.

The majority of this year-end update will focus on the General Fund, as it supports all basic services provided to City residents. Highlights for other key component funds will be discussed at a summary level as well.

GENERAL FUND OPERATING

Table 2. General Fund Operations

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 9,900,000	\$ 9,900,000	\$ 9,765,007	98.6%
Property Tax in-lieu	13,300,000	13,300,000	13,414,446	100.9%
Utility Users Tax	16,060,000	16,060,000	15,683,931	97.7%
Sales Tax	13,800,000	13,800,000	14,043,560	101.8%
Other Taxes	7,740,000	7,740,000	7,825,137	101.1%
Licenses & Permits	1,531,800	1,531,800	1,585,311	103.5%
Intergovernmental	235,000	241,000	260,691	108.2%
Charges for Services	7,299,160	7,299,160	8,258,732	113.1%
Use of Money & Property *	3,296,300	3,296,300	1,071,403	32.5%
Fines & Forfeitures	566,000	566,000	610,172	107.8%
Miscellaneous	153,550	153,550	485,160	316.0%
Total Revenues	\$ 73,881,810	\$ 73,887,810	\$ 73,003,548	98.8%
Expenditures:				
Personnel Services	14,104,173	14,350,402	14,499,174	101.0%
Contractual Services	55,626,376	56,614,214	54,186,661	95.7%
Material & Supplies	886,128	1,252,230	1,450,107	115.8%
Fixed Charges	6,447,496	6,512,229	8,099,428	124.4%
Fixed Assets	150,897	28,357	(0)	0.0%
Total Expenditures	77,215,070	78,757,432	78,235,369	99.3%
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(3,333,260)	(4,869,622)	(5,231,821)	
Transfers:				
Transfers In	557,513	588,392	588,370	100.0%
Transfers Out	2,407,400	2,775,400	2,370,220	85.4%
Net Transfers	(1,849,887)	(2,187,008)	(1,781,850)	
Total Revenues & Transfers In	74,439,323	74,476,202	73,591,918	98.8%
Total Expenditures & Transfers Out	79,622,470	81,532,832	80,605,589	98.9%
Net Change or Adopted Use of Fund Balance	\$ (5,183,147)	\$ (7,056,630)	\$ (7,013,671)	

* Actual amount adjusted to reflect unrealized gains/losses per GASB 31 guidelines.

General Fund Operating Revenues

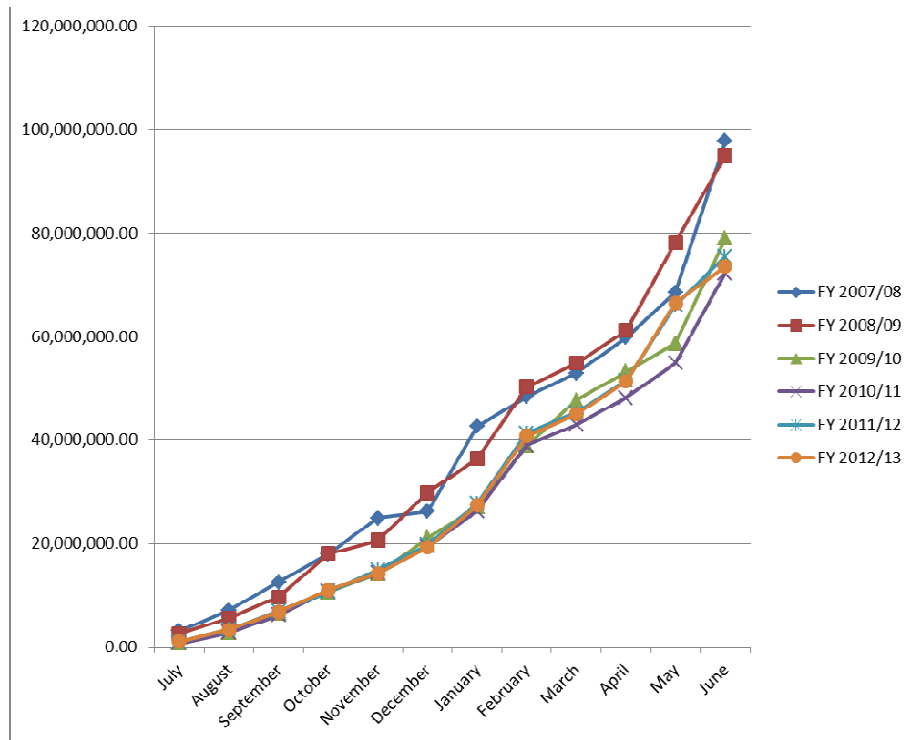
The General Fund is comprised of several revenue types. However, the main sources include property tax, utility users tax, and sales tax. Each of these are affected by different economic activity cycles and pressures.

Table 3. General Fund Revenues

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 9,900,000	\$ 9,900,000	\$ 9,765,007	98.6%
Property Tax in-lieu	13,300,000	13,300,000	13,414,446	100.9%
Utility Users Tax	16,060,000	16,060,000	15,683,931	97.7%
Sales Tax	13,800,000	13,800,000	14,043,560	101.8%
Other Taxes	7,740,000	7,740,000	7,825,137	101.1%
Licenses & Permits	1,531,800	1,531,800	1,585,311	103.5%
Intergovernmental	235,000	241,000	260,691	108.2%
Charges for Services	7,299,160	7,299,160	8,258,732	113.1%
Use of Money & Property	3,296,300	3,296,300	1,071,403	32.5%
Fines & Forfeitures	566,000	566,000	610,172	107.8%
Miscellaneous	153,550	153,550	485,160	316.0%
Total Revenues	\$ 73,881,810	\$ 73,887,810	\$ 73,003,548	98.8%

The following chart represents a graphical representation comparing total General Fund year-end revenue collections, over a six year period.

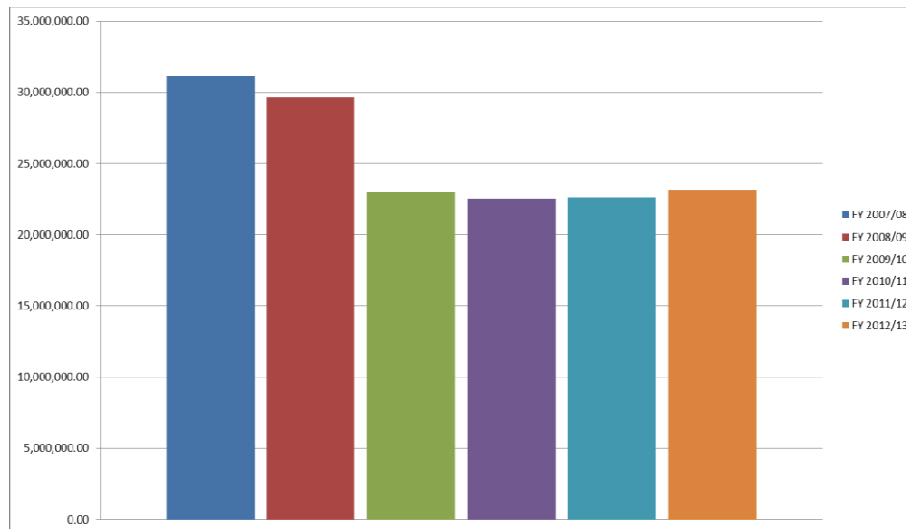
Chart 1. General Fund Revenue Trends



Property Taxes/Property Taxes In-Lieu

Property taxes were budgeted to increase by 1.75% from the FY 2011/12. Actual taxes came in within 0.1% of the budget amount. Property taxes will continue to be monitored in future fiscal years as assessment appeals may continue to be filed with the County.

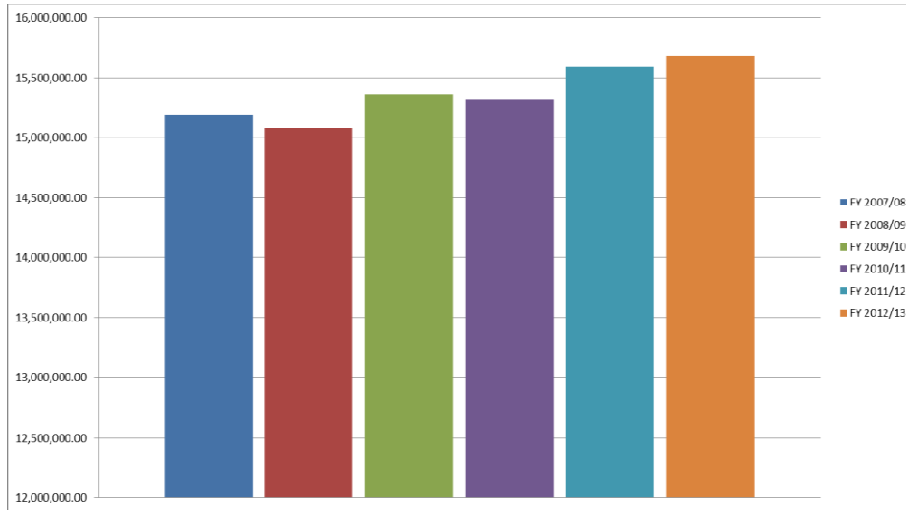
Chart 2. General Fund Revenue Trend – Property Taxes



Utility Users Tax

Utility Users taxes (UUT) were budgeted to increase 2.3% from FY 2011/12 to FY 2012/13. However, the UUT remained flat from the prior year, growing approximately only \$92,500 or only about 0.6%. This shortfall is primarily due to competitive forces within the communications markets. Both the wireless and wired markets experienced downturns year over year. For the wireless market this is the third consecutive year of decline. Based on our discussions with utility tax experts there are a couple of causes for this trend. First is competition and bundling practices within the market as more small players continue to join the market. Second is the migration of customers from contract plans to prepaid plans. Currently there is no method within the State to capture UUT related to prepaid wireless plans. There is currently legislation in Sacramento trying to address this and close that gap.

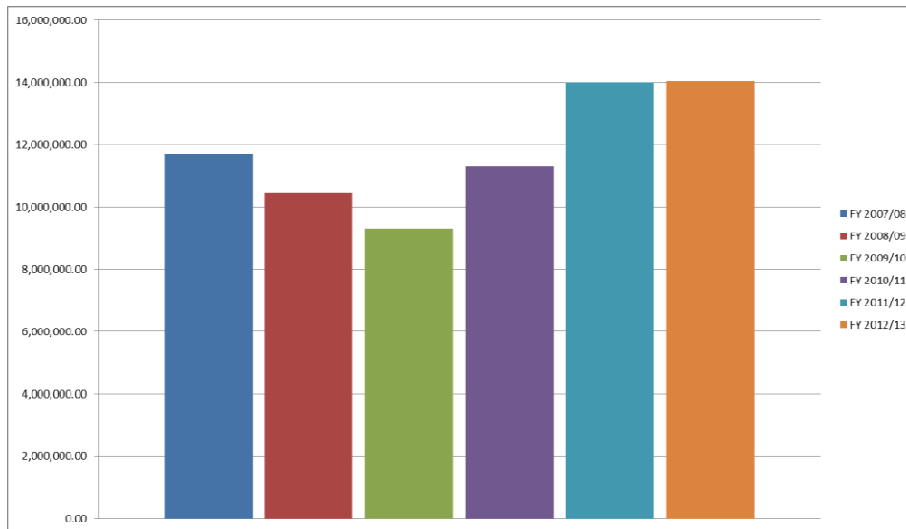
Chart 3. General Fund Revenue Trend – Utility Users Taxes



Sales Taxes

Sales taxes were anticipated to be relatively flat from FY 2011/12 to FY 2012/13. Based on a still recovering economy, sales taxes remained at \$14 million. Sales tax receipts will need to be continually monitored through the next year to determine if current trends will begin to plateau or begin to decrease.

Chart 4. General Fund Revenue Trend – Sales Taxes

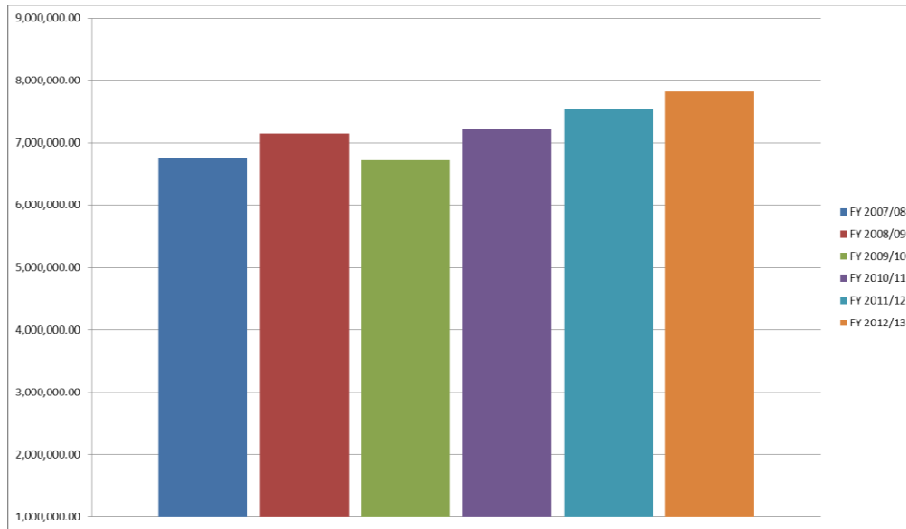


Other Taxes

Transient Occupancy Tax (TOT) and Business Taxes both exceeded budgets by approximately 15% due primarily to some areas of recovery in the economy and new businesses that began operating in the City. Documentary Transfer Tax fell below the budget by 25%, or \$120,000, due to lower than expected real estate sales within the City. Franchise Fees were below the budget by 1.4%, or \$73,000, due to the continued decline in natural gas prices. We are also

noticing a shift in activity between the cable providers and will need to monitor this in the future to see if subscribers transition from cable television services to satellite television services which are not subject to these fees. With the approval of MVU's new economic development utility rates, franchise fees paid should be monitored for potential impacts associated with these new rates.

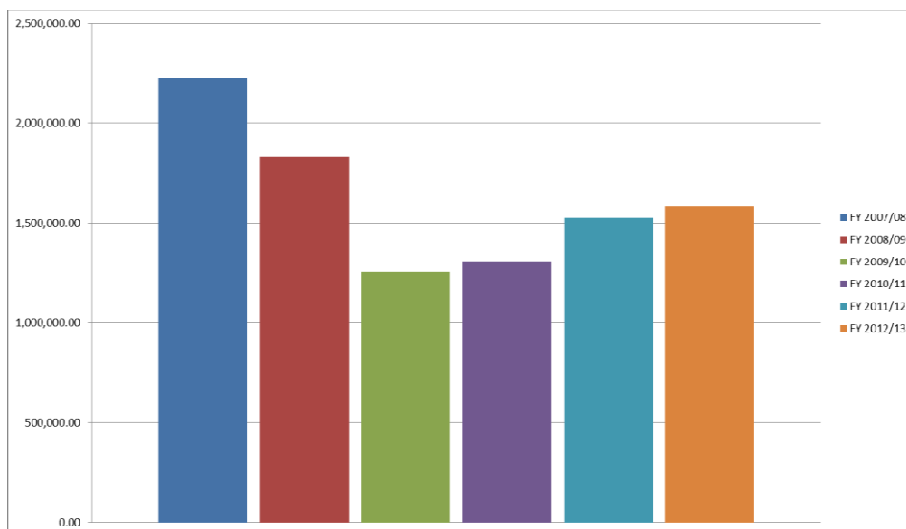
Chart 5. General Fund Revenue Trend – Other Taxes



Licenses & Permits

Licenses & Permits are primarily composed of Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits. Collectively, Licenses & Permits were budgeted to decrease 0.9% from the FY 2011/12 Amended Budget. Actual results were a growth in revenues of \$61,500 or growth of 4%.

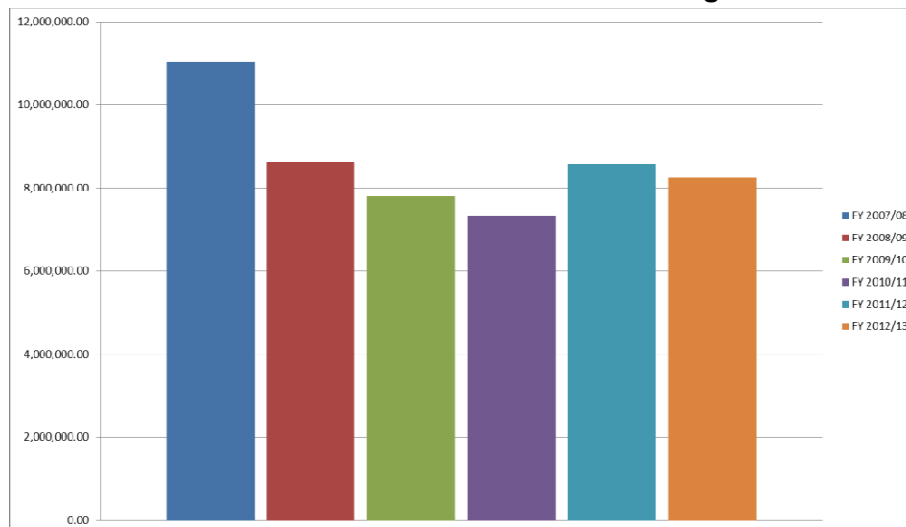
Chart 6. General Fund Revenue Trend – Licenses & Permits



Charges for Services

Development revenue activity has increased significantly in certain areas and for FY 2012/13 the revenues exceeded the budget by \$960,000. Specifically, Planning Fees and Inspection Fees for Fire, Engineering and Transportation exceeded the budgeted amounts. Admin Citation Fees along with Police Fees also contributed to the Charges for Services exceeding the budget. Although, even with these increases, the total charges for services fell below the prior year actuals by \$315,000.

Chart 7. General Fund Revenue Trend – Charges for Services



Use of Money and Property

Investment income continued to remain low due to extremely low rates of return for fixed income investments. For FY 2012/13, the Two-year Treasury Note yielded only 0.36%. Through a professional money management firm, the City's portfolio achieved a yield of about 1.25% with a duration of just over 2.4 years. This is a very low rate of return compared to historical experience, but is indicative of how investment income is performing everywhere. Chandler Asset Management was able to supplement the investment income by employing a Total Return strategy which utilizes active trading to sell securities at advantageous points to achieve gains on the sale. As the market begins to move upward there will be less opportunity for these trading gains. Additionally, due to the continued impacts from the dissolution of the former Redevelopment Agency, certain Note repayments did not occur due to limited revenue sources. These Notes will be repaid in the future.

General Fund Expenditures

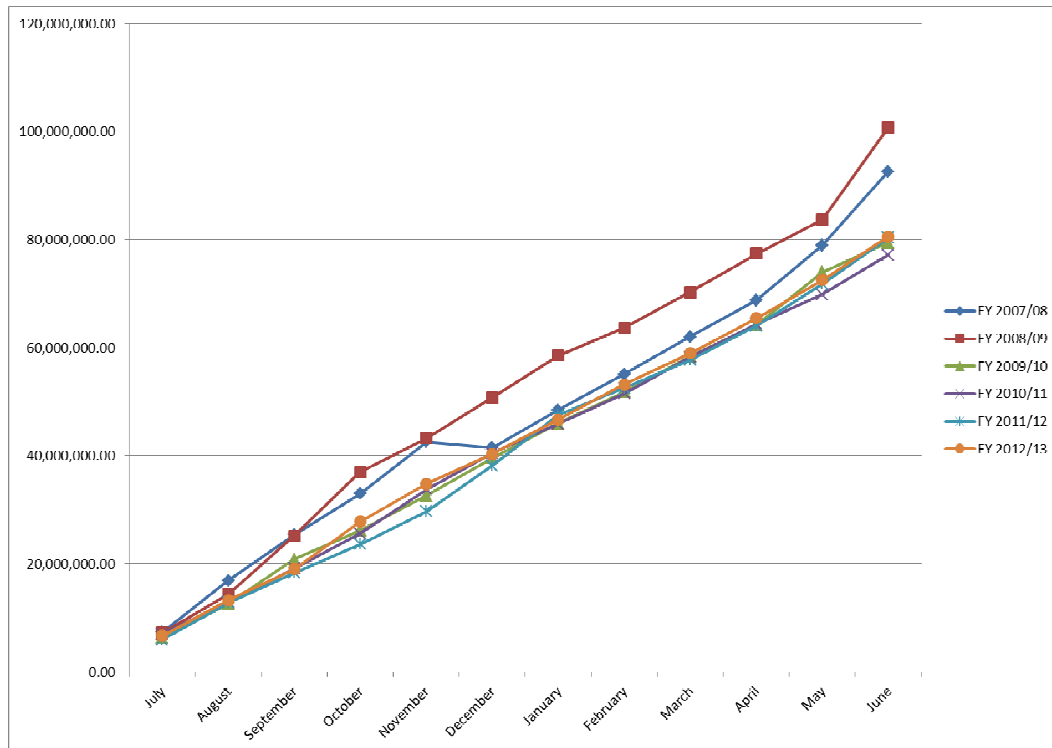
Expenditures are being spent in-line with prior year expenditure trends; although the following table does identify an overall reduction due to the expense reductions adopted as part of the FY 2012/13 amended budget.

Table 4. General Fund Expenditures

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Department				
City Council	\$ 587,270	\$ 605,770	\$ 588,671	97.2%
City Clerk	541,564	541,564	553,958	102.3%
City Manager	1,411,408	1,565,948	1,789,442	114.3%
City Attorney	961,369	961,369	1,194,457	124.2%
Community & Economic Development	6,738,801	6,824,801	7,143,588	104.7%
Financial & Management Services	5,456,800	2,838,924	2,605,005	91.8%
Administrative Services	859,424	3,603,300	3,569,045	99.0%
Public Works	2,334,540	2,219,540	2,239,500	100.9%
Non-Departmental	3,088,900	3,824,360	3,443,355	90.0%
<hr/>				
Non-Public Safety Subtotal	21,980,076	22,985,576	23,127,022	100.6%
<hr/>				
Public Safety				
Police	40,440,398	41,334,760	41,243,246	99.8%
Fire	17,201,996	17,212,496	16,235,322	94.3%
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Public Safety Subtotal	57,642,394	58,547,256	57,478,568	98.2%
<hr/>				
Total	\$ 79,622,470	\$ 81,532,832	\$ 80,605,589	

The following chart represents a graphical representation comparing total General Fund year-end expenditures over a six year period.

Chart 8. General Fund Expense Trends



OTHER KEY FUNDS

The following summaries describe other major funds in the City.

Moreno Valley Community Services District

The Moreno Valley Community Services District (CSD) was formed by the voters in 1984 to collect fees and certain taxes to provide an array of services including parks, recreation and community services, streetlights, landscaping and ongoing maintenance. The CSD provides these services through separate “zones” that define the services that are provided.

For certain zones, the primary revenue source used to provide services to properties is parcel fees or taxes levied on properties via their annual tax bill. Proposition 218, passed by California voters in November 1996, has posed a serious challenge to managing the future operation of the CSD zones. Prop. 218 requires any revenue increase to be addressed through a voting process by affected property owners. For a period following the initial implementation of Prop. 218, the CSD was successful in receiving approval for some new or increased revenues. There were also revenue increases due to the growth of developed parcels within the zones. However, due to cost increases that exceed any offsetting increases in the revenues over the past years, and the recent economic downturn slowing new parcel growth, property owners have been resistant to efforts to fully fund service levels.

Revenues received by the CSD programs are restricted to use within those programs. Any funds received above the current year expenditures shall be retained within the programs fund balance for the establishment of reserves or for future use by the programs.

Table 5. CSD Operations

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 4,131,900	\$ 4,131,900	\$ 3,846,590	93.1%
Charges for Services	10,948,582	10,948,582	11,244,030	102.7%
Use of Money & Property	591,820	591,820	674,106	113.9%
Fines & Forfeitures	60,600	60,600	40,088	66.2%
Miscellaneous	78,500	90,714	71,392	78.7%
Transfers In	2,012,700	2,081,700	1,665,100	80.0%
Total Revenues	17,824,102	17,905,316	18,117,515	101.2%
Expenditures:				
Library Services Fund (5010)	\$ 2,035,041	\$ 2,057,255	\$ 1,996,248	97.0%
Zone A Parks Fund (5011)	8,495,502	8,851,802	8,444,724	95.4%
Zone B Residential Street Lighting Fund (5012)	1,693,177	1,761,277	1,501,788	85.3%
Zone C Arterial Street Lighting Fund (5110)	953,013	953,013	743,378	78.0%
Zone D Standard Landscaping Fund (5111)	1,039,591	1,122,086	966,225	86.1%
Zone E Extensive Landscaping Fund (5013)	2,430,700	2,441,992	1,860,159	76.2%
Zone M Median Fund (5112)	306,709	306,709	225,910	73.7%
CFD No. 1 (5113)	1,044,988	1,065,988	1,006,877	94.5%
Zone S (5114)	64,074	66,274	52,008	78.5%
Total Expenditures	18,062,795	18,626,396	16,797,319	90.2%
Net Change or Adopted Use of Fund Balance	\$ (238,693)	\$ (721,080)	\$ 1,320,196	

The following chart represents a graphical representation comparing total CSD year-end revenue collections, over a six year period. Since a significant amount of property taxes and charges for services are collected on the Riverside County property tax bills, the cash flow for revenues reflect two major payments for revenues, correlating with the payment of these bills. The timing of these revenues may also affect the need to maintain certain reserve levels.

Chart 9. CSD Revenue Trends

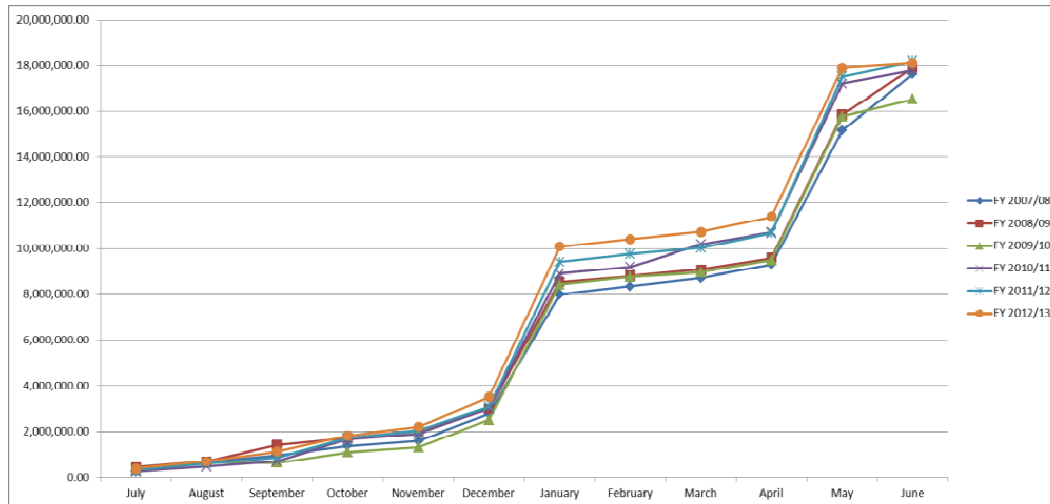
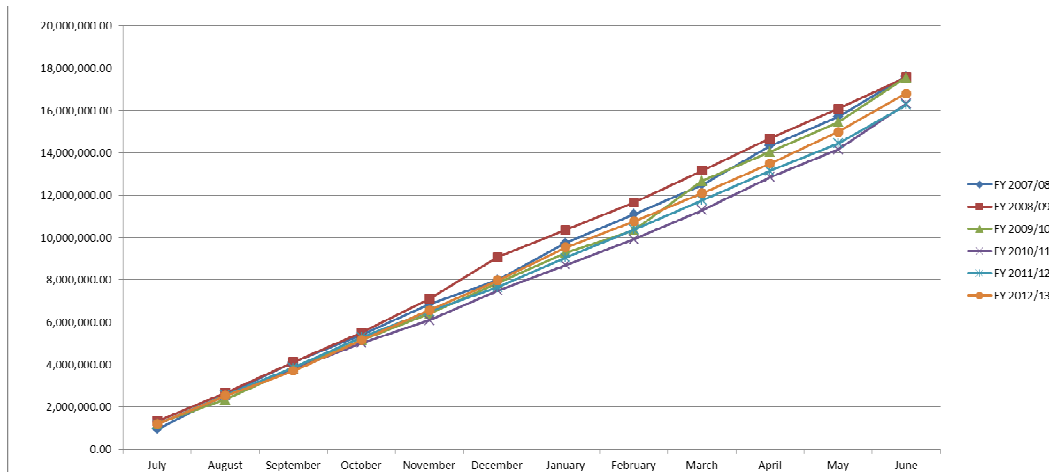


Chart 10. CSD Expense Trends



Community Services District Zone A – Parks & Community Services

The largest Zone within the CSD is Zone A. It accounts for the administration and maintenance of the Parks & Community Services facilities and programs. Funding sources for these services come from a combination of property taxes, fees for service and smaller amounts from other City funds.

Table 6. CSD Zone A Operations

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 1,695,100	\$ 1,695,100	\$ 1,741,234	102.7%
Other Taxes	-	-	72,713	-
Charges for Services	5,725,900	5,725,900	5,891,126	102.9%
Use of Money & Property	500,000	500,000	574,104	114.8%
Miscellaneous	76,500	76,500	29,189	38.2%
Transfers In	307,500	307,500	307,500	100.0%
Total Revenues	8,305,000	8,305,000	8,615,866	103.7%
Expenditures:				
35010 Parks & Comm Svcs - Admin	\$ 549,901	\$ 568,645	\$ 484,241	85.2%
35210 Park Maintenance - General	2,824,317	2,851,851	2,818,180	98.8%
35211 Contract Park Maintenance	455,484	454,519	392,837	86.4%
35212 Park Ranger Program	366,245	378,074	386,342	102.2%
35213 Golf Course Program	292,438	307,381	318,375	103.6%
35214 Parks Projects	169,612	270,567	169,374	62.6%
35216 CFD#1	-	-	30	-
35310 Senior Program	541,208	572,154	558,237	97.6%
35311 Community Services	192,973	172,293	128,851	74.8%
35312 Community Events	163,926	153,331	135,095	88.1%
35313 Conf & Rec Cntr	558,119	589,309	593,736	100.8%
35314 Conf & Rec Cntr - Banquet	283,014	306,841	295,142	96.2%
35315 Recreation Programs	1,687,965	1,698,262	1,664,246	98.0%
35317 July 4th Celebration	-	118,275	89,738	75.9%
95011 Non-Dept Zone A Parks	410,300	410,300	410,300	100.0%
Total Expenditures	8,495,502	8,851,802	8,444,724	95.4%
Net Change or Adopted Use of Fund Balance	\$ (190,502)	\$ (546,802)	\$ 171,142	

Electric Utility

The Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City's electric utility. MVU's basic purpose is to purchase and distribute electricity to customers in newly developed areas of the City. The City began serving new customers in February 2004, and now serves more than 5,600 customers.

The main revenue source for this fund is derived from charges for services. The customer base includes residential, commercial and industrial customers. The growth in customer base will continue to provide for the ability to create rate stabilization and replacement reserve funding.

There is an existing liability by virtue of an agreement with the City's contract operator, ENCO, to make a \$2.5 million payment related to the rate stabilization issue. Any fund balance retained by MVU may be made available for the payment of the liability.

Table 7. MVU Operations

	FY 2012/13 Adopted Budget	FY 2012/13 Amended Budget	Actuals as of 6/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Charges for Services	\$ 16,988,600	\$ 17,563,600	\$ 19,109,833	108.8%
Use of Money & Property	80,500	80,500	60,616	75.3%
Miscellaneous	173,000	173,000	(36,972)	-21.4%
Total Revenues	17,242,100	17,817,100	19,133,478	107.4%
Expenditures:				
45510 Electric Utility - General	\$ 15,268,462	\$ 15,268,462	\$ 16,026,527	105.0%
45511 Public Purpose Program	690,000	690,000	569,707	82.6%
45520 2007 Taxable Lease Rev Bonds	1,834,883	1,834,883	1,836,627	100.1%
45530 2005 Lease Revenue Bonds	318,338	318,338	317,458	99.7%
Total Expenditures	18,111,683	18,111,683	18,898,493	104.3%
Net Change or Adopted Use of Fund Balance	\$ (869,583)	\$ (294,583)	\$ 234,984	

Chart 11. MVU Revenue Trends

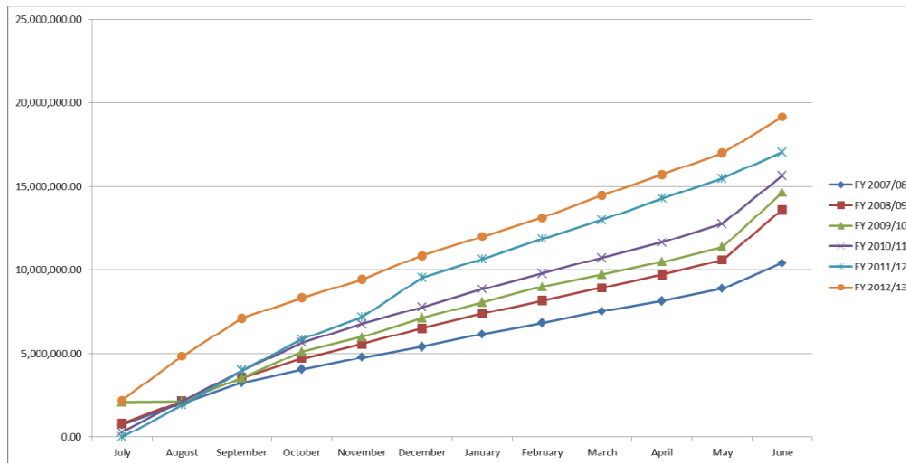
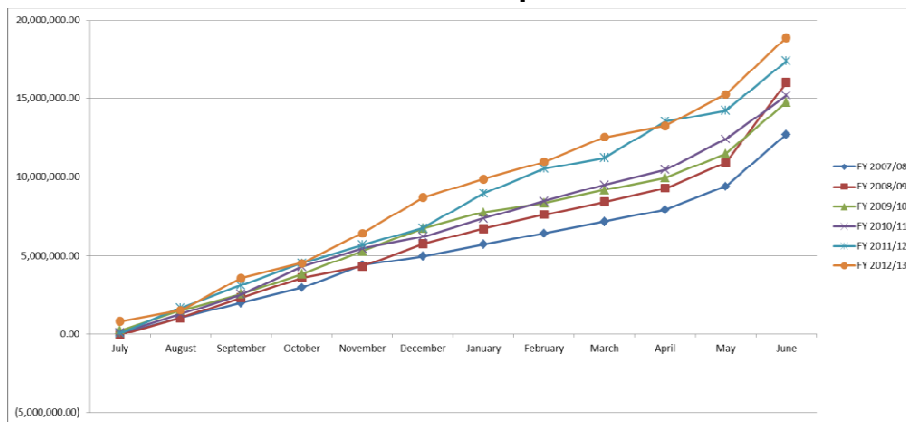


Chart 12. MVU Expense Trends

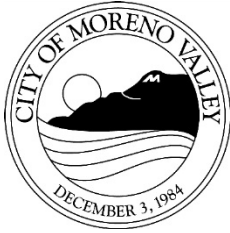


SUMMARY

The General Fund's year-end financials were overall in-line with expectations set by the Amended FY 2012/13 Budget. The unaudited financial results matched the amended budget within 0.6%, or approximately \$43,000.

Revenues have begun to stabilize and grow in some areas, which will help to provide the City a foundation for the FY 2013/14. The City will continue to monitor the financials throughout FY 2013/14 and bring back to the City Council for discussion options to address the other challenges and unfunded liabilities, as well as examining the reserve fund balances held by the City.

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City of Moreno Valley

Fiscal Year 2013/14

First Quarter Financial Summary

TO: Mayor and City Council

FROM: Richard Teichert, Chief Financial Officer

DATE: December 10, 2013

INTRODUCTION

On June 11, 2013, the City Council adopted the Two-Year Operating Budget for Fiscal Years (FY) 2013/14 – 2014/15. During the two-year budget period the City Council will be apprised of the City's financial condition through the process of First Quarter and Mid-Year Budget Reviews. This ongoing process ensures a forum to look at expenditure and revenue deviations from the estimates made in the budget document. Additionally, any significant variances in projected revenue or unanticipated expenditures will be shared with the City Council should they occur.

This report provides a review of the unaudited financial results for the completed FY 2013/14 First Quarter (July 2013 – September 2013, 25% of the fiscal year).

CITYWIDE OPERATING EXPENDITURE SUMMARY

The following table contains a summary of the adopted budget, amended budget and the First Quarter expenditures. The totals represent each major fund type and component unit of the City.

Table 1. Citywide Expenditures

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Fund/Component Unit				
General Fund	\$ 76,868,536	\$ 77,876,517	\$ 19,189,357	24.6%
Community Services District (CSD)	18,663,690	19,259,517	4,281,084	22.2%
Successor Agency	6,017,569	6,019,103	1,986,378	33.0%
Housing Fund	-	-	115	-
Special Revenue Funds	28,994,941	32,807,324	6,672,358	20.3%
Capital Projects Funds	1,736,726	1,736,726	1,371,206	79.0%
Electric Utility Funds	18,470,974	18,552,034	3,847,471	20.7%
Internal Service Funds	14,741,628	15,110,660	2,711,598	17.9%
Debt Service Funds	5,411,100	5,411,100	961,194	17.8%
Total	\$ 170,905,164	\$ 176,772,981	\$ 41,020,761	23.2%

Actions taken by the City Council subsequent to the June 11, 2013 adoption of the two-year budget have resulted in some important service level enhancements. After five years of being closed every Friday, City Hall is now open two Fridays per month to accommodate the needs of our development community. Additionally, our facilities are now open one additional half hour Monday through Thursday to better serve all of the community and our customers. Contracting Library Services will more than triple the books and materials budget to over \$190,000; provide 25% additional weekly service hours, including Sunday service. The Moreno Valley Animal Shelter is also providing more customer-friendly hours of operation as it is now open Fridays, Saturdays, and Sundays to reunite families with lost pets, assist our residents in finding just the right addition to their families, and better care for our community's needy animals.

The significant amendments approved and included in the Amended Budget are:

- On June 25, 2013, the City Council approved the Employee Memorandum of Understanding. The impact city wide was \$1,706,870.
- On June 25, 2013, the City Council approved the outsourcing of library services to LSSI. In future years this contract will result in an estimated \$250,000 savings annually. For FY 2013/14, due to the timing of implementation of the contract and employee leave payouts, there is an increased expense of \$266,284 from the Library Fund along with the increased transfer amount from the General Fund of \$258,127.
- On September 24, 2013, the City Council approved carryovers from FY 2012/13 in the amount of \$5,044,263. Although these expenditures had been approved as part of the prior year's budget, it has been City practice to present these carryovers for approval, prior to carryover.
- There were also multiple grants accepted in the amount of \$92,285, with offsetting revenues.
- An adjustment of (\$800,000) was input for the CDBG Fund, the costs which are now included in Capital Improvement Plan.

The majority of this quarterly update will focus on the General Fund, as it supports all basic services provided to City residents. Highlights for other key component funds will be discussed at a summary level as well.

GENERAL FUND OPERATING

Table 2. General Fund Operations

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 9,647,100	\$ 9,647,100	\$ 414,667	4.3%
Property Tax in-lieu	13,640,000	13,640,000	-	0.0%
Utility Users Tax	16,114,000	16,114,000	2,863,715	17.8%
Sales Tax	15,570,000	15,570,000	782,490	5.0%
Other Taxes	7,965,000	7,965,000	690,080	8.7%
Licenses & Permits	1,514,000	1,514,000	456,150	30.1%
Intergovernmental	265,000	265,000	207,049	78.1%
Charges for Services	8,869,395	8,869,395	2,252,570	25.4%
Use of Money & Property	2,688,000	2,688,000	(159,495)	-5.9%
Fines & Forfeitures	601,500	601,500	71,123	11.8%
Miscellaneous	51,400	51,400	17,418	33.9%
Total Revenues	76,925,395	76,925,395	7,595,768	9.9%
Expenditures:				
Personnel Services	13,382,123	14,105,926	3,066,517	21.7%
Contractual Services	53,132,865	53,146,635	13,267,777	25.0%
Material & Supplies	1,152,571	1,156,571	231,018	20.0%
Debt Service	-	-	-	-
Fixed Charges	6,791,974	6,800,255	1,988,509	29.2%
Fixed Assets	125,000	125,000	-	0.0%
Total Expenditures	74,584,533	75,334,387	18,553,822	24.6%
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	2,340,862	1,591,008	(10,958,054)	
Transfers:				
Transfers In	967,341	967,341	19,380	2.0%
Transfers Out	2,284,003	2,542,130	635,535	25.0%
Net Transfers	(1,316,662)	(1,574,789)	(616,155)	
Total Revenues & Transfers In	77,892,736	77,892,736	7,615,148	9.8%
Total Expenditures & Transfers Out	76,868,536	77,876,517	19,189,357	24.6%
Net Change or Adopted Use of Fund Balance	\$ 1,024,200	\$ 16,219	\$ (11,574,209)	

The significant amendments approved and included in the General Fund Amended Budget are:

- On June 25, 2013, the City Council approved the Employee Memorandum of Understanding. The portion of this impact to the General Fund was \$732,084.
- On June 25, 2013, the City Council approved the outsourcing of library services to LSSI. In future years this contract will result in an estimated \$250,000 savings annually. For FY 2013/14, due to the timing of implementation of the contract and employee leave payouts, there is an increased transfer amount from the General Fund of \$258,127.

- On September 24, 2013, the City Council approved carryovers from FY 2012/13 in the amount of \$5,044,263. Of this amount, \$17,770 was allocated within the General Fund. Although these expenditures had been approved as part of the prior year’s budget, it has been City practice to present these carryovers for approval, prior to carryover.

General Fund Operating Revenues

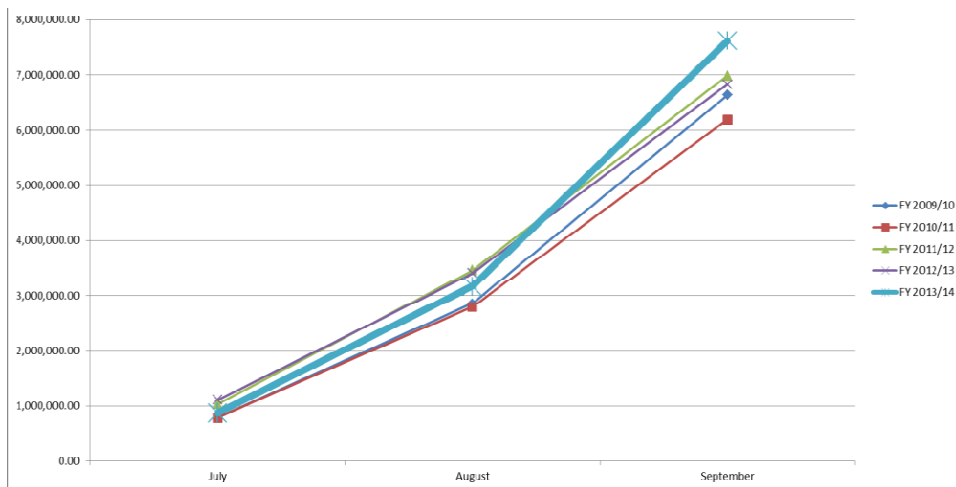
The General Fund is comprised of several revenue types. However, the main sources include property tax, utility users tax, and sales tax. Each of these are affected by different economic activity cycles and pressures.

Table 3. General Fund Revenues

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 9,647,100	\$ 9,647,100	\$ 414,667	4.3%
Property Tax in-lieu	13,640,000	13,640,000	-	0.0%
Utility Users Tax	16,114,000	16,114,000	2,863,715	17.8%
Sales Tax	15,570,000	15,570,000	782,490	5.0%
Other Taxes	7,965,000	7,965,000	690,080	8.7%
Licenses & Permits	1,514,000	1,514,000	456,150	30.1%
Intergovernmental	265,000	265,000	207,049	78.1%
Charges for Services	8,869,395	8,869,395	2,252,570	25.4%
Use of Money & Property	2,688,000	2,688,000	(159,495)	-5.9%
Fines & Forfeitures	601,500	601,500	71,123	11.8%
Miscellaneous	51,400	51,400	17,418	33.9%
Total Revenues	\$ 76,925,395	\$ 76,925,395	\$ 7,595,768	9.9%

The following chart represents a graphical representation comparing total General Fund revenue collections through the first quarter, over a five year period.

Chart 1. General Fund Revenue Trends



Property Taxes/Property Taxes In-Lieu

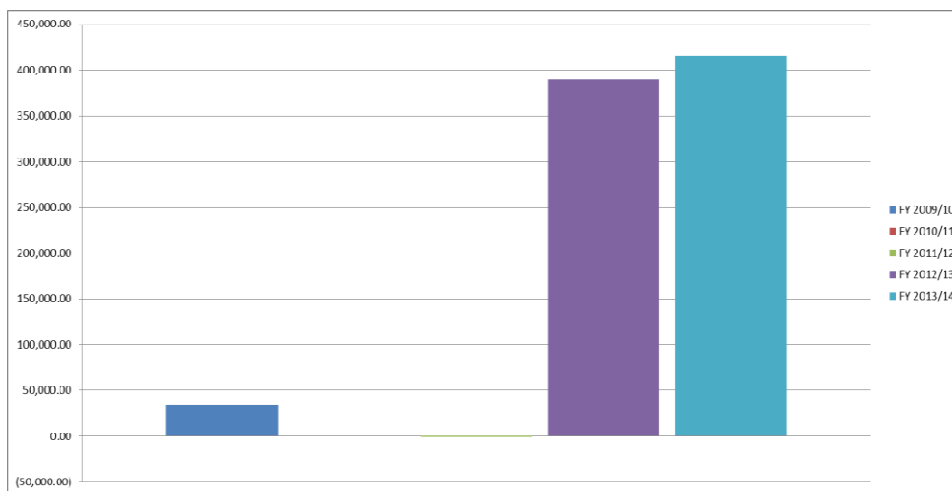
Property taxes were budgeted to increase by 0.38% from the FY 2012/13 Amended Budget. The annual schedule of property tax payments from the County of Riverside will provide payments to the City based on the following estimated schedule:

Secured Property Tax Payment Dates

Settlement 1	January 20-24, 2014
Settlement 2	May 19-23, 2014
Settlement 3	August 4-8, 2014
Teeter Settlement	October 20-24, 2014

Based on historical averages of actual receipts, the City is estimated to receive 2% of the budgeted property tax revenue within the first quarter. The City has currently received 1.8% during the first quarter. Property taxes will continue to be monitored as property valuations may adjust through the year based on property sales and assessment appeals filed with the County.

Chart 2. General Fund First Quarter Revenue Trend – Property Taxes

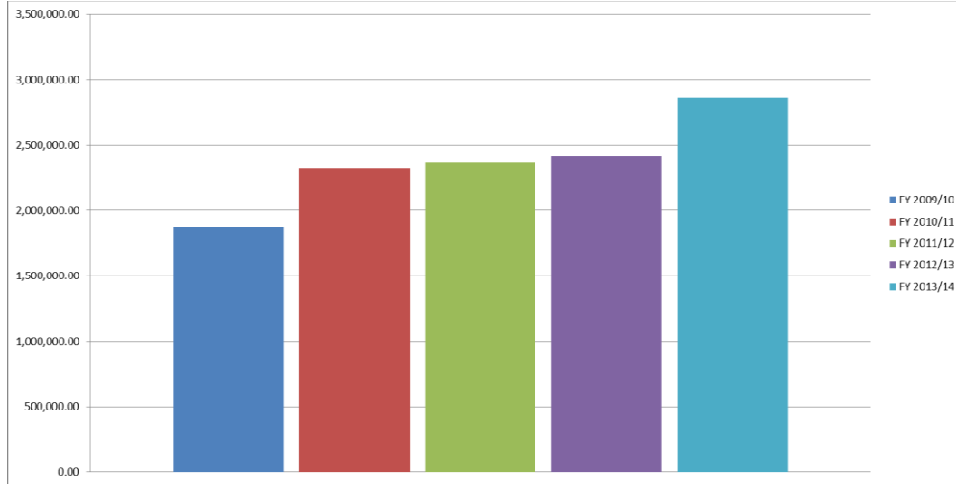


Utility Users Tax

Utility Users taxes were budgeted to increase 0.34% from the FY 2012/13 Amended Budget. This projection of growth is primarily due to competitive forces within the communications markets. Both the wireless and wired markets experienced downturns year over year. Based on our discussions with utility tax experts, there are a couple of causes for this trend. First is competition and bundling practices within the market as more small players continue to join the market. Second is the migration of customers from contract plans to prepaid plans. Currently there is no method within the State to capture UUT related to prepaid wireless plans. There is currently legislation in Sacramento trying to address this and close that gap.

Based on historical averages of actual receipts, the City is estimated to receive 13% of the budgeted utility users tax revenue within the first quarter. The City has currently received 17.8% during the first quarter.

Chart 3. General Fund First Quarter Revenue Trend – Utility Users Taxes

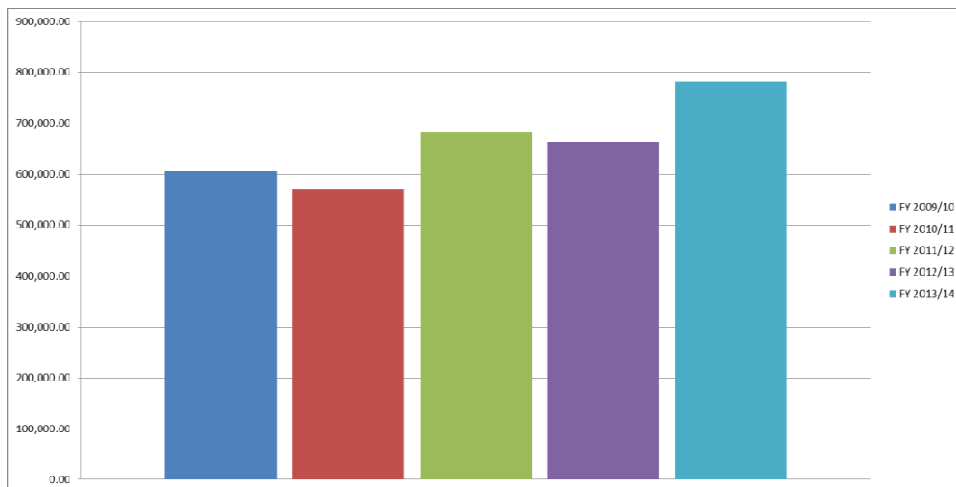


Sales Taxes

Based on the recovering economy and new businesses that began operating in the City, the FY 2013/14 sales tax budget was increased by 12.8%. Sales tax receipts will need to be continually monitored through the year to determine if current trends begin to plateau or begin to decrease.

Based on historical averages of actual receipts, the City is estimated to receive 6% of the budgeted sales tax revenue within the first quarter. The City has currently received 5% during the first quarter.

Chart 4. General Fund First Quarter Revenue Trend – Sales Taxes

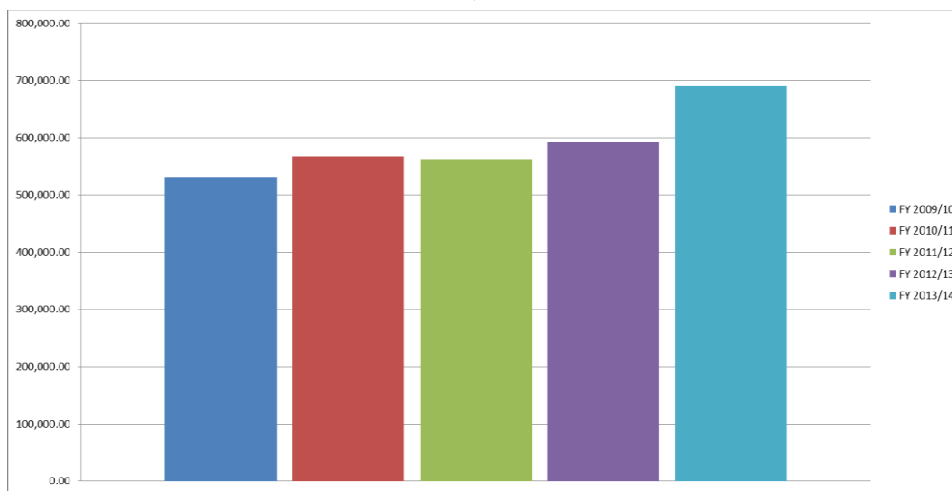


Other Taxes

Other taxes are primarily composed of Business Gross Receipts, Transient Occupancy Tax, Documentary Transfer Tax, and Franchise Fees. Collectively, other taxes were budgeted to increase 2.9% from the FY 2012/13 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 8% of the budgeted Other Taxes revenue within the first quarter. The City has currently received 8.7% during the first quarter.

Chart 5. General Fund First Quarter Revenue Trend – Other Taxes

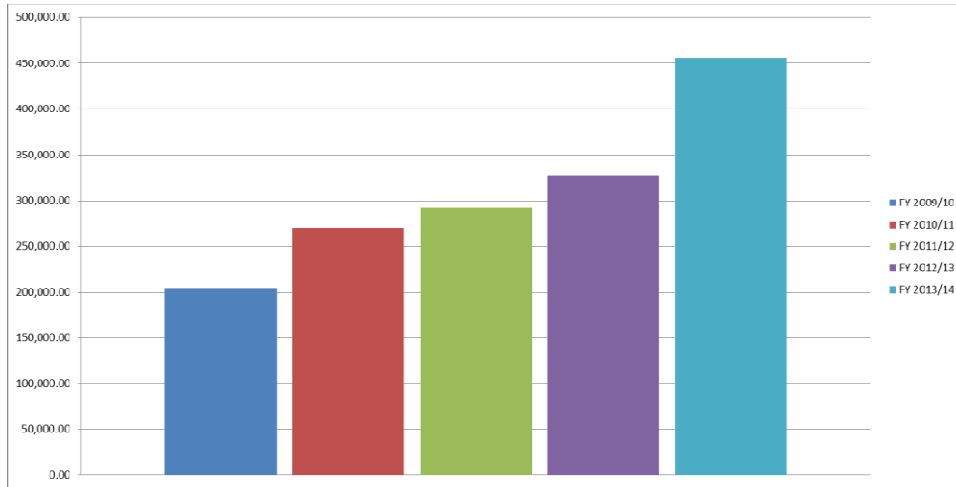


Licenses & Permits

Licenses & Permits are primarily composed of Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits. Collectively, Licenses & Permits were budgeted to decrease 1% from the FY 2012/13 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 26% of the budgeted Licenses & Permits revenue within the first quarter. The City has currently received 30.1% during the first quarter.

Chart 6. General Fund First Quarter Revenue Trend – Licenses & Permits



Intergovernmental

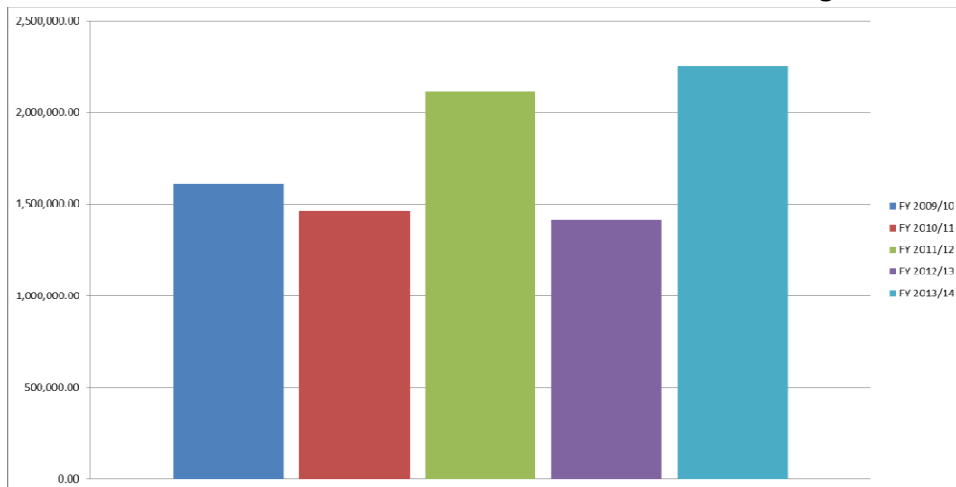
Intergovernmental revenues for the first quarter reflect a one-time revenue of \$86,800 for the Police Department as a result of asset forfeitures.

Charges for Services

Charges for Services are primarily composed of Plan Check Fees, Inspection Fees, Administrative Charges to other funds, and Parking Control Fines. Collectively, Charges for Services were budgeted to increase 21% from the FY 2012/13 Amended Budget. This projected increase is due to revenues exceeding the FY 2012/13 budget by almost \$1 million.

Based on historical averages of actual receipts, the City is estimated to receive 22% of the budgeted Charges for Services revenue within the first quarter. The City has currently received 25.4% during the first quarter.

Chart 7. General Fund First Quarter Revenue Trend – Charges for Services



Use of Money and Property

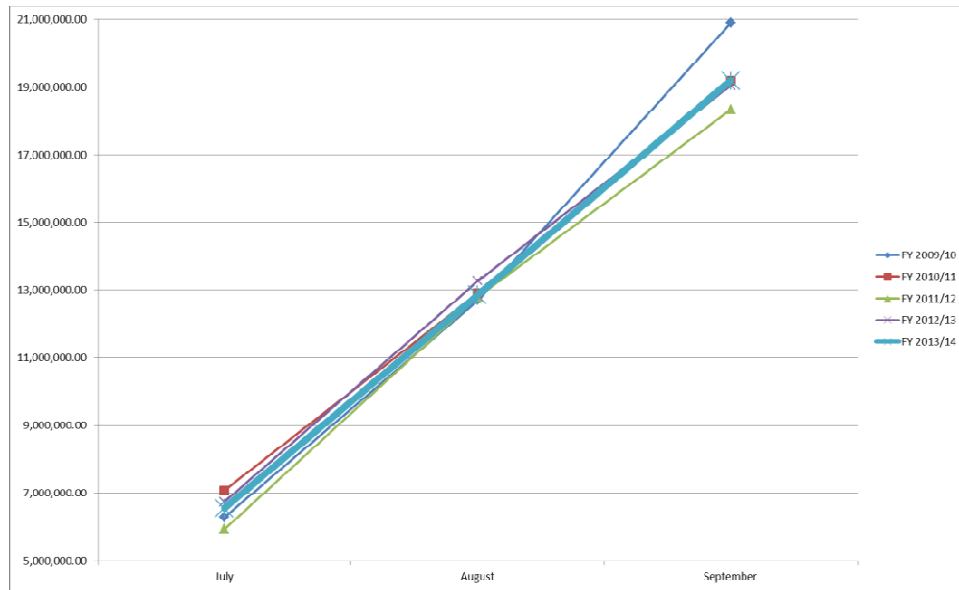
Investment income continues to remain low due to extremely low rates of return for fixed income investments. Currently, the Two-year Treasury Note is yielding only 0.32%. Through a professional money management firm, the City's portfolio is achieving a yield of about 1.25% with a duration of just over 2.4 years. This is a very low rate of return compared to historical experience, but is indicative of how investment income is performing everywhere. Chandler Asset Management was able to supplement the investment income by employing a Total Return strategy which utilizes active trading to sell securities at advantageous points to achieve gains on the sale. As the market begins to move upward, there will be less opportunity for these trading gains.

General Fund Expenditures

Expenditures are being spent in-line with prior year expenditures: although the following table does identify an overall reduction due to the expense reductions adopted as part of the FY 2013/14 budget.

Table 4. General Fund Expenditures

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Department				
City Council	\$ 616,632	\$ 630,013	\$ 147,975	23.5%
City Clerk	448,351	464,852	112,957	24.3%
City Manager	1,318,957	1,367,047	455,954	33.4%
City Attorney	483,533	499,545	126,359	25.3%
Community & Economic Development	6,731,597	5,297,377	1,195,275	22.6%
Financial & Management Services	2,980,392	3,099,378	649,922	21.0%
Administrative Services	3,657,689	3,776,024	733,711	19.4%
Public Works	2,136,995	3,890,910	931,408	23.9%
Non-Departmental	3,096,503	3,362,911	1,401,167	41.7%
Non-Public Safety Subtotal	21,470,649	22,388,057	5,754,729	25.7%
Public Safety				
Police	37,939,734	37,959,758	9,215,150	24.3%
Fire	17,458,153	17,528,702	4,219,477	24.1%
Public Safety Subtotal	55,397,887	55,488,460	13,434,628	24.2%
Total	\$ 76,868,536	\$ 77,876,517	\$ 19,189,357	

Chart 1. General Fund First Quarter Expense Trends

CONTINUED CHALLENGES AND ITEMS OF NOTE

Preserving a balanced City budget over the next several years will require the same level of vigilance and strategic planning which produced the budget. While focusing significant energy to attract and retain local businesses, the City will also contend with fiscal pressures associated with:

- A General Fund subsidy for street lights of approximately \$1 million annually;
- Continued cost increases levied by the County for contract law enforcement services;
- Projected cost increases for contract Fire protection;
- Anticipated pension cost increases, exacerbated by revisions to CalPERS rate methodology which had previously smoothed rate increases over longer periods;
- With the dissolution of the prior Redevelopment Agency, there are continued risks that the payment of certain agreements may not be approved by the California Department of Finance, which will impact the General Fund.
- The General Fund's obligation to guarantee debt service payments on the police facility;
- Annual contributions to the trust for Other Post-Employment Benefits (OPEB), which have been suspended for FY 2013/14 budgets. For FY 2014/15 the amount for the General Fund is \$450,000/yr. The annual payments will need to be resumed and unpaid amounts for prior years will be considered when the next actuarial valuation is completed;
- The restoration of funding for deferred infrastructure maintenance during the fiscal downturn.

The City Council's resolve as demonstrated during the budget cycle, along with engaged managers throughout the City organization and a collaborative relationship with our employees should continue to serve us well to successfully address these challenges ahead.

OTHER KEY FUNDS

The following summaries describe other major funds in the City.

Moreno Valley Community Services District

The Moreno Valley Community Services District (CSD) was formed by the voters in 1984 to collect fees and certain taxes to provide an array of services including parks, recreation and community services, streetlights, landscaping and ongoing maintenance. The CSD provides these services through separate "zones" that define the services that are provided.

For certain zones, the primary revenue source used to provide services to properties is parcel fees or taxes levied on properties via their annual tax bill. Proposition 218, passed by California voters in November 1996, has posed a serious challenge to managing the future operation of the CSD zones. Prop. 218 requires any revenue increase to be addressed through a voting process by affected property owners. For a period following the initial implementation of Prop. 218, the CSD was successful in receiving approval for some new or increased revenues. There were also revenue increases due to the growth of developed parcels within the zones. However, due to cost increases that exceed any offsetting increases in the revenues over the past years, and the recent economic downturn slowing new parcel growth, property owners have been resistant to efforts to fully fund service levels.

Table 5. CSD Operations

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 3,188,300	\$ 3,188,300	\$ 144,082	4.5%
Other Taxes	6,322,000	6,322,000	-	0.0%
Charges for Services	6,115,031	6,115,031	315,779	5.2%
Use of Money & Property	614,221	614,221	123,958	20.2%
Fines & Forfeitures	50,000	50,000	7,857	15.7%
Miscellaneous	20,100	20,580	5,987	29.1%
Transfers In	1,943,244	2,201,371	521,184	23.7%
Total Revenues	18,252,896	18,511,503	1,118,847	6.0%
Expenditures:				
Library Services Fund (5010)	\$ 1,812,217	\$ 2,145,013	\$ 590,406	27.5%
Zone A Parks Fund (5011)	9,148,506	9,343,871	2,077,809	22.2%
Zone B Residential Street Lighting Fund (5012)	1,677,100	1,683,805	358,075	21.3%
Zone C Arterial Street Lighting Fund (5110)	927,800	929,985	182,298	19.6%
Zone D Standard Landscaping Fund (5111)	1,086,200	1,096,642	261,340	23.8%
Zone E Extensive Landscaping Fund (5013)	2,481,783	2,498,363	482,951	19.3%
Zone M Median Fund (5112)	281,844	285,224	68,336	24.0%
CFD No. 1 (5113)	1,182,223	1,210,286	246,598	20.4%
Zone S (5114)	66,017	66,328	13,272	20.0%
Total Expenditures	18,663,690	19,259,517	4,281,084	22.2%
Net Change or Adopted Use of Fund Balance	\$ (410,794)	\$ (748,014)	\$ (3,162,237)	

The significant amendments approved and included in the CSD Amended Budget are:

- On June 25, 2013, the City Council approved the Employee Memorandum of Understanding. The portion of this impact to the CSD was \$316,063.
- On June 25, 2013, the City Council approved the outsourcing of library services to LSSI. In future years this contract will result in an estimated \$250,000 savings annually. For FY 2013/14, due to the timing of implementation of the contract and employee leave payouts, there is an increased transfer amount from the CSD of \$266,284.
- On September 24, 2013, the City Council approved carryovers from FY 2012/13 in the amount of \$5,044,263. Of this amount, \$13,000 was allocated within the CSD. Although these expenditures had been approved as part of the prior year's budget, it has been City practice to present these carryovers for approval, prior to carryover.

Community Services District Zone A – Parks & Community Services

The largest Zone within the CSD is Zone A. It accounts for the administration and maintenance of the Parks & Community Services facilities and programs. Funding sources for these services come from a combination of property taxes, fees for service and smaller amounts from other City funds.

Table 6. CSD Zone A Operations

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 1,709,000	\$ 1,709,000	\$ 75,143	4.4%
Other Taxes	4,900,000	4,900,000	-	0.0%
Charges for Services	1,067,122	1,067,122	264,515	24.8%
Use of Money & Property	583,900	583,900	137,012	23.5%
Miscellaneous	18,100	18,100	4,364	24.1%
Transfers In	424,136	424,136	76,875	18.1%
Total Revenues	8,702,258	8,702,258	557,908	6.4%
Expenditures:				
35010 Parks & Comm Svcs - Admin	\$ 576,620	\$ 591,679	\$ 97,862	16.5%
35210 Park Maintenance - General	3,160,181	3,237,870	703,386	21.7%
35211 Contract Park Maintenance	461,603	464,403	91,880	19.8%
35212 Park Ranger Program	370,423	384,056	84,743	22.1%
35213 Golf Course Program	263,492	264,804	74,053	28.0%
35214 Parks Projects	173,625	180,534	39,065	21.6%
35215 CSD Public Facilities	-	-	-	-
35216 CFD#1	-	-	24	-
35310 Senior Program	609,009	620,371	129,206	20.8%
35311 Community Services	193,446	198,218	38,855	19.6%
35312 Community Events	81,327	95,881	31,323	32.7%
35313 Conf & Rec Cntr	629,075	632,947	153,460	24.2%
35314 Conf & Rec Cntr - Banquet	324,635	331,004	64,439	19.5%
35315 Recreation Programs	1,752,265	1,787,911	439,072	24.6%
35316 ASA Tournament	-	-	-	-
35317 July 4th Celebration	142,505	143,893	27,573	19.2%
95011 Non-Dept Zone A Parks	410,300	410,300	102,868	25.1%
Total Expenditures	9,148,506	9,343,871	2,077,809	22.2%
Net Change or Adopted Use of Fund Balance	\$ (446,248)	\$ (641,613)	\$ (1,519,901)	

Electric Utility

The Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City's electric utility. MVU's basic purpose is to purchase and distribute electricity to customers in newly developed areas of the City. The City began serving new customers in February 2004, and now serves more than 5,600 customers. As it reaches fiscal and operational maturity, MVU will continue to be a key component of the City's economic development strategy. The City Council has established special tiered rates for electric utility customers based upon factors such as the number of jobs created.

The main revenue source for this fund is derived from charges for services. The customer base includes residential, commercial and industrial customers. The growth in customer base will continue to provide for the ability to create rate stabilization and replacement reserve funding.

Table 7. MVU Operations

	FY 2013/14 Adopted Budget	FY 2013/14 Amended Budget	Actuals as of 9/30/2013 (unaudited)	% of Amended Budget
Revenues:				
Charges for Services	\$ 18,915,548	\$ 18,915,548	\$ 5,235,369	27.7%
Use of Money & Property	80,500	80,500	(4,132)	-5.1%
Miscellaneous	123,488	123,488	8,287	6.7%
Transfers In	-	150,000	-	0.0%
Total Revenues	19,119,536	19,269,536	5,239,523	27.2%
Expenditures:				
45510 Electric Utility - General	\$ 15,591,767	\$ 15,632,827	\$ 3,782,474	24.2%
45511 Public Purpose Program	721,300	761,300	64,779	8.5%
45520 2007 Taxable Lease Rev Bonds	1,835,144	1,835,144	-	0.0%
45530 2005 Lease Revenue Bonds	322,763	322,763	218	0.1%
Total Expenditures	18,470,974	18,552,034	3,847,471	20.7%
Net Change or Adopted Use of Fund Balance	\$ 648,562	\$ 717,502	\$ 1,392,052	

MVU's revenues were budgeted to increase 11% from the FY 2012/13 Amended Budget, while expenses were only budgeted to increase by 7%.

MVU's revenues and expenses will fluctuate annually based on energy demands.

Chart 2. MVU First Quarter Revenue Trends

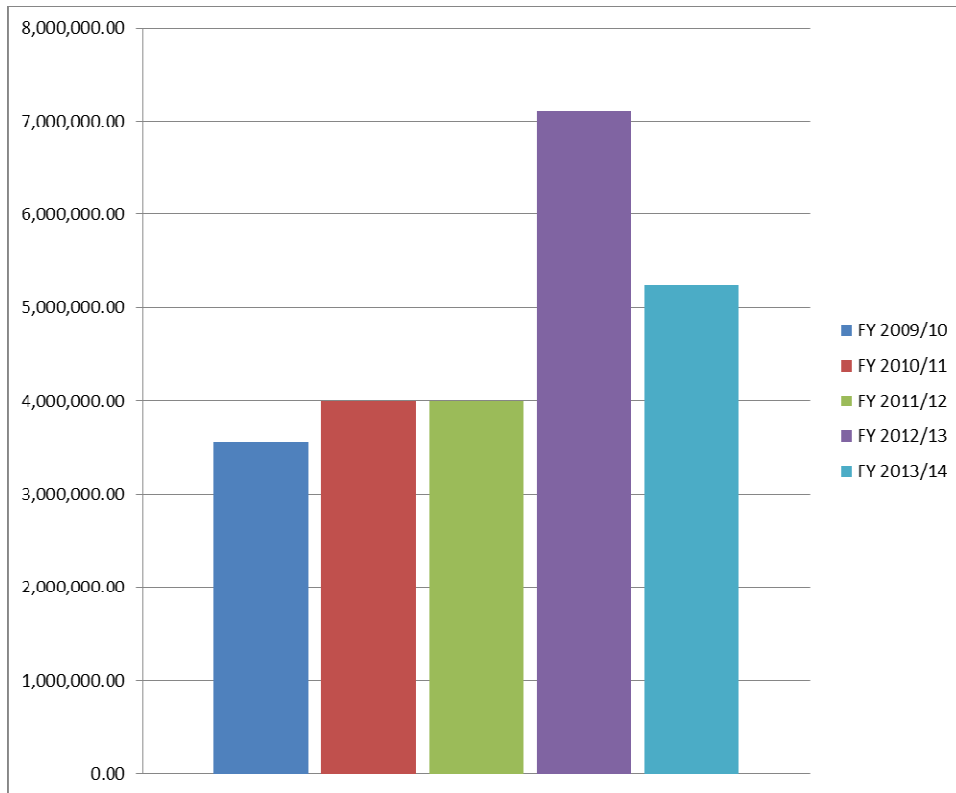
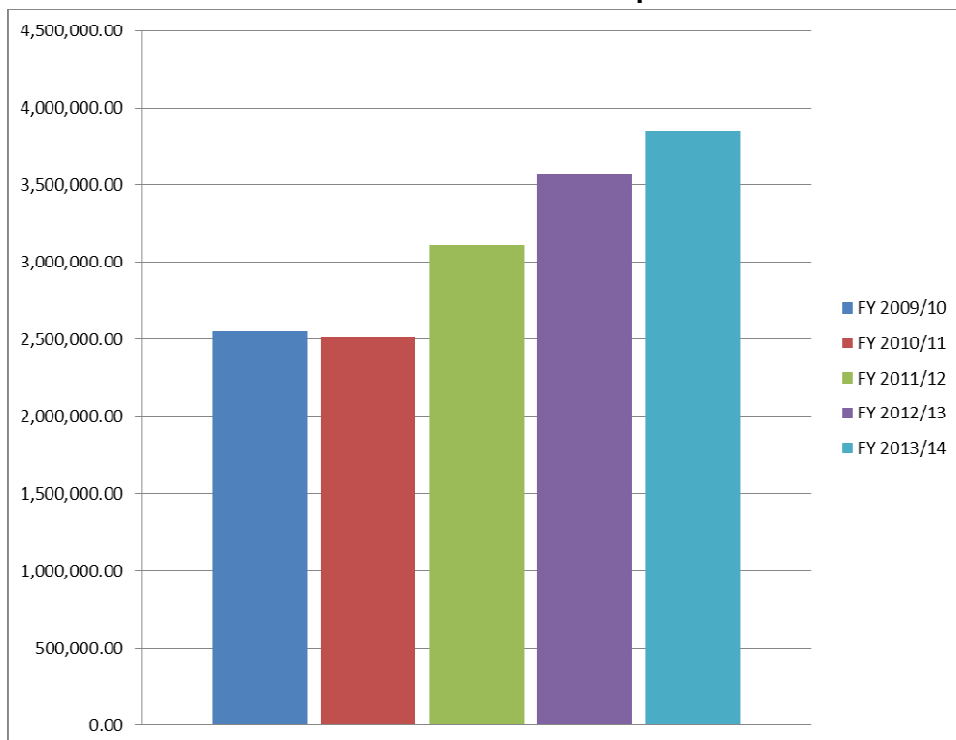


Chart 3. MVU First Quarter Expense Trends

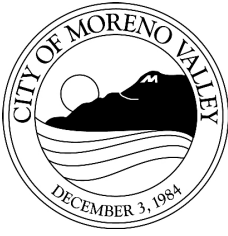


SUMMARY

The City of Moreno Valley is on the path toward recovery following the Great Recession; unlike most other cities in this region, our FY 2013/14 Adopted Budget was fully balanced without the use of reserves.

Although the first quarter has provided positive results in some areas, the City should remain cautiously optimistic as we proceed through the fiscal year.

As positive fund balances begin to grow, we will bring back to the City Council for discussion options to address the other challenges and unfunded liabilities, as well as examining the reserve fund balances held by the City.



APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

Report to City Council

TO: Mayor and City Council

FROM: Chris Paxton, Administrative Services Director

AGENDA DATE: December 10, 2013

TITLE: MONTHLY REPORT: MORENO VALLEY ANIMAL SHELTER ADOPTION RATE

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Monthly Report: Moreno Valley Animal Adoption Rate for the periods of September 1, 2013 to September 30, 2013 and October 1, 2013 to October 31, 2013.

SUMMARY

The City Council has challenged staff to increase adoptions and decrease the euthanasia rate at the Moreno Valley Animal Shelter. Ongoing evaluation of programs and services, along with increasing public awareness will remain key elements to our success in increasing adoptions of homeless pets from our shelter.

DISCUSSION

As a follow up to the December 18, 2012 City Council Study Session on Animal Shelter operations, Mayor Owings asked that monthly staff reports be prepared to keep the public informed of the City's progress and the ongoing need to increase pet adoptions and other programs to reduce the number of homeless animals euthanized.

The September and October 2013 reports reveal a Placement (Return to Owners, Transfers and Adoptions) Rate of 39% for September and 46% for October,

representing an increase over last year's Placement Rate by 2% for September and 14% for October. Other factors which are noteworthy include:

- The number of cats taken in at the Shelter peaked in April 2013 and has been decreasing each month thereafter leveling off during this summer and is expected to continue to remain relatively level during the fall and winter months. We experienced a slight increase of cat intakes by 2% in September 2013 and then experienced an increase of 5% in October as compared to September and October 2012;
- The number of dogs taken in at the Shelter during September and October 2013 declined as compared to September and October 2012 by 15% and 18% respectively;
- The number of dog adoptions during September 2013 decreased by 4% as compared to September 2012, then rebounded in October 2013 with a 31% increase as compared to a year ago in October 2012;
- The number of cat adoptions decreased by 40% in September 2013 as compared to September 2012. There was a 34% increase in the number of cat adoptions in October 2013 as compared to October 2012.
- The number of dogs euthanized decreased in September 2013 by 30% when compared to September 2012. Dogs euthanized in October 2013 also decreased by 44% compared to October 2012;
- The number of cats euthanized decreased in September 2013 by 3% compared to September 2012 along with a decrease of 18% in October 2013 compared to October 2012.

Upcoming Events

Future events include participation at both on-site and off-site pet adoption events in December 2013:

- Holiday Fest at Visterra Credit Union – Friday December 13th
- Home 4 The Holidays Weekend Adoption Event – Saturday & Sunday, December 14th & 15th – Moreno Valley Animal Shelter
- Off-Site Adoption event at Secure Care Self Storage – December date to be determined.

CITY COUNCIL GOALS

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

ATTACHMENTS

Attachment 1 – Moreno Valley Animal Shelter Intake / Disposition Report – September 2013

Attachment 2 – Moreno Valley Animal Shelter – September 2013 – Euthanasia Statistics

Attachment 3 - Moreno Valley Animal Shelter Intake / Disposition Report – October 2013

Attachment 4 - Moreno Valley Animal Shelter – October 2013 – Euthanasia Statistics

Prepared By:
Steve Fries
Animal Services Division Manager

Department Head Approval:
Chris Paxton
Administrative Services Director

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Moreno Valley Animal Shelter
Intake / Disposition Report –September 2013
 Report Date 10/1/2013

Intake	Dogs	Cats	Other	Total
Owner Surrender	53	21	6	80
Live Stray	421	248	19	688
Confiscated (Cruelty/Neglect/Aggressive)	0	0	0	0
Returns	7	0	0	7
Quarantine	1	0	0	1
DOAs	46	45	17	108
On-Hand at Shelter 9/1/13	171	46	8	225
Total	699	360	50	1,109

Disposition	Dogs	Cats	Other	Total
On – Hand At Shelter 10/1/13	176	64	9	249
Escaped/Stolen	1	2	0	3
DOAs	46	45	17	108
Died in Kennel	2	1	0	3
Died at Vet	2	2	0	4
Foster	2	11	1	14
Euthanized	209	222	13	444*
Transfer	1	0	3	4**
Return to Owners	86	1	0	87**
Adopted	174	12	7	193**
Total	699	360	50	1,109

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Summary Statistics: The statistics below reflect outcomes on the number of pets placed vs. those which could not be adopted. Figures are based upon the total number of pets available for placement, and does not reflect the number of animals which remained on-hand, or those which were deceased upon arrival and/or while under care. These categories are marked with * above. For the month of September 2013, the number of pets upon which statistics are calculated totaled:

*Euthanasia Rates: 61% (444) See Detailed Report
 Unadopted: 0% (0)
 Contagious Disease 46% (205)
 Medical/Behavioral/Other: 54% (239)

Placement Rate: **39% (284) Reflects Return to Owners, Transfer, Adopted

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Moreno Valley Animal Shelter

Attachment 2

September 2013 – Euthanasia Statistics

Outcome Sub-Type	Dogs	Cats	Others	Total
Medical/Vet Rec.	18	9	2	29
Owner Requested	28	14	0	42
Contagious Disease	132	63	10	205
Feral	0	88	0	88
Aggressive Behavior Observed	30	1	0	31
Not Adopted*	0	0	0	0
Other**	1	47	1	49
Total	209	222	13	444

*Not Adopted: euthanized for considerations such as placement potential, time in shelter, humane considerations.

** Other-Cats/Dogs/Others: too young/newborns-impounded w/o their mothers per Food & Agricultural Code 17006.

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**Moreno Valley Animal Shelter
Intake / Disposition Report –October 2013
Report Date 11/1/2013**

Intake	Dogs	Cats	Other	Total
Owner Surrender	49	25	0	74
Live Stray	390	237	18	645
Confiscated (Cruelty/Neglect/Aggressive)	25	0	0	25
Returns	3	0	0	3
Quarantine	4	0	0	4
DOAs	55	44	16	115
On-Hand at Shelter 10/1/13	176	64	9	249
Total	702	370	43	1,115

Disposition	Dogs	Cats	Other	Total
On – Hand At Shelter 11/1/13	163	58	9	230
Escaped/Stolen	2	12	0	14
DOAs	55	44	16	115
Died in Kennel	2	1	1	4
Died at Vet	4	0	0	4
Foster	5	20	0	25
Euthanized	178	207	7	392*
Transfer	0	0	4	4**
Return to Owners	90	3	1	94**
Adopted	203	25	5	233**
Total	702	370	43	1,115

Summary Statistics: The statistics below reflect outcomes on the number of pets placed vs. those which could not be adopted. Figures are based upon the total number of pets available for placement, and does not reflect the number of animals which remained on-hand, or those which were deceased upon arrival and/or while under care. These categories are marked with * above. For the month of October 2013, the number of pets upon which statistics are calculated totaled: 723

*Euthanasia Rates: 54% (392) See Detailed Report
 Unadopted: 0% (0)
 Contagious Disease 43% (169)
 Medical/Behavioral/Other: 57% (223)

Placement Rate: **46% (331) Reflects Return to Owners, Transfer, Adopted

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Item No. G.4

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Moreno Valley Animal Shelter
October 2013 – Euthanasia Statistics

Outcome Sub-Type	Dogs	Cats	Others	Total
Medical/Vet Rec.	19	10	5	34
Owner Requested	19	0	0	19
Contagious Disease	108	60	1	169
Feral	0	100	1	101
Aggressive Behavior Observed	32	0	0	32
Not Adopted*	0	0	0	0
Other**	0	37	0	37
Total	178	207	7	392

*Not Adopted: euthanized for considerations such as placement potential, time in shelter, humane considerations.

** Other-Cats/Dogs/Others: too young/newborns-impounded w/o their mothers per Food & Agricultural Code 17006.

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