

*For further information on an agenda item, please contact  
the City at 101 North "D" Street, or call (951) 943-6100*

**AGENDA  
SPECIAL JOINT MEETING OF THE CITY COUNCIL, SUCCESSOR AGENCY  
TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY,  
PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS  
AUTHORITY AND PERRIS COMMUNITY ECONOMIC DEVELOPMENT  
CORPORATION OF THE CITY OF PERRIS**

**PURSUANT TO GOVERNOR GAVIN NEWSOM'S EXECUTIVE ORDER N-29-20  
THIS MEETING WILL ALSO BE CONDUCTED AS A REMOTE MEETING VIA  
ZOOM**

**Thursday, July 8, 2021  
6:30 P.M.  
City Council Chambers  
(Corner of San Jacinto and Perris Boulevard)  
101 North "D" Street  
Perris, California**

***CLOSED SESSION:*** 5:45 P.M.

***ROLL CALL:***

Nava, Corona, Rabb, Rogers, Vargas

A. Conference with Legal Counsel - Potential Litigation - Government  
Code Section 54956.9 (d)(2) - 2 cases

**1. *CALL TO ORDER:*** 6:30 P.M.

**2. *ROLL CALL:***

Nava, Corona, Rabb, Rogers, Vargas

**3. *PLEDGE OF ALLEGIANCE:***

Councilmember Nava will lead the Pledge of Allegiance.

**4. PRESENTATIONS/ANNOUNCEMENTS:**

*At this time, the City Council may recognize citizens and organizations that have made significant contributions to the community, and it may accept awards on behalf of the City.*

- A. Presentation of a Proclamation designating July 16, 2021 as Community Services Professionals Day.

**5. CONSENT CALENDAR:**

*Consent Calendar items are normally enacted in one motion. The Mayor or City Council may remove a Consent Calendar item for separate action. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt the Plans and Specifications, approve a budget amendment from Parks Industrial Development Impact Fees and award a contract to Action 1 Construction, Inc. for the construction of Enchanted Hills Park located at 1400 Weston Road, Perris, CA 92570.
- B. Consideration to adopt the Plans and Specifications and award a contract to R Dependable Construction, Inc. for the City Facility Improvement Project located at 101 N. D Street, Perris, CA 92570.
- C. Consideration to approve a Purchase and Sale Agreement of Real Property for property located at 102 South D Street, Perris, CA 92570. (APN# 313-081-004) (Owners: Jeanette Donaly Llamas and Salvador Llamas)

**6. PUBLIC HEARINGS:**

*The public is encouraged to express your views on any matter set for public hearing. It is our procedure to first receive the staff report, then to ask for public testimony, first from those in favor of the project followed by testimony from those in opposition to it, and if there is opposition, to allow those in favor, rebuttal testimony only as to the points brought up in opposition. To testify on the matter, you need to simply come forward to the speaker's podium at the appropriate time, give your name and address and make your statement. After a hearing is closed, you may not further speak on the matter unless requested to do so or are asked questions by the Mayor or a Member of the City Council. **Public comment is limited to three (3) minutes.***

- A. Consideration to adopt the First Reading of Ordinance Number (next in order) placing CR&R delinquent residential refuse collection charges on property tax rolls.

The First Reading of Ordinance Number (next in order) is entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING SECTION 7.16.080 OF THE PERRIS MUNICIPAL CODE TO AUTHORIZE THE RIVERSIDE COUNTY TAX COLLECTOR TO PLACE DELINQUENT RESIDENTIAL REFUSE COLLECTION CHARGES ON THE PROPERTY TAX ROLLS

Introduced by: Director of Finance Ernie Reyna

**PUBLIC COMMENT**

**7. BUSINESS ITEMS:**

*Public comment will be called for each non-hearing item. Please keep comments brief so that everyone who wishes to speak has the opportunity to do so. After public comment is closed, you may not further speak on the matter unless the Mayor or City Council requests further clarification of your statement. **Public Comment is limited to three (3) minutes.***

**A. Workshop for the 2021-2029 Housing Element.**

Introduced by: Interim Director of Development Services Candida Neal

**PUBLIC COMMENT**

**B. Workshop regarding the American Rescue Plan Act (ARPA) of 2021.**

Introduced by: Director of Finance Ernie Reyna

**PUBLIC COMMENT**

**8. ADJOURNMENT:**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact City Hall at (951) 943-6100. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*

**COVID-19 REMOTE PUBLIC COMMENT/CITIZEN PARTICIPATION**

*With the intent of adhering to the new community guidelines from the Center for Disease Control, the City of Perris will allow for remote public comment and participation at upcoming City Council meetings via Zoom. Public Comment is limited to three (3) minutes.*

**ZOOM MEETING INFORMATION**

When: July 8, 2021 06:30 PM Pacific Time (US and Canada)

Topic: City Council Special Meeting

In order to provide Public Comment participants will be required to register at the following link:

[https://zoom.us/webinar/register/WN\\_07kkW-ECTcGOKoagjiGQ4g](https://zoom.us/webinar/register/WN_07kkW-ECTcGOKoagjiGQ4g)

After registering, you will receive a confirmation email containing information about joining the meeting.

During the council meeting, if you wish to speak for public comment on any item, please select the raise hand icon next to your name. The moderator will grant you access to speak. Public Comment is limited to (3) three minutes.

***THE CITY COUNCIL MEETING IS AVAILABLE FOR VIEWING AT THE FOLLOWING:***

City's Website:

<https://www.cityofperris.org/government/city-council/council-meetings>

YouTube:

<https://www.youtube.com/channel/UC24S1shebXkJFv3BnxdkPpg>

Facebook:

<https://www.facebook.com/PerrisToday/>

For cable subscribers only within Perris:

Spectrum: Channel 3

Frontier: Channel 16



## **NOTICE AND CALL OF SPECIAL MEETING**

**TO: THE MEMBERS OF THE CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, PUBLIC FINANCE AUTHORITY, PUBLIC UTILITY AUTHORITY, HOUSING AUTHORITY, PERRIS JOINT POWERS AUTHORITY AND THE PERRIS COMMUNITY ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF PERRIS AND TO THE CITY CLERK**

**NOTICE IS HEREBY GIVEN** that a Special Meeting of the City Council, Successor Agency to the Redevelopment Agency, Public Finance Authority, Public Utility Authority, Housing Authority, Perris Joint Powers Authority and the Perris Community Economic Development Corporation is hereby called to be held on July 8, 2021, commencing at 5:45 p.m. (Closed Session), 6:30 p.m. (Special Joint Meeting) at the City Council Chambers, 101 N. D Street, Perris, CA (corner of San Jacinto Ave. and Perris Blvd.), Perris, CA 92570

Said Special Meeting shall be for the purpose of conducting:  
The items as listed in the attached agenda.

Dated: July 6, 2021

A handwritten signature in blue ink that reads "Michael M. Vargas".

*Michael M. Vargas, Mayor*

**ATTEST:**

A handwritten signature in blue ink that reads "Nancy Salazar".  

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*Nancy Salazar, City Clerk*



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

5.A.

**MEETING DATE:** July 8, 2021

**SUBJECT:** Consideration to Award Contract to Act 1 Construction Inc., for the construction of Enchanted Hills Park located at 1400 Weston Road, Perris, CA 92570.

**REQUESTED ACTION:** That the City Council 1) Adopt the Plans and Specifications for Enchanted Hills Park; 2) Award a contract to Act 1 Construction Inc., for a total bid amount of \$8,642,545 for the construction of Enchanted Hills Park; 3) Authorize 10% of the Bid Amount for Construction Contingencies; 4) Approve a Budget Amendment in the amount totaling \$616,798 from Parks Industrial Development Impact Fees to the Enchanted Hills Park Budget (CIP #034); and 5) Authorize the City Manager to execute project related documents, approved as to form by the City Attorney.

**CONTACT:** Sabrina Chavez, Director of Community Services

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#### BACKGROUND/DISCUSSION:

The Enchanted Hills area was identified as a park deficient community and eligible for grant funding under Proposition 68. The City applied for a highly competitive grant in August 2019 and in February 2020, the City received notification of grant award in the amount of \$8.5 million from the California Department of Parks and Recreation Office of Grants and Local Services under the Proposition 68 Statewide Park Program ("SPP") Grant to develop a new park, Enchanted Hills Park. The park project site is comprised of a total of 22.5 acres and is located on 1400 Weston Road, Perris, CA 92571. On February 9, 2021, City Council rejected bids due to high bids received and directed staff to reassess the project design and specifications in order to reduce project costs.

On March 17, 2021, the Parks and Recreation Committee reviewed the project design recommendations in order to move forward with the project bidding. Staff was directed to proceed as follows: 1) separate the grading from the construction bid, which has been completed to date; 2) design the northern parking lot off of Metz Road with crushed based material so it can be used temporary until the City completes the permanent asphalt parking improvements in the future; 3) remove the second smaller restroom from the project design; 4) reduce the amount of group picnic shelters to maintain a total of 3 group picnic shelters throughout the park site; 5) modify lighting and fencing standards; and 6) establish design elements as add alternate bid items such as splash pad features. The term "add alternates," are additional items of work that may be awarded as part of the contract if the bids come within the budget specified in the contract.

On April 23, 2021, the Project bid documents were advertised on Active Bidder and published in the local newspaper on April 28, 2021 and May 12, 2021. The City requested that potential bidders provide their base bid for the construction of the park project, in addition to providing cost estimates for add alternatives to include splash pad features, picnic shelters, playground features, and completion of the northern asphalt parking lot. Bids opened on May 27, 2021, and five bids were received with base bid amounts ranging from \$8,518,325 to \$9,675,600 not including cost estimates for bid add alternatives. The lowest responsive base bid was submitted by Act 1 Construction Inc.

On June 2, 2021, staff briefed the Parks and Recreation Committee with a summary of bids received for the project, including add alternatives. The Committee directed staff to proceed with recommendation to contract Act 1 Construction, the lowest responsive bidder and include add alternate bid items consisting of the BMX ramps, massive splash bucket and mini water slide for the splash pad for a total contract amount of \$8,642,545 (\$8,518,325 base bid plus \$124,220 for add alternate bid items). The engineering's project estimate was set at \$8,500,000 for the base bid plus alternate bid items.

Based on the information and documents contained in this staff report, staff recommends that the City Council award a contract to Act 1 Construction Inc., for the construction of Enchanted Hills Park for a total contract amount of \$8,642,545. Construction costs will be reimbursable from available Proposition 68 grant funding. In order to complete the construction of the park project, additional funding is needed in the amount totaling \$616,798. There is sufficient funding in Industrial Parks Development Impact Fee to cover the funding delta needed.

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**BUDGET (or FISCAL) IMPACT:** Costs associated for services provided by Act 1 Construction Inc. is reimbursable from available Proposition 68 Statewide Park Program Grant Funding. There is sufficient funding in Industrial Parks Development Impact Fee to cover a budget amendment in the amount of \$616,798 to the Enchanted Hills Park CIP#P-034 Budget.

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Prepared by: Bill Hemsley, Interwest Consulting Services, Project Manager

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director \_\_\_\_\_

- Attachments:
- 1: Enchanted Hills Park Site Location
  - 2: Due to size, Enchanted Hills Park Plans are available on file at the City Clerk's Office or at this link: <https://www.cityofperris.org/government/city-council/council-meetings>
  - 3: Active Bidder Summary Sheet
  - 4: Draft Contract Services Agreement
  - 5: Due to size, Bid Documents are available on file at the City Clerk's Office or at this link: <https://www.cityofperris.org/government/city-council/council-meetings>
  - 6: Due to size, the bid Project Manual and Specifications are available on file at the City Clerk's Office or at this link: <https://www.cityofperris.org/government/city-council/council-meetings>

Consent: X  
Public Hearing:  
Business Item:  
Presentation:  
Other:





**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 1:  
ENCHANTED HILLS PARK  
SITE LOCATION**

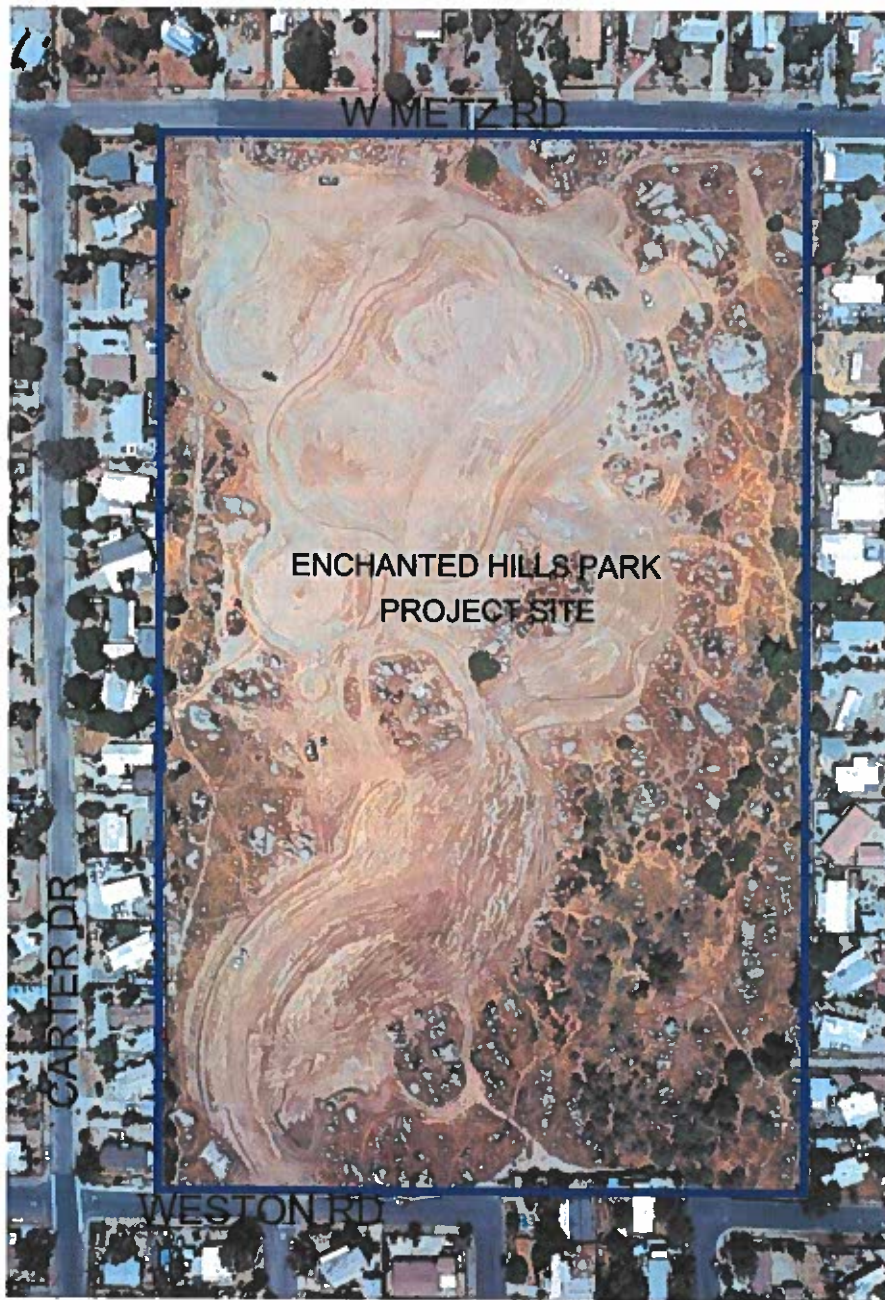


**CITY OF PERRIS  
COMMUNITY SERVICES DEPARTMENT**

**Attachment 1**

**PROJECT SITE MAP**

**Aerial**



**Enchanted Hills Park Site Location**

**City of Perris**

**Park Address: 1400 Weston Road, Perris CA 92570**





**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 2:  
ENCHANTED HILLS PARK PLANS**



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 3:  
ACTIVE BIDDER  
SUMMARY SHEET**

Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

Enchanted Hills Park Project

<b>Estimated Value:</b>	\$8,000,000	<b>Bid Post Date:</b>	04/16/2021 14:53 PDT
<b>Department:</b>		<b>Bid Due Date:</b>	05/27/2021 before 16:00 PDT
<b>Bid Bond:</b>	10%	<b>Performance Bond:</b>	100%
<b>Payment Bond:</b>	100%		

**License Requirements:**

For this contract, the contractor shall possess Classification "A" Engineering License or "B" General Building License at the time the contract is awarded.

**Project Information:**

1) Enchanted Hills Park Project	Type: PRIMARY
<b>Location:</b>	1400 Weston Road Perris, CA 92570
<b>Project Start Date:</b>	06/21/2021
<b>Project End Date:</b>	01/18/2022

**Scope of Services:**

There is a mandatory Pre-Bid Meeting scheduled for May 5, 2021 at 9:00 AM on 1400 Weston Road, Perris, CA 92570.

The Work generally consists of constructing approximately 9-acres of Enchanted Hills Park improvements within an approximately 23-acre site located at 1400 Weston Road, Perris, CA 92570. The Project generally includes but not limited to site grading, site drainage, concrete flatwork, protection of existing facilities, site construction, pre-fabricated restroom building and shade structures, sports lighting, walkway lighting, new electrical service transformer and panel, sewer line with clean-outs and connection to existing City sewer main, connection to existing EMWD water main lines, landscape and irrigation, child play areas, water play area, fitness area, zip lines, multi-use field, basketball courts, parking lots, skate spot, bike spot, concrete walking paths, trails, and natural/undeveloped areas. As part of the Work, the Contractor shall furnish and assume full responsibility for everything required for the orderly progress and proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated into the Work. This includes, but is not limited to, drawings, permits, materials, equipment, labor including subcontractor, transportation, construction equipment and machinery, tools, and other facilities, incidentals, and performing all operation necessary and required in conformity with the requirements in the specifications and plans. The Contractor shall perform and complete assigned work including all construction services, supervision, administrative services, coordination of all Subcontractors, tests, inspections, and other items that are necessary to and appropriate for the finishing, equipping and functioning of the facilities and structures, together with all additional, collateral and incidental work and services required for the completion of the provision of the Work. The City reserves the right to accept the bids and the alternate bid or reject the bids. The Construction Documents, Approved Plans and Specifications will be uploaded to the "ActiveBidder" site.

**Notes:**

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Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

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Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

## Registered Bidders / 14 total

#	Name	Company	Address	City	State	Phone
1	Aljazzar, Bisher	Spectrum Construction Group	16 Goodyear 140	Irvine	CA	949-299-1400
2	Montano, Ethel	Ohno Construction Company	16398 Boyle Ave	Fontana	California	6192788824
3	Zavala, Hector	KASA Construction, Inc.	15148 Sierra Bonita Lane	Chino	CA	909-457-8260
4	Ortega, Michael	Horizons Construction Company	432 W Meats Avenue	Orange	California	7146260000
5	DeLeeuw, Alex	Tovey/Shultz Construction, Inc.	18261 Collier Ave. Unit A	Lake Elsinore	CA	9514715677
6	Soroudi, Aria	Environmental Construction, Inc.	21550 Oxnard Street 1060	Woodland Hills	CA	8184498920
7	Elihu, Shawn	3-D Enterprises, Incorporated	3665 Ruffin Road 103	San Diego	CA	858-530-2202
8	Brennan, Brett	Urban Habitat	P.O. Box 1177	La Quinta	CA	760-345-1101
9	Trenholm, Tiffany	Act 1 Construction, Inc.	444 6th street	norco	California	9517351184
10	Blanchard, Ashlie	Hardy & Harper, Inc.	32 Rancho Circle.	Lake Forest	CA	714-444-1851
11	Hamel, Grant	Hamel Contracting, Inc.	26431 Jefferson Ave. a	Murrieta	CA	(951) 600-2783
12	Haygood, Joseph	Los Angeles Engineering, Inc.	633 N. Barranca Avenue	Covina	CA	626-454-5222
13	Schlereth, TROY	Kairos Construction	35561 Cornflower Pl Murrieta, CA 92562	CA - Murrieta	CA	19514349934
14	Leonor, Carlos	Awil Builders, Inc	1027 Sherlock Dr	Burbank	CA	562-948-1133

Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

Results / 5 total

#	Name	Company	Address	Phone	Amount	Submitted	Status
1	Trenholm, Tiffany	Act 1 Construction, Inc.	444 6th street norco, California 92860-1758	9517351184	* \$10,444,399 <b>** \$8,518,325</b>	05/27/2021 17:52:22	Apparent Low Bidder
2	Haygood, Joseph	Los Angeles Engineering, Inc.	633 N. Barranca Avenue Covina, CA 91723	626-454-5222	* \$11,583,200 <b>** \$9,675,600</b>	05/27/2021 17:50:16	
3	Schlereth, TROY	Kairos Construction	35561 Cornflower Pl Murrieta, CA 92562 CA - Murrieta, CA 92562	19514349934	* \$11,705,406 <b>** \$9,484,649</b>	05/27/2021 13:38:22	
4	Leonor, Carlos	Awi Builders, Inc	1027 Sherlock Dr Burbank, CA 91501	562-948-1133	* \$11,807,991 <b>** \$9,445,091</b>	05/27/2021 17:50:05	
5	Soroudi, Aria	Environmental Construction, Inc.	21550 Oxnard Street 1060 Woodland Hills, CA 91367	8184498920	* \$11,890,882 <b>** \$8,800,000</b>	05/27/2021 17:58:37	

\* BASE BID PLUS ADD ALTERNATES

\*\* BASE BID TOTAL ONLY



## Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

## 1. Apparent low bidder details for: Trenholm, Tiffany / Act 1 Construction, Inc.

## 1) Enchanted Hills Park Project

Item	UM	Qty	Unit Pricing	Item Total	
<b>BASE BID ITEMS</b>					
1	Project Start Up (Maximum 3% of Total) - Mobilization including General Conditions, Special Provisions, Insurance and Bonds	LS	1	\$160,000	\$160,000
2	Site Work - Minor Grading, Finish Grading, Minor Clear and Grub, SWPPP Maintenance, Minor Debris Removal	LS	1	\$214,000	\$214,000
3	Detention Basin / Storm Drainage - Including On-Site Drainage Improvements	LS	1	\$178,800	\$178,800
4	Fine Grading / Overall Soil Conditioning	LS	1	\$105,000	\$105,000
5	On Site Wet Utilities - Sewer and Water	LS	1	\$515,000	\$515,000
6	On-Site Dry Utilities & Electrical - Includes all Lighting, Fixtures and Support Items	LS	1	\$1,193,000	\$1,193,000
7	Off-Site Improvements - Weston & Metz Road Improvements	LS	1	\$76,110	\$76,110
8	Parking Lot - South - Including Asphalt, Curb & Gutter Work, Striping	LS	1	\$175,240	\$175,240
9	Parking Lot - North (Remove if Add Alt #1 is awarded) - Including 6" Class II Base, Curb & Gutter Work	LS	1	\$70,600	\$70,600
10	Hardscape - Including Retaining Walls, Flatwork, Curbs, Specialty Paving, Synthetic Turf, Stairs	LS	1	\$1,588,522	\$1,588,522
11	Fencing & Handrails - Including Decorative, Safety, Cable, Gates	LS	1	\$235,000	\$235,000
12	Skate Spot - Feature Grading, Shotcrete, Metal Fabrications, Flatwork, Drainage	LS	1	\$456,350	\$456,350
13	Splash Pad - Including Features, Support Structures, Utilities and Surfacing	LS	1	\$478,186	\$478,186
14	Basketball Courts - Including Flatwork, Surfacing, Equipment, Striping	LS	1	\$103,000	\$103,000
15	Large Pre-Fabricated Restroom	LS	1	\$409,062	\$409,062
16	Shade Structures - Including (3) Three-Leaf Picnic Shelters and Large Shade Structure	LS	1	\$451,900	\$451,900
17	Playgrounds (Remove if Add Alt #4 is awarded) - Including Equipment, Curbs and Surfacing and Signage	LS	1	\$627,156	\$627,156
18	Adventure Play / Ziplines - Including Equipment, Curbs and Surfacing	LS	1	\$276,079	\$276,079

Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

1. Apparent low bidder details for: Trenholm, Tiffany / Act 1 Construction, Inc.

1) Enchanted Hills Park Project

Item	UM	Qty	Unit Pricing	Item Total
19 Site Furnishings - Including Benches, Tables, Receptacles, Trash Enclosure, etc.	LS	1	\$187,320	\$187,320
20 Signage - Including South Monument, Feature, General Use, Interpretive	LS	1	\$79,000	\$79,000
21 Irrigation - Including POC and Booster Pump	LS	1	\$445,000	\$445,000
22 Planting	LS	1	\$376,000	\$376,000
23 90 Day Maintenance	LS	1	\$80,000	\$80,000
24 Soil amendment layer over the grass field 2,000 CY	CY	2,000	\$17	\$34,000
25 Onsite boulder movement - preserving	DAYS	2	\$2,000	\$4,000
			<b>Subtotal</b>	<b>\$8,518,325</b>

**ADDITIVE ALTERNATE No. 1 (NORTH PARKING LOT) BID ITEMS**

1 Fine Grading / Overall Soil Conditioning	LS	1	\$20,000	\$20,000
2 On-Site Dry Utilities & Electrical - Includes all Lighting, Fixtures and Support Items	LS	1	\$157,850	\$157,850
3 Parking Lot - North - Including Asphalt, Curb & Gutter Work, Striping	LS	1	\$45,000	\$45,000
4 Hardscape - Including Flatwork, Curbs	LS	1	\$35,000	\$35,000
5 Fencing & Handrails - Including ADA Ramp Handrails & Guardrails	LS	1	\$65,000	\$65,000
6 Shade Structure - Including (1) Three-Leaf Picnic Shelter	LS	1	\$85,000	\$85,000
7 Site Furnishings - Including Tables, Receptacles, Bike Rack, Trash Enclosure, etc.	LS	1	\$14,200	\$14,200
8 Signage - Including North Monument, General Use	LS	1	\$20,000	\$20,000
9 Irrigation & Planting - North Parking Lot - Including 90 Day Maintenance	LS	1	\$87,000	\$87,000
			<b>Subtotal</b>	<b>\$529,050</b>

**ADDITIVE ALTERNATE No. 2 (ENCHANTED TOWER) BID ITEMS**

1 Site Work - Earthwork, Rough Grading, Soil Import/ Fine Grading	LS	1	\$48,800	\$48,800
2 Enchanted Tower Playground - Including Equipment, Curbs, Fencing, Surfacing	LS	1	\$296,610	\$296,610
3 Irrigation & Planting - Including 90 Day Maintenance	LS	1	\$34,553	\$34,553
			<b>Subtotal</b>	<b>\$379,963</b>

Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

1. Apparent low bidder details for: Trenholm, Tiffany / Act 1 Construction, Inc.

1) Enchanted Hills Park Project

Item	UM	Qty	Unit Pricing	Item Total	
<b>ADDITIVE ALTERNATE No. 3 (PICNIC SHELTER) BID ITEMS</b>					
1	Fine Grading / Overall Soil Conditioning	LS	1	\$12,500	\$12,500
2	Hardscape - Including Flatwork	LS	1	\$20,000	\$20,000
3	Shade Structure - Including (1) Three-Leaf Picnic Shelter, Picnic Shelter Lights	LS	1	\$80,000	\$80,000
4	Site Furnishings - Including Tables, Receptacles, BBQ, etc.	LS	1	\$25,000	\$25,000
5	Irrigation & Planting - Including 90 Day Maintenance	LS	1	\$28,996	\$28,996
				Subtotal	\$166,496
<b>ADDITIVE ALTERNATE No. 4 (5-12 PLAY AREA) BID ITEMS</b>					
1	Playgrounds - Including Equipment, Curbs and Surfacing and Signage (in lieu of Base Bid Item #17)	LS	1	\$708,295	\$708,295
				Subtotal	\$708,295
<b>ADDITIVE ALTERNATE No. 5 (BIKE AREA) BID ITEMS</b>					
1	Bike Area Including Grading, Earthen Features, Manufactured Structures, Signage	LS	1	\$65,370	\$65,370
				Subtotal	\$65,370
<b>ADDITIVE ALTERNATE No. 6 (SPLASH PAD FEATURES) BID ITEMS</b>					
1	Massive Splash Pad MS14-2A	LS	1	\$43,150	\$43,150
2	Rocky Rain F2052	LS	1	\$18,050	\$18,050
3	Mini-Bend Aqua Slide F1119-W22943	LS	1	\$15,700	\$15,700
				Subtotal	\$76,900
				<b>Project Total</b>	<b>\$10,444,399</b>

Enchanted Hills Park Project

Post Date: 04/16/2021 14:53 PDT

Due Date: 05/27/2021 before 16:00 PDT

Estimated Value: \$8,000,000

## File attachment details for: Trenholm, Tiffany / Act 1 Construction, Inc.

File name	Description	Type	Size	Notes
Bid Bond complete	Additional	pdf	3.2 MB	
Addendum #5	Additional	pdf	325.5 Kb	
20210527153931_001	Additional	pdf	2.3 MB	Subcontractors
Addendum #2	Additional	pdf	607.6 Kb	
Bid Proposal - partial	Additional	pdf	21.9 MB	
Subs DIR sheets	Additional	pdf	7.5 MB	
Addendum #1	Additional	pdf	607 Kb	
Addendum #3	Additional	pdf	1 MB	
Addendum #4	Additional	pdf	419.5 Kb	
Bid Items	Additional	pdf	2.6 MB	Bid items



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 4:  
DRAFT CONTRACT SERVICES AGREEMENT**

## CITY OF PERRIS

### CONTRACT FOR ENCHANTED HILLS PARK BASE BID PROJECT (REBID)

THIS PUBLIC WORKS CONTRACT (herein "Agreement") is made and entered into this 8<sup>th</sup> day of July, 2021, by between the CITY OF PERRIS, a municipal corporation, (herein "City") and Act 1 Construction Inc. "Contractor"). (herein

NOW, THEREFORE, the parties hereto agree as follows:

#### 1.0 SERVICE OF CONTRACTOR

##### 1.1 Contract.

The complete contract includes all contract documents, to wit: **ENCHANTED HILLS PARK BASE BID PROJECT (REBID)** Plans and Specifications and Information for Bidders, Special Provisions, which are incorporated by this reference as though set forth in full herein; and the Federal Prevailing Wage Determinations.

##### 1.2 Scope of Services.

In compliance with all of the terms and conditions of this Agreement, the Contractor shall furnish all tools, equipment, services, apparatus, facilities, transportation, labor, building/encroachment permits, disposal and materials necessary and reasonably incidental to create **ENCHANTED HILLS PARK BASE BID PROJECT (REBID)**, and miscellaneous related improvements in Perris, California, in strict accordance with improvements plans and Specification. Contractor warrants that all work and services set forth in the Scope of Service will be performed in a competent, professional and satisfactory manner.

##### 1.3 Incorporation of and Compliance with State, Federal and Local Law.

All applicable State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions required to be contained in public works contracts which are not specifically referenced in the Agreement are incorporated herein by this reference. The Contractor is responsible for and has an independent duty to be familiar with all State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions related to, pertaining to, and/or associated with the work and services to be provided under the Agreement. All work and services rendered hereunder shall be provided in accordance with all laws, statutes, rules, regulations, orders, determinations, and resolutions of the City and any Federal, State or local governmental agency of competent jurisdiction

##### 1.4 Licenses, Permits, Fees and Assessments.

If applicable, Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

## **1.5 Additional Services**

City shall have the right at any time during the performance of the work and services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustments in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. City and Contractor agree to negotiate the cost for additional services based on the unit pricing proposed by the Contractor in the original Bid Schedule of Values found in Section BF, "Bid Form," of the Specification. City and Contractor agree that City may seek additional cost estimates from third party contractor's to perform additional services. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, while City seeks estimates from third party contractor's to perform additional services. Written orders shall be made on forms prescribed by the Contract Officer in accordance with Part I "Procedural Documents," Section CO of the Specification. Any increase in compensation of up to ten percent (10%) of the Contract Sum; or in the time to perform of up to one hundred twenty (120) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services and work specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the work and services to be provided pursuant to the Scope of Services may be more costly or time consuming than the Contractor anticipates and that the Contractor shall not be entitled to additional compensation therefore.

## **2.0 COMPENSATION**

### **2.1 Contract Sum.**

For the services rendered pursuant to this Agreement, the Contractor shall be compensated, except as provided in Section 1.5, the sum of Eight Million, Six Hundred Forty-Two, Five Hundred and Forty Five dollars (\$8,642,545.00), in accordance with Section GP and Section SP, "General Provisions" and "Special Provisions," and Section BF, "Bid Form," and "Bid Schedule of Values."

### **2.2 Method of Payment.**

Contractor shall submit to the City, and invoice for services rendered prior to the date of the invoice. In accordance with Section GP, "General Provision", Section SP, "Special Provisions"; "Schedule of Values", and upon receipt and approval of invoice by the City, City shall pay Contractor within a reasonably prompt manner consistent with City's normal procedures for payable accounts, but not to exceed thirty (30) days from date received by City, unless otherwise directed by the labor compliance officer. Progress payments shall be issued upon successful completion of items listed on the bid schedule of values, and inspection made by the City, unless otherwise directed by the project manager or labor compliance officer. A retention of five percent (5%), unless otherwise directed by the project manager shall be withheld from this payment. Upon completion of the work by the contractor,

a final inspection shall be made by the City. Unless otherwise directed by the project manager or labor compliance officer, upon approval, the City shall file a Notice of Completion and a final payment will be issued (minus five (5%) percent retention). The final retention payment shall be issued following 45 days from the filing of the Notice of Completion, unless otherwise directed by the labor compliance officer. The City must pay interest at the legal rate on any Contractor payment request not paid within 30 days of its submission when the validity of the request is not disputed and the request has been properly submitted. (Public Contract Code § 20104.50)

### **2.3 Retention of Funds.**

Contractor hereby authorized City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omission in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

## **3.0 COORDINATION OF WORK**

### **3.1 Representative of Contractor.**

Angelica P. Monge, designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

### **3.2 Contract Officer.**

The City Manager is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer at any time.

### **3.3 Prohibition Against Subcontracting or Assignment.**

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

### **3.4 Independent Contractor.**

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein



as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way for any purpose become or deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise of Contractor.

#### **4.0 INSURANCE, INDEMNIFICATION AND BONDS**

##### **4.1 Insurance.**

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance.

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least \$2,000,000 bodily injury and property damage including coverage for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations. The Commercial General Liability Policy shall name the City of Perris, California, its officers, employees and agents as additional insured in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases carrying out the work or service contemplated in this Agreement.

(c) Business Automobile Insurance. A policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of \$1,000,000 bodily injury and property damage. Said policy shall include coverage for owned, non-owned, lease and hired cars.

All of the above policies of insurance shall be primary insurance. The insurer shall waive all rights of subrogation and contribution it may have against the City of Perris, its officers, employees and agents, and its insurers. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or service under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverage and said Certificates of Insurance or binders are approved by the City.

Contractor agrees that the provision of this Section 4.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible. In the event the Contractor subcontracts any portion of the work in compliance with Section 3.3 of this Agreement, the contract between the Contractor and such subcontractor shall required the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section.

##### **4.2 Indemnification.**

(a) To the fullest extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the City of Perris, its officers and their representatives, consultants, employees, directors, shareholders, successors, and assigns (individually as "Indemnities" ) from and against any and all damages, cost, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, attorneys, expert witnesses, consultants, or other professionals and all costs associated therewith (collectively, "Claims"), to the extent arising or claimed to arise out of, in connection with, resulting from, or related to any negligent act, error, omission or failure to act of Contractor or any of its subcontractors and their respective officers, agents, servants, employees, subcontractors, material men, suppliers or Contractor's failure to perform or negligent performance of any term, provision, covenant or condition of the Agreement or the Scope of Services, including this indemnity provision. This indemnity also applies to any Claims of any type or nature asserted on behalf of any of Contractor's subcontractors. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnities may have under the law. Payment is not required as a condition precedent to and Indemnities' right to recover under this indemnity provision. An indemnities shall have the right to select the attorneys to represent it in the event of a Claim and at Contractor's expense. Contractor shall pay Indemnities for any attorney's fees, consultant and expert witness fees and costs incurred in enforcing this indemnification provision. This indemnity is effective without reference to the existence or applicability of any insurance coverage which may have been required under the Agreement or nay additional insured endorsements, which may extend to Indemnities.

(b) Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against any Indemnities with respect to those Claims as to which such Indemnities is indemnified under Section 4.2(a) above, except for such Claims which are the result of such Indemnities' willful misconduct.

(c) In the event the City and its officers, agents or employees are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operations or activities of Contractor hereunder, Contractor agrees to pay to the City and its officers, agents or employees, any and all costs and expenses incurred by the City, and its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

#### **4.3 Sufficiency of Insurer or Surety.**

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or designee of the City due to unique circumstances. In the event the City's Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 5 may be changed accordingly upon receipt of written notice from the City's Risk Manager or designee; provided that the Contractor shall have the right to appeal a determination of increased coverage by the City's Risk Manager to the City Council within ten (10) days of receipt of notice from the City's Risk Manager.

#### **4.4 Labor and Materials Bond.**

Concurrently with the execution of this Agreement, Contractor shall deliver to City a labor and materials bond in a sum not less than one hundred percent of the total amount payable by terms of the Agreement, in the form provided by the City Clerk, which secures payments to subcontractors and suppliers in the event of default by Contractor. The labor and materials bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The labor and materials bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor completely and faithfully pays all subcontractors and suppliers that have been approved in writing to perform in whole or part the services required herein. If Contractor is the provider of architectural, engineering, and land surveying services pursuant to an existing contract with City for a public work, Contractor shall not be required to post or deliver a labor and materials bond.

#### **4.5 Performance Bond.**

Concurrently with execution of this Agreement, Contractor shall deliver to City a performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement, unless such requirement is waived by the Contract Officer. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

### **5.0 TERM**

#### **5.1 Time for Completion and Liquidated Damages.**

The work for the Enchanted Hills Park – Clearing and Grubbing Project shall commence on the day of July 22, 2021, and shall be completed within two hundred (200) calendar days from and after said date. It is expressly agreed that, except for extensions of time duly granted in writing by the City Manager and for reasons authorized in this Agreement, time shall be of the essence, and contractor shall be held responsible for liquidated damages in a sum equal to \$500.00 (five hundred dollars) for each and every day after the permitted time if the work is not completed to the City's satisfaction.

#### **5.2 Force Majeure.**

The time period(s) specified in this Agreement for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy

being extension of the Agreement pursuant to this Section.

### **5.3 Termination for Default of Contractor.**

If the Contract Officer determines that the Contractor is in default due to the Contractor's failure to fulfill its obligations under this Agreement, City will give Contractor a written Notice of Default which will be served personally on the Contractor's representative or sent via U.S. First Class Mail to the Contractor at the address set forth in Section 8.1. The Contractor shall continue performing its obligations hereunder so long as the Contractor commences to cure such default within five (5) calendar days of service of such notice and completes the cure of such default within forty-five (45) calendar days after service of the notice, or such longer period as may be permitted by the City; provided that if the default is an immediate danger to the health, safety and general welfare, the City reserves the right to not notify the Contractor of the default and to take any and all action that may be necessary to cure the default.

If a Notice of Default is issued and the Contractor fails to cure the default within the time periods set forth in this Section, the City may take over the work and prosecute the same to completion by contract or otherwise. The City may use any portion or all of the Contract Sum to pay for said work. The Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages).

Contractor agrees that if the default is an immediate danger to the health, safety, and general welfare, the City may take immediate action to cure the default and the Contractor shall be liable for all costs and expenses associated with curing the default.

Compliance with the provisions of this Section shall only be a condition precedent to termination of this Agreement for cause. Such compliance shall not be a waiver of the City's right to take legal action in the event that the dispute is not cured. Further, compliance with this Section shall not be a waiver of the City's right to seek liquidated damages or other damages from the Contractor caused by the Contractor's failure to comply with any term of the Agreement.

#### **5.4 Resolution of Contractor Construction Claims.**

Public Contracts Code section 20104 et. seq. sets forth detailed procedures for resolving disputes of \$375,000 or less. In the event that a dispute, valued at \$375,000 or less, arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a claim therefore. Contractor and City shall comply with the detailed procedures stipulated in Public Contract Code Section 20104-20104.6, for resolving claims of \$375,000 or less.

In the event of any dispute valued at more than \$375,000 arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a detailed claim that sets forth the amount of damages, the basis and/or cause of the damages and all supporting documents which support the claim within ten (10) calendar days after the claim arose. Contractor agrees to submit any additional information or documents requested by the City so it can fully analyze the claim.

In the event of any dispute, the Contractor shall not be relieved of its obligations under this Agreement and shall continue performing its obligations hereunder unless the City agrees in writing to release the Contractor from its obligations under the Agreement. Compliance with the provisions of this Section shall be a condition precedent to any legal action.

### **6.0 CITY OFFICERS, EMPLOYEES, AND U.S. MEMBERS OF CONGRESS**

#### **6.1 Non-liability of City Officers and Employees**

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

#### **6.2 Conflict of Interest**

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

#### **6.3 Federal Employee Benefit Clause**

No member of or delegate to the Congress of the United States, and no resident commissioner shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

### **7.0 NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

#### **7.1 Covenants Against Discrimination**

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any

person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

**Statement of Equal Opportunity Clause**

- (a) Contractor will not discriminate against any employee or applicant for employment because of race, color religion, sex, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the County setting forth the provisions of this non-discriminating clause.
- (b) Contractor will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

**8.0 MISCELLANEOUS PROVISIONS**

**8.1 Notice**

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail addressed as follows:

City

City of Perris  
101 N. "D" Street  
Perris, CA 92570  
ATTN: Sabrina Chavez, Director of Community Services

Contractor

Act 1 Construction Inc.,  
444 6<sup>th</sup> St.  
Norco, CA 92860  
ATTN: Ryan McGlynn , President

**8.2 Handicap Accessibility Certification.**

Contractor certifies that with respect to the public facilities or parts thereof that are altered

by the work in this contract, the altered portions of the facilities are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, and meet the laws established by the Americans With Disabilities Act of 1990, Public Law 101-336, and applicable portions of Title 24 of the California Code of Regulations (Access Code).

### **8.3 Records Retention Clause Examination and Audit**

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable accounting principals. Said books and records shall be made available to the City of Perris, the State Auditor of California, the Federal Government and to any authorized representatives thereof for purposes of audit at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the final payment is received by the Contractor.

### **8.4 Payroll Records**

Contractor shall comply with State Labor Code section 1776, and shall maintain and keep accurate payroll records of employees, and shall certify these records upon request by the City. Said payroll records shall be made available to the City, the State Division of Labor Standards Enforcement, and the State Division of Apprenticeship Standards. If the Contractor fails to comply with State Labor Code Section 1776, Contractor shall be held responsible for penalties as set forth in said section.

### **8.5 Prevailing Wages**

Pursuant to State and Federal statutes, rules, orders, resolutions, and regulations, the Contractor is required to pay the higher of the State of California or Federal prevailing wages. The Contractor is required to be fully familiar with and comply with all State of California and Federal statutes, rules, regulations, orders, resolutions, and determinations which govern the payment of wages for the work and services provided for in this Agreement.

Under the State Labor Code, Contractor shall not pay less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate per diem wages for holiday, overtime, health and welfare, pension, vacation and similar purposes to all workers employed on the work described in this Agreement. The City has obtained from the Director of the Department of Industrial Relations, State of California, the determination of general prevailing rates of per diem wages believed to be applicable to the work described in this Agreement, including employer payments for health and welfare, pension, vacation and similar purposes. Contractor shall obtain from the City Clerk said General Prevailing Wage Determination and post it in a conspicuous place at the site of the work described in this Agreement.

**8.6 Working Hours Restriction and Penalties for Non-Compliance**

Contractor agrees that eight (8) hours is a legal days work for all employees hired by the Contractor, and that any worker's time of service is restricted to eight (8) hours during any calendar day, and forty (40) hours during any calendar week, unless overtime compensation is paid at not less than one and one half times the basic rate of pay. Contractor shall comply with said working hours restrictions and overtime compensation provisions, and shall pay a penalty of \$50.00 (fifty and 00/100 dollars) for each and every day a worker is employed in violation of said working hours restrictions and overtime compensation provisions.

**8.7 Interpretation**

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

**8.8 Integration; Amendment**

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

**8.9 Severability**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**8.10 Corporate Authority**

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[End – Signature Page Follows]



IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

"CITY"  
CITY OF PERRIS

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

By: \_\_\_\_\_  
Clara Miramontes, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

"CONTRACTOR"  
Act 1 Construction Inc.,

By: \_\_\_\_\_  
Ryan McGlynn, President

\_\_\_\_\_  
Print Name and Title

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 5:  
BID DOCUMENTS**



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 6:  
BID PROJECT MANUAL AND SPECIFICATIONS**



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

5.B.

**MEETING DATE:** July 8, 2021

**SUBJECT:** Award Contract to R Dependable Construction, Inc for the City Facility Building Improvement Project located at 101 North D Street, Perris CA 92570.

**REQUESTED ACTION:** That the City Council (1) Adopt the Plans and Specifications for Constructing City Facility Building Improvement Project located at 101 North D Street, Perris, CA 92570; (2) Award a contract to R Dependable Construction for a total contract amount of \$186,000; (3) Authorize 10% of the Bid Amount for Construction Contingencies; and (4) Authorize the City Manager to execute project related documents, approved as to form by the City Attorney.

**CONTACT:** Sabrina Chavez, Director of Community Services <sup>SC</sup>

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#### BACKGROUND/DISCUSSION:

Staff solicited construction services for interior building tenant improvements to allow for City Council administrative office space at Perris City Hall located at 101 North D Street, Perris, CA 92570. The proposed project entails two new administrative offices, conference area, two unisex restrooms for councilmembers and staff, and office space for staff workstations.

On May 27, 2021, staff solicited bids for the project and a total of three bids were received ranging from \$321,881 to \$468,685. The lowest responsive bidder submitted a request for bid withdrawal due to several factors affecting their ability to perform the work outlined within their proposal, and all bids were rejected at the June 8, 2021 City Council meeting.

The project was published on Active Bidder, beginning June 10, 2021 and closed on June 24, 2021. A total of three bids were submitted ranging from \$186,000 to \$522,590. Active Bidder published the lowest responsive bid submitted by R Dependable Construction, Inc. with a bid amount of \$186,000 for interior office improvements and restrooms as specified above. The project estimate for the project was set at \$185,980.

Staff recommends that the City Council (1) Adopt the Plans and Specifications for the new improvements; (2) Award a contract to R Dependable Construction, Inc. for a total bid of \$186,000; (3) Authorize 10% of the Bid Amount for Construction Contingencies; and (4) Authorize the City Manager to execute project related documents.

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**BUDGET (or FISCAL) IMPACT:** Costs associated for the construction of the 101 Building Tenant Improvement (CIP #F015) was approved in the Mid-Year Budget Allocation Fiscal Year 2020-2021.

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Prepared by: Jessica Galloway, Project Coordinator

**REVIEWED BY:**

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director \_\_\_\_\_

Attachments: 1: Site Plan  
2: Bid Summary Sheet  
3: Contract Services Agreement  
4: Bid Form

Consent: X  
Public Hearing:  
Business Item:  
Presentation:  
Other:



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 1:  
SITE PLAN**



DEBERRY SMITH ARCHITECTS  
101 N. D STREET  
PERRIS, CA 92570

CITY OF PERRIS  
101 N. D STREET  
PERRIS, CA 92570



# CITY HALL - TENANT IMPROVEMENT PHASE III

REVISIONS	
No.	Description

PROJECT ADDRESS:  
101 N. D STREET  
PERRIS, CA 92570

CITY NAME:  
CITY OF PERRIS

Proposed Plan

Sheet Number	18-1308
Date	2/11/2021 2:52:14 PM
Designer	ES
Checker	ES
Scale	As indicated

- UP WALL THRESHOLD
- DOWN WALL THRESHOLD

UP WALL THRESHOLD

DOWN WALL THRESHOLD

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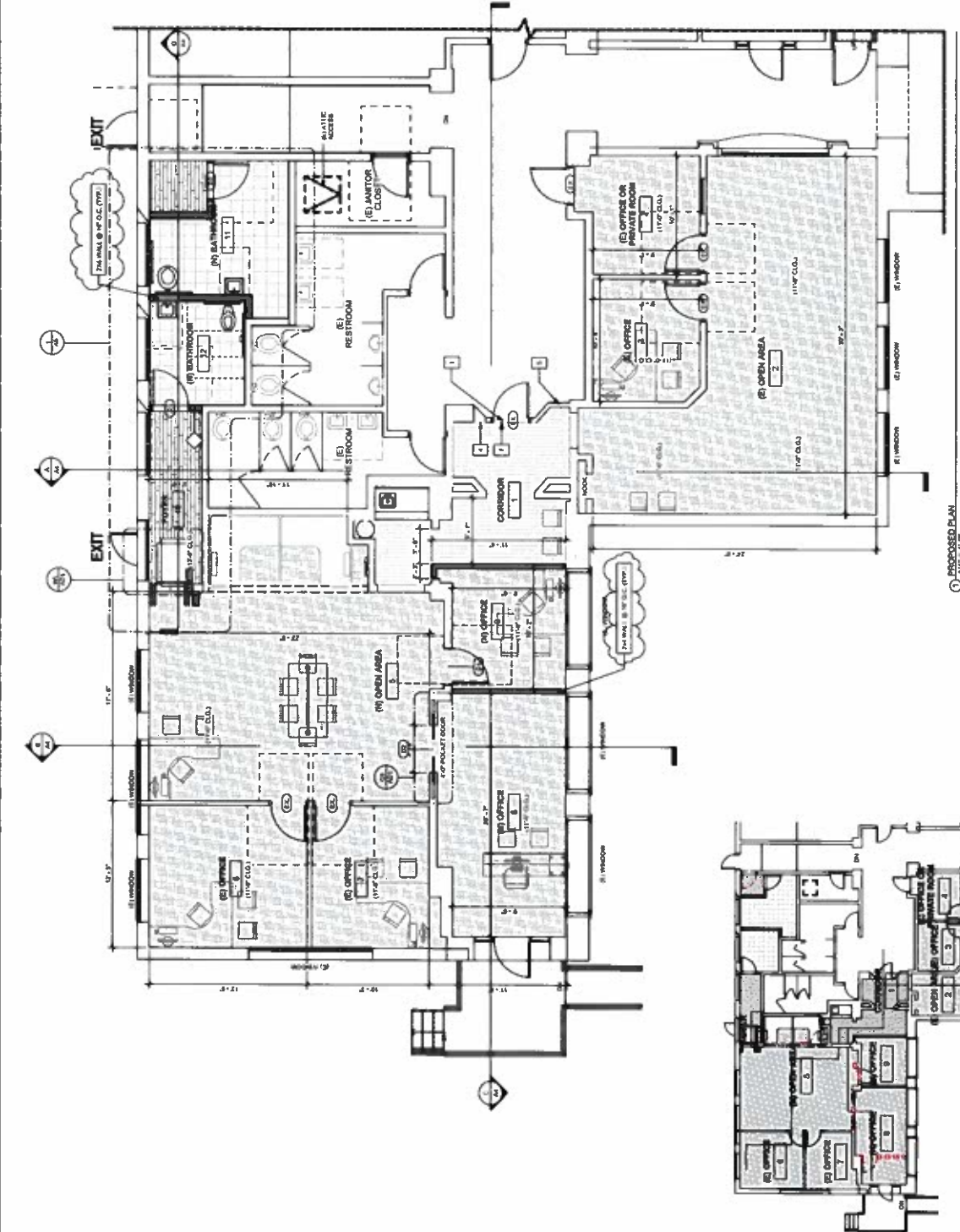
UP WALL THRESHOLD

DOWN WALL THRESHOLD

- UP WALL THRESHOLD
- DOWN WALL THRESHOLD

UP WALL THRESHOLD

DOWN WALL THRESHOLD



1. PROPOSED PLAN  
SCALE 1/4" = 1'-0"

2. DEMO & PROPOSED PLAN  
SCALE 1" = 10'-0"

### CONTRACTOR NOTES

- CONTRACTOR TO PROVIDE MEANS TO SWITCH (B) ELECTRICAL, INCLUDING CHANGEOUT OF...
- CONTRACTOR TO PROVIDE MEANS TO SWITCH (B) ELECTRICAL, INCLUDING CHANGEOUT OF...
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**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 2:  
BID SUMMARY SHEET**



101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

101 Building Tenant Improvement

<b>Estimated Value:</b>	\$185,980	<b>Bid Post Date:</b>	06/10/2021 20:07 PDT
<b>Department:</b>		<b>Bid Due Date:</b>	06/24/2021 before 13:00 PDT
<b>Bid Bond:</b>	10%	<b>Performance Bond:</b>	100%
<b>Payment Bond:</b>	100%		

**License Requirements:**

For this contract, the contractor shall possess Class "B" General Building License at the time the contract is awarded.

**Project Information:**

1) 101 Building Tenant Improvement	Type: PRIMARY
<b>Location:</b>	101 N D Street Perris, California 92570
<b>Project Start Date:</b>	07/26/2021
<b>Project End Date:</b>	11/23/2021

**Scope of Services:**

The project will take place at the City Hall Building, 101 N. D Street. The scope will entail a full remodel of the existing space. Two (N) City offices will be constructed using existing floorplan space. An existing wall with (E) panel will be demo to create a larger work space. The (N) panel will be relocate to an adjacent wall. The wall paint, floor, baseboards and finishes will be new throughout. The finishes are to maintain the Historical Characteristics of the building. This means the walls will need to be troweled to have a similar texture. The existing baseboards that are wood will need to be painted to match the new baseboards. (2) new restrooms will be built creating (2) ADA restrooms. These restrooms will be located in an existing storage space / break area. Currently there are steps that access this space, so a new Chair Lift will need to be installed. The Goal is to create a new space that feels like a new Tenant Improvement throughout. There will be Shades for the (E) windows. The City will provide any guidance on exact finishes, and colors.

**Notes:**

The project will take place at the City Hall Building, 101 N. D Street. The scope will entail a full remodel of the existing space. Two (N) City offices will be constructed using existing floorplan space. An existing wall with (E) panel will be demoed to create a larger work space. The (N) panel will be relocate to an adjacent wall. The wall paint, floor, baseboards and finishes will be new throughout. The finishes are to maintain the Historical Characteristics of the building. This means the walls will need to be troweled to have a similar texture. The existing baseboards that are wood will need to be painted to match the new baseboards. (2) new restrooms will be built creating (2) ADA restrooms. These restrooms will be located in an existing storage space / break area. Currently there are steps that access this space, so a new Chair Lift will need to be installed. The Goal is to create a new space that feels like a new Tenant Improvement throughout. There will be Shades for the (E) windows. The City will provide any guidance on exact finishes, and colors.

101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

Registered Bidders / 6 total

#	Name	Company	Address	City	State	Phone
1	Padilla, Estimating	R Dependable Const Inc	1019 W. 3rd St. Suite B	San Bernardino	CA	9093812310
2	Giacalone, Gaetano	13zero3, Inc DBA 1303 Builders	225 W 16th Street	National City	CA	6192727556
3	Jones, Mike	HJ Vast	449 West Foothill Blvd 521	Glendora	CA	9093131747
4	Pineda, Arturo	Pineda General Construction, Inc.	22063 Rosary Ave.	Nuevo	CA	951-385-9149
5	Dalke, Barry	Dalke and Sons Construction	4585 Allstate Dr.	Riverside	CA	951-274-9880
6	Schlereth, TROY	Kairos Construction	35561 Cornflower Pl Murrieta, CA 92562	CA - Murrieta	CA	19514349934

101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

Results / 3 total

#	Name	Company	Address	Phone	Amount	Submitted	Status
1	Padilla, Estimating	R Dependable Const Inc	1019 W. 3rd St. Suite B San Bernardino, CA 92410	9093812310	\$186,000	06/24/2021 14:58:50	Apparent Low Bidder
2	Pineda, Arturo	Pineda General Construction, Inc.	22063 Rosary Ave. Nuevo, CA 92567	951-385-9149	\$399,994.62	06/24/2021 14:57:41	
3	Giocalone, Gaetano	13zero3, Inc DBA 1303 Builders	225 W 16th Street National City, CA 91950	6192727556	\$522,590.44	06/24/2021 14:57:27	

101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

**1. Apparent low bidder details for: Padilla, Estimating / R Dependable Const Inc****1) 101 Building Tenant Improvement**

Item	UM	Qty	Unit Pricing	Item Total	
<b>Base Bid Items Interior Office and Open Space Only</b>					
1	Mobilization including General Conditions, and Special Provisions	LS	1	\$18,000	\$18,000
2	Traffic Control System	LS	1	\$603.75	\$603.75
3	Construction Fencing With Windscreen	LS	1	\$2,300	\$2,300
4	Insurance and Bonds	LS	1	\$4,255	\$4,255
5	All Req. Construction & Utility Permits	LS	1	\$575	\$575
6	Demolition of (E) Ceiling, Flooring, Walls, Etc.	LS	1	\$3,128	\$3,128
7	New Wood Stud Wall Framing (Per Sheet A2)	LS	1	\$2,714	\$2,714
8	Gypsum Wall Board & Plaster	LS	1	\$3,703	\$3,703
9	Gypsum Board Ceiling (Per Sheet A5)	LS	1	\$3,530.5	\$3,530.5
10	4" Vinyl Base (Per Sheet A3)	LF	752	\$2.81	\$2,113.12
11	LVT Flooring To Include Req. Substrate	SF	2,254	\$3.69	\$8,317.26
12	3'x7' Wood Interior Doors with Hardware	LS	1	\$4,991	\$4,991
13	4'x7' Wood Pocket Door & Hardware	LS	1	\$5,575.5	\$5,575.5
14	Mechosystems Double Shade Window Covering (Per Sheet A3)	EA	21	\$815.57	\$17,126.97
15	Pocket Door Glazing with City Seal (Custom)	LS	1	\$402.5	\$402.5
16	Laminate Counter Similar To Existing (Per Sheet A3)	SF	12	\$100.2	\$1,202.4
17	Replace (E) Cabinets & High Cabinets At Break Area	LS	1	\$1,081	\$1,081
18	Lighting (Per Sheet E200 With Battery Backup)	LS	1	\$1,610	\$1,610
19	Wall Exit Signage Double Entry, Exit Sign With 90 Min Battery Back Up (Per Sheet E200)	LS	1	\$345	\$345
20	Occupancy Sensor (Per Sheet E200)	EA	6	\$96.83	\$580.98
21	Photocell Sensor (Per Sheet E200)	EA	4	\$145.46	\$581.84
22	Light Switch (Per Sheet E200)	LS	1	\$402.5	\$402.5
23	Outlets & Data Drops	LS	1	\$1,035	\$1,035
24	Lighting Control Panel	LS	1	\$1,035	\$1,035
25	New Electrical Panel (Per Sheet E300)	LS	1	\$1,610	\$1,610
26	Lighting Fixtures To Match Existing In Council Office Only (Upgrade)	LS	1	\$2,300	\$2,300

101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

1. Apparent low bidder details for: Padilla, Estimating / R Dependable Const Inc

1) 101 Building Tenant Improvement

Item	UM	Qty	Unit Pricing	Item Total	
27	Connections To (E) Electrical Service & Panels	LS	1	\$1,610	\$1,610
28	New Ducting Various Diameters With Drops (Per Sheet M200)	LS	1	\$1,495	\$1,495
29	Duct Parts & Dampers & Smoke Detectors	LS	1	\$2,070	\$2,070
30	Thermostat	LS	1	\$632.5	\$632.5
31	Connection to (E) Mechanical Equipment & Ducts	LS	1	\$632.5	\$632.5
32	Geotechnical Services	LS	1	\$1,150	\$1,150
33	Survey and Staking	LS	1	\$1,150	\$1,150
34	Other Items Not Listed Above (painting, room signage, acoustical rework, etc.)	LS	1	\$986	\$986
				Subtotal	\$98,845.32

Additive Alternate No. 1: Restroom Area Bid Items

1	Demo (E) Pavement	LS	1	\$1,564	\$1,564
2	Demo (E) Ceiling, Flooring, Walls, Etc	LS	1	\$1,564	\$1,564
3	Demo (E) Plants, Landscape, and planters to Connect to (E) Sewer and (E) Water	LS	1	\$782	\$782
4	Site Utilities (Connect to (E) Sewer, Water, Finding Route To Connect to City Sewer & Water)	LS	1	\$1,736.5	\$1,736.5
5	Other Site Work, Patching, Repairing, Replacing, Striping, Etc.	LS	1	\$1,265	\$1,265
6	Doors & Hardware Per Schedule	LS	1	\$3,082	\$3,082
7	New Concrete To Fill In Trenches	LS	1	\$2,140	\$2,140
8	Framing (Misc. Connections and Adaption to (E) Structure	LS	1	\$736	\$736
9	New Wood Stud Wall Framing (Per Sheet A2)	LS	1	\$1,357	\$1,357
10	Gypsum Wall Board & Plaster	LS	1	\$3,634	\$3,634
11	Gypsum Board Ceiling (Per Sheet A5)	LS	1	\$2,714	\$2,714
12	Wainscotting & Cove Tile	LS	1	\$5,066	\$5,066
13	Complete Floor Preparation & Installation	LS	1	\$2,800	\$2,800
14	LVT Flooring To Include Required Substrate	SF	317	\$10.28	\$3,258.76
15	Interior Paint and Finishes	LS	1	\$2,139	\$2,139
16	Wall Finishes	LS	1	\$1,069	\$1,069
17	Miscellaneous Exterior & Interior Finishes Not Included Elsewhere	LS	1	\$1,357	\$1,357

101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

1. Apparent low bidder details for: Padilla, Estimating / R Dependable Const Inc

1) 101 Building Tenant Improvement

Item	UM	Qty	Unit Pricing	Item Total
18 Restroom Grab Bars and Accessories (1) Behind Toilet & (1) Side Toilet	EA	2	\$701.5	\$1,403
19 Wheelchair Lift	LS	1	\$19,000	\$19,000
20 Complete Plumbing Installation Including All Connections, Piping, Fixtures, Etc.	LS	1	\$7,728	\$7,728
21 Toilet, Sink, Flushometer, Faucet, Etc.	LS	1	\$8,659.42	\$8,659.42
22 New Ducting Various Diameters With Drops (Per Sheet M200)	LS	1	\$2,760	\$2,760
23 Duct Parts and Dampers, Smoke Detectors	LS	1	\$1,035	\$1,035
24 Connections to (E) Mechanical Equipment & Ducts	LS	1	\$1,035	\$1,035
25 Complete Mechanical Installation Including All Connections, Piping, Ducting, Equipment Fixtures, Etc.	LS	1	\$2,070	\$2,070
26 Exhaust Fan	LS	1	\$1,552.5	\$1,552.5
27 Complete Electrical Installation Including All Connections, Conduits, Outlets, Switches, Etc.	LS	1	\$2,645	\$2,645
28 Light Fixtures, Etc.	EA	5	\$520	\$2,600
29 Light Switch (Per Sheet E200)	LS	1	\$402.5	\$402.5
			Subtotal	\$87,154.68
			<b>Project Total</b>	<b>\$186,000</b>

101 Building Tenant Improvement

Post Date: 06/10/2021 20:07 PDT

Due Date: 06/24/2021 before 13:00 PDT

Estimated Value: \$185,980

**File attachment details for: Padilla, Estimating / R Dependable Const Inc**

File name	Description	Type	Size	Notes
PROPOSAL	Additional	pdf	4.8 MB	



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 3:  
CONTRACT SERVICES AGREEMENT**



**CITY OF PERRIS  
PUBLIC WORKS CONTRACT FOR  
101 BUILDING TENANT IMPROVEMENT PROJECT**

THIS PUBLIC WORKS CONTRACT (herein "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by between the CITY OF PERRIS, a municipal corporation, (herein "City") and R Dependable Construction, Inc. (herein "Contractor").

NOW, THEREFORE, the parties hereto agree as follows:

**1.0 SERVICE OF CONTRACTOR**

**1.1 Contract.**

The complete contract includes all contract documents, to wit: 101 Building Tenant Improvement Project. Plans and Specifications and Information for Bidders, Special Provisions, which are incorporated by this reference as though set forth in full herein; and the Federal Prevailing Wage Determinations.

**1.2 Scope of Services.**

In compliance with all of the terms and conditions of this Agreement, the Contractor shall furnish all tools, equipment, services, apparatus, facilities, transportation, labor, building/encroachment permits, disposal, materials, laboratory test results, and reasonable incidental to create **101 BUILDING TENANT IMPROVEMENT PROJECT**, and miscellaneous related improvements in Perris, California, in strict accordance with improvements plans and Specification. Contractor warrants that all work and services set forth in the Scope of Service will be performed in a competent, professional and satisfactory manner.

**1.3 Incorporation of and Compliance With State, Federal and Local Law.**

All applicable State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions required to be contained in public works contracts which are not specifically referenced in the Agreement are incorporated herein by this reference. The Contractor is responsible for and has an independent duty to be familiar with all State of California, Federal, and local laws, statutes, rules, regulations, orders, determinations, and resolutions related to, pertaining to, and/or associated with the work and services to be provided under the Agreement. All work and services rendered hereunder shall be provided in accordance with all laws, statutes, rules, regulations, orders, determinations, and resolutions of the City and any Federal, State or local governmental agency of competent jurisdiction.

#### 1.4 Licenses, Permits, Fees and Assessments.

If applicable, Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement.

#### 1.5 Additional Services

City shall have the right at any time during the performance of the work and services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustments in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. City and Contractor agree to negotiate the cost for additional services based on the unit pricing proposed by the Contractor in the original Bid Schedule of Values found in Section BF, "Bid Form," of the Specification. City and Contractor agree that City may seek additional cost estimates from third party contractor's to perform additional services. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, while City seeks estimates from third party contractor's to perform additional services. Written orders shall be made on forms prescribed by the Contract Officer in accordance with Part I "Procedural Documents," Section CO of the Specification. Any increase in compensation of up to ten percent (10%) of the Contract Sum; or in the time to perform of up to one hundred twenty (120) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services and work specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the work and services to be provided pursuant to the Scope of Services may be more costly or time consuming than the Contractor anticipates and that the Contractor shall not be entitled to additional compensation therefore.

### **2.0 COMPENSATION**

#### 2.1 Contract Sum.

For the services rendered pursuant to this Agreement, the Contractor shall be compensated, except as provided in Section 1.5, the sum of, One Hundred Eighty Six Thousand Dollars and 00/Cents (\$186,000), in accordance with section GP, "General Provisions" and Section SP, "Special Provisions", and Section BF, "Bid Form," and "Bid Schedule of Values"

#### 2.2 Method of Payment.

Contractor shall submit to the City, and invoice for services rendered prior to the date of the invoice. In accordance with Section GP, "General Provision", Section SP,

"Special Provisions"; "Schedule of Values", and upon receipt and approval of invoice by the City, City shall pay Contractor within a reasonably prompt manner consistent with City's normal procedures for payable accounts, but not to exceed thirty (30) days from date received by City, unless otherwise directed by the labor compliance officer. Progress payments shall be issued upon successful completion of items listed on the bid schedule of values, and inspection made by the City, unless otherwise directed by the project manager or labor compliance officer. A retention of five percent (5%), unless otherwise directed by the project manager shall be withheld from this payment. Upon completion of the work by the contractor, a final inspection shall be made by the City. Unless otherwise directed by the project manager or labor compliance officer, upon approval, the City shall file a Notice of Completion and a final payment will be issued (minus five (5%) percent retention). The final retention payment shall be issued following 45 days from the filing of the Notice of Completion, unless otherwise directed by the labor compliance officer. The City must pay interest at the legal rate on any Contractor payment request not paid within 30 days of its submission when the validity of the request is not disputed and the request has been properly submitted. (Public Contract Code § 20104.50)

### 2.3 Retention of Funds.

Contractor hereby authorized City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omission in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

## 3.0 COORDINATION OF WORK

### 3.1 Representative of Contractor.

Rosemary Padilla, is designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

### 3.2 Contract Officer.

The City Manager, is hereby designated as being the representative the City authorized to act in its behalf with respect to the work and services specified herein and make all decisions in connection therewith ("Contract Officer"). The City Manager of City shall have the right to designate another Contract Officer at any time.

### 3.3 Prohibition Against Subcontracting or Assignment.

Contractor shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

### 3.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way for any purpose become or deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise of Contractor.

## 4.0 **INSURANCE, INDEMNIFICATION AND BONDS**

### 4.1 Insurance.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance.

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least \$2,000,000 bodily injury and property damage including coverage for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations. The Commercial General Liability Policy shall name the City of Perris, California, its officers, employees and agents as additional insured in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases carrying out the work or service contemplated in this Agreement.

(c) Business Automobile Insurance. A policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of

\$1,000,000 bodily injury and property damage. Said policy shall include coverage for owned, non-owned, lease and hired cars.

All of the above policies of insurance shall be primary insurance. The insurer shall waive all rights of subrogation and contribution it may have against the City of Perris, California, its officers, employees and agents, and its insurers. In the event any of said policies of insurance are canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 4.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City.

Contractor agrees that the provisions of this Section 4.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or person for which the Contractor is otherwise responsible.

In the event the Contractor subcontracts any portion of the work in compliance with Section 3.3 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section.

#### 4.2 Indemnification.

(a) To the fullest extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the City of Perris, California, its elected and appointed officials and members, officers, attorneys, agents, representatives, consultants, employees, directors, shareholders, successors, and assigns (individually as "Indemnitee" and collectively, "Indemnities") from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, expert witnesses, consultants, or other professionals and all costs associated therewith (collectively, "Claims"), to the extent arising or claimed to arise out of, in connection with, resulting from, or related to any negligent act, error, omission or failure to act of Contractor or any of its subcontractors and their respective officers, agents, servants, employees, subcontractors, materialmen, suppliers or Contractor's failure to perform or negligent performance of any term, provision, covenant or condition of the Agreement or the Scope of Services, including this indemnity provision. This indemnity also applies to any Claims of any type or nature asserted on behalf of any of Contractor's subcontractors. This indemnity provision shall survive the termination of the Agreement and is in addition to any other rights or remedies which Indemnities may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision. An Indemnitee shall have the right to select the attorneys to

represent it in the event of a Claim and at Contractor's expense. Contractor shall pay Indemnitees for any attorneys' fees, consultant and expert witness fees and costs incurred in enforcing this indemnification provision. This indemnity is effective without reference to the existence or applicability of any insurance coverages which may have been required under the Agreement or any additional insured endorsements, which may extend to Indemnitees.

(b) Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against any Indemnitee with respect to those Claims as to which such Indemnitee is indemnified under Section 4.2(a) above, except for such Claims which are the result of such Indemnitee's willful misconduct.

(c) In the event the City of Perris, California, its officers, agents or employees are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operations or activities of Contractor hereunder, Contractor agrees to pay to the City of Perris, California, officers, agents or employees, any and all costs and expenses incurred by the City of Perris, California, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees

#### 4.3 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or designee of the City due to unique circumstances. In the event the City's Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies required by this Section 5 may be changed accordingly upon receipt of written notice from the City's Risk Manager or designee; provided that the Contractor shall have the right to appeal a determination of increased coverage by the City's Risk Manager to the City Council within ten (10) days of receipt of notice from the City's Risk Manager.

#### 4.4 Labor and Materials Bond

Concurrently with the execution of this Agreement, Contractor shall deliver to City a labor and materials bond in a sum not less than one hundred percent of the total amount payable by terms of the Agreement, in the form provided by the City Clerk, which secures payments to subcontractors and suppliers in the event of default by Contractor. The labor and materials bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The labor and materials bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the

Contractor completely and faithfully pays all subcontractors and suppliers that have been approved in writing to perform in whole or part the services required herein. If Contractor is the provider of architectural, engineering, and land surveying services pursuant to an existing contract with City for a public work, Contractor shall not be required to post or deliver a labor and materials bond.

#### 4.5 Performance Bond.

Concurrently with execution of this Agreement, Contractor shall deliver to City a performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement, unless such requirement is waived by the Contract Officer. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

### 5.0 TERM

#### 5.1 Time For Completion and Liquidated Damages.

The work for the 101 Building Tenant Improvement Project shall commence on the 26th day of July 2021 and shall be completed within one-hundred and twenty (120) calendar days from and after said date. It is expressly agreed that, except for extensions of time duly granted in writing by the City Manager and for reasons authorized in this Agreement, time shall be of the essence, and contractor shall be held responsible for liquidated damages in a sum equal to \$500.00 (five hundred dollars) for each and every day after the permitted time if the work is not completed to the City's satisfaction.

#### 5.2 Force Majeure.

The time period(s) specified in this Agreement for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the

Agreement pursuant to this Section.

### 5.3 Termination for Default of Contractor.

If the Contract Officer determines that the Contractor is in default due to the Contractor's failure to fulfill its obligations under this Agreement, City will give Contractor a written Notice of Default which will be served personally on the Contractor's representative or sent via U.S. First Class Mail to the Contractor at the address set forth in Section 8.1. The Contractor shall continue performing its obligations hereunder so long as the Contractor commences to cure such default within five (5) calendar days of service of such notice and completes the cure of such default within forty-five (45) calendar days after service of the notice, or such longer period as may be permitted by the City; provided that if the default is an immediate danger to the health, safety and general welfare, the City reserves the right to not notify the Contractor of the default and to take any and all action that may be necessary to cure the default.

If a Notice of Default is issued and the Contractor fails to cure the default within the time periods set forth in this Section, the City may take over the work and prosecute the same to completion by contract or otherwise. The City may use any portion or all of the Contract Sum to pay for said work. The Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages).

Contractor agrees that if the default is an immediate danger to the health, safety, and general welfare, the City may take immediate action to cure the default and the Contractor shall be liable for all costs and expenses associated with curing the default.

Compliance with the provisions of this Section shall only be a condition precedent to termination of this Agreement for cause. Such compliance shall not be a waiver of the City's right to take legal action in the event that the dispute is not cured. Further, compliance with this Section shall not be a waiver of the City's right to seek liquidated damages or other damages from the Contractor caused by the Contractor's failure to comply with any term of the Agreement.

### 5.4 Resolution of Contractor Construction Claims.

Public Contracts Code section 20104 et. seq. sets forth detailed procedures for resolving disputes of \$375,000 or less. In the event that a dispute, valued at \$375,000 or less, arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a claim therefore. Contractor and City shall comply with the detailed procedures stipulated in Public Contract Code Section 20104-20104.6, for resolving claims of \$375,000



or less.

In the event of any dispute valued at more than \$375,000 arises as a result of the work described in this Agreement, the Contractor shall notify the City in writing of its contentions by submitting a detailed claim that sets forth the amount of damages, the basis and/or cause of the damages and all supporting documents which support the claim within ten (10) calendar days after the claim arose. Contractor agrees to submit any additional information or documents requested by the City so it can fully analyze the claim.

In the event of any dispute, the Contractor shall not be relieved of its obligations under this Agreement and shall continue performing its obligations hereunder unless the City agrees in writing to release the Contractor from its obligations under the Agreement. Compliance with the provisions of this Section shall be a condition precedent to any legal action.

## **6.0 CITY OFFICERS, EMPLOYEES, AND U.S. MEMBERS OF CONGRESS**

### **6.1 Non-liability of City Officers and Employees**

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

### **6.2 Conflict of Interest**

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

### **6.3 Federal Employee Benefit Clause**

No member of or delegate to the Congress of the United States, and no resident commissioner shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

## **7.0 NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

### **7.1 Covenants Against Discrimination**

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed,

religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

Statement of Equal Opportunity Clause

- (a) Contractor will not discriminate against any employee or applicant for employment because of race, color religion, sex, or national origin. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in a conspicuous place, available to employees and applicants for employment, notices to be provided by the County setting forth the provisions of this non-discriminating clause.
- (b) Contractor will ensure that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

**8.0 MISCELLANEOUS PROVISIONS**

8.1 Notice

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail addressed as follows:

City

City of Perris  
Community Services Department  
227 N. "D" Street  
Perris, CA 92570  
ATTN: Sabrina Chavez, Director of Community Services

Contractor

R Dependable Construction, Inc.  
1019 W. 3RD Street, Suite B  
San Bernardino, CA 92410  
ATTN: Rosemary Padilla

## 8.2 Handicap Accessibility Certification.

Contractor certifies that with respect to the public facilities or parts thereof that are altered by the work in this contract, the altered portions of the facilities are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, and meet the laws established by the Americans With Disabilities Act of 1990, Public Law 101-336, and applicable portions of Title 24 of the California Code of Regulations (Access Code).

## 8.3 Records Retention Clause Examination and Audit

Contractor shall maintain and keep books and records on a current basis, recording all transactions pertaining to this Agreement in a form in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City of Perris, the State Auditor of California, the Federal Government and to any authorized representatives thereof for purposes of audit at all reasonable times and places. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records, and supporting detail shall be retained for a period of at least five (5) years after the final payment is received by the Contractor.

## 8.4 Payroll Records

Contractor shall comply with State Labor Code section 1776, and shall maintain and keep accurate payroll records of employees, and shall certify these records upon request by the City. Said payroll records shall be made available to the City, the State Division of Labor Standards Enforcement, and the State Division of Apprenticeship Standards. If the Contractor fails to comply with State Labor Code Section 1776, Contractor shall be held responsible for penalties as set forth in said section.

Contractor or Subcontractors shall be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. All Contractors and Subcontractors who perform work on this project must furnish electronic certified payroll reports directly to the Labor Commissioner (aka Division of Labor Standards Enforcement).

## 8.5 Prevailing Wages

Pursuant to State and Federal statutes, rules, orders, resolutions, and regulations, the Contractor is required to pay the higher of the State of California or Federal prevailing wages. The Contractor is required to be fully familiar with and comply with all State of California and Federal statutes, rules, regulations, orders, resolutions, and determinations which govern the payment of wages for the work and services provided for in this Agreement.

Under the State Labor Code, Contractor shall not pay less than the general prevailing rate

of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate per diem wages for holiday, overtime, health and welfare, pension, vacation and similar purposes to all workers employed on the work described in this Agreement. The City has obtained from the Director of the Department of Industrial Relations, State of California, the determination of general prevailing rates of per diem wages believed to be applicable to the work described in this Agreement, including employer payments for health and welfare, pension, vacation and similar purposes. Contractor shall obtain from the City Clerk said General Prevailing Wage Determination and post it in a conspicuous place at the site of the work described in this Agreement.

#### 8.6 Working Hours Restriction and Penalties For Non-Compliance

Contractor agrees that eight (8) hours is a legal days work for all employees hired by the Contractor, and that any worker's time of service is restricted to eight (8) hours during any calendar day, and forty (40) hours during any calendar week, unless overtime compensation is paid at not less than one and one half times the basic rate of pay. Contractor shall comply with said working hours restrictions and overtime compensation provisions, and shall pay a penalty of \$50.00 (fifty and 00/100 dollars) for each and every day a worker is employed in violation of said working hours restrictions and overtime compensation provisions.

#### 8.6 Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

#### 8.7 Employment of Apprentices

Contractor shall comply with State Labor Code § 1777.5, and shall maintain and keep accurate records of apprentices who are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency; and shall certify these records upon request by the City.

#### 8.8 Integration; Amendment

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

#### 8.9 Severability

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

#### 8.10 Corporate Authority

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[End – Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

"CITY"  
CITY OF PERRIS

By: \_\_\_\_\_  
Nancy Salazar, City Clerk

By: \_\_\_\_\_  
Clara Miramontes, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Eric L. Dunn, City Attorney

"CONSULTANT"  
R Dependable Construction, Inc.  
1019 W 3RD Street, Suite B  
San Bernardino, CA 92410

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

\_\_\_\_\_  
Print Name and Title

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

\_\_\_\_\_  
Print Name and Title

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; *AND B.* Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]



**CITY OF PERRIS**  
COMMUNITY SERVICES

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**ATTACHMENT 4:  
BID FORM**

**NOTICE TO ALL BIDDERS**

Completion and submittal of all enclosed forms including, but not limited to sheets BF-9 & BF-10 is required and must be included with original bid. Failure to submit the required documents shall be deemed as an incomplete bid and shall not be considered by City as a valid bid.

**BID FORM**

Bid Date: June 24, 2021  
Time: 1:00 p.m. (PST)  
Place: 101 North "D" Street, Perris, CA - Online through Active Bidder  
Project: 101 Building Tenant Improvement

**TO THE CITY OF PERRIS**, hereinafter called the Agency, the undersigned, as Bidder, declares that he has carefully examined the location of the project, that he has examined the plans and specifications and addenda (if any), and has read the Information for Bidders, and hereby proposes and agrees, if this bid is accepted, to furnish all materials to do all work required to complete the said plans and specifications in the time and manner herein prescribed for the Bid Price set forth in the Schedule of Bid Items.

Proposal of R DEPENDABLE CONST INC, hereinafter called "Bidder", organized and existing under the laws of the State of CA, doing business as A CORPORATION. Insert "a corporation", "a partnership", "a joint venture", or "an individual", as applicable.

No separate payment will be made for any item that is not specifically set forth in the Schedule of Bid Items. All costs, therefore, shall be included in the prices named in the Schedule of Bid Items for the various appurtenant items of work. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts, and words shall govern over figures.

By submission of this Bid, each Bidder certifies, and in the case of a joint Bid, each party thereto certifies, as to his own organization that this Bid has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this Bid with any other Bidder or with any competitor.

Since time is of the essence, Bidder hereby agrees to commence work under this Contract on July 26, 2021 and to fully complete all work on or before the time periods specified in the Contract Documents after receiving the Notice to Proceed. The Bidder agrees that failure to complete work within the time allowed will result in damages being sustained by the City. Bidder and City agree that failure to complete the project will result in inconvenience to the citizens of PERRIS. The parties also agree that failure to complete the project on time will prevent the City from having the use of the affected facilities. Therefore, the parties agree such damages among others are, and will continue to be, impracticable and extremely difficult to determine, but that \$500 a calendar day is the minimum value of such costs to the City and is a reasonable amount that the Bidder agrees to reimburse the City for each calendar day of delay in finishing the work in excess of the time specified for completion, plus any authorized time extensions. Execution of the contract under these specifications shall constitute agreement by the Bidder and the City that the above indicated liquidated damage amount per calendar day is the minimum value of the costs and actual damage caused by failure of the Bidder to complete the work within the allotted time, that such sum is liquidated damages and shall not be construed as a penalty, and that such sum may be deducted from payments due the Bidder if such delay occurs. Said amount may be reduced by the City if work is sufficiently completed within the allotted time so that the damages are minimized. The undersigned, as Bidder proposes and agrees, if the proposal is accepted, that he will execute a Contract with the Agency in the form set forth in the Contract Documents and that he will accept in full payment thereof the following prices, to wit:



**101 BUILDING TENANT IMPROVEMENT PROJECT  
Schedule of Bid Items**

**Bidder (Company Name):** R DEPENDABLE CONST INC

The bid prices stated below shall include all cost for profit, overhead, material, labor, transportation, taxes, installation work and all other incidental cost and work that are necessary to complete all items as specified on the project plans and delineated in the project specifications ready for use by the City.

**BASE BID ITEMS INTERIOR OFFICE AND OPEN SPACE ONLY**

<b>Bid Item #</b>	<b>Unit</b>	<b>Item Description</b>	<b>Unit Cost</b>	<b>Total Figures</b>
1.	LS	Mobilization including General Conditions, and Special Provisions	\$ <u>18,000.00</u>	LS \$ <u>18,000.00</u>
2.	LS	Traffic Control System	\$ <u>603.75</u>	LS \$ <u>603.75</u>
3.	LS	Construction Fencing With Windscreen	\$ <u>2,300.00</u>	LS \$ <u>2,300.00</u>
4.	LS	Insurance and Bonds	\$ <u>4,255.00</u>	LS \$ <u>4,255.00</u>
5.	LS	All Req. Construction & Utility Permits	\$ <u>575.00</u>	LS \$ <u>575.00</u>
<b>DEMOLITION</b>				
6.	LS	Demolition of (E) Ceiling, Flooring, Walls, Etc.	\$ <u>3,128.00</u>	LS \$ <u>3,128.00</u>
<b>WOOD &amp; FRAMING</b>				
7.	LS	New Wood Stud Wall Framing (Per Sheet A2)	\$ <u>2,714.00</u>	LS \$ <u>2,714.00</u>
8.	LS	Gypsum Wall Board & Plaster	\$ <u>3,703.00</u>	LS \$ <u>3,703.00</u>
9.	LS	Gypsum Board Ceiling (Per Sheet A5)	\$ <u>3,530.50</u>	LS \$ <u>3,530.50</u>

FLOORING

10.	752 LF	4" Vinyl Base (Per Sheet A3)	\$ <u>2.81</u>	LF	\$ <u>2,113.12</u>
11.	2254 SF	LVT Flooring To Include Req. Substrate	\$ <u>3.70</u>	SF	\$ <u>8,333.02</u>

DOORS & WINDOWS

12.	LS	3'x7' Wood Interior Doors with Hardware	\$ <u>4,991.00</u>	LS	\$ <u>4,991.00</u>
13.	LS	4'x7' Wood Pocket Door & Hardware	\$ <u>5575.50</u>	LS	\$ <u>5575.50</u>
14.	21 EA	Mechosystems Double Shade Window Covering (Per Sheet A3)	\$ <u>815.57</u>	EA	\$ <u>17,127.00</u>

SPECIALTY DOOR

15.	LS	Pocket Door Glazing with City Seal (Custom)	\$ <u>402.50</u>	LS	\$ <u>402.50</u>
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FURNISHINGS

16.	12 SF	Laminate Counter Similar To Existing (Per Sheet A3)	\$ <u>100.20</u>	SF	\$ <u>1,202.43</u>
17.	LS	Replace (E) Cabinets & High Cabinets At Break Area	\$ <u>1,081.00</u>	LS	\$ <u>1,081.00</u>

ELECTRICAL

18.	LS	Lighting (Per Sheet E200 With Battery Backup)	\$ <u>1,610.00</u>	LS	\$ <u>1,610.00</u>
19.	LS	Wall Exit Signage Double Entry, Exit Sign With 90 Min Battery Back Up (Per Sheet E200)	\$ <u>345.00</u>	LS	\$ <u>345.00</u>

20.	6 EA	Occupancy Sensor (Per Sheet E200)	\$ <u>96.83</u>	EA	\$ <u>581.00</u>
21.	4 EA	Photocell Sensor (Per Sheet E200)	\$ <u>145.46</u>	EA	\$ <u>581.86</u>
22.	LS	Light Switch (Per Sheet E200)	\$ <u>402.50</u>	LS	\$ <u>402.50</u>
23.	LS	Outlets & Data Drops	\$ <u>1,035.00</u>	LS	\$ <u>1,035.00</u>
24.	LS	Lighting Control Panel	\$ <u>1,035.00</u>	LS	\$ <u>1,035.00</u>
25.	LS	New Electrical Panel (Per Sheet E300)	\$ <u>1,610.00</u>	LS	\$ <u>1,610.00</u>
26.	LS	Lighting Fixtures To Match Existing In Council Office Only (Upgrade)	\$ <u>2,300.00</u>	LS	\$ <u>2,300.00</u>
27.	LS	Connections To (E) Electrical Service & Panels	\$ <u>1,610.00</u>	LS	\$ <u>1,610.00</u>

**MECHANICAL**

28.	LS	New Ducting Various Diameters With Drops (Per Sheet M200)	\$ <u>1,495.00</u>	LS	\$ <u>1,495.00</u>
29.	LS	Duct Parts & Dampers & Smoke Detectors	\$ <u>2,070.00</u>	LS	\$ <u>2,070.00</u>
30.	LS	Thermostat	\$ <u>632.50</u>	LS	\$ <u>632.50</u>
31.	LS	Connection to (E) Electrical Services & Panels	\$ <u>632.50</u>	LS	\$ <u>632.50</u>
32.	LS	Geotechnical Services	\$ <u>1,150.00</u>	LS	\$ <u>1,150.00</u>
33.	LS	Survey & Staking	\$ <u>1,150.00</u>	LS	\$ <u>1,150.00</u>

34.	LS	Other Items Not Listed Above (Painting, Room Signage, Acoustical rework, etc.)	\$ <u>986.00</u>	LS	\$ <u>986.00</u>
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**TOTAL BASE BID AMOUNT FOR: INTERIOR OFFICES AND OPEN SPACE ONLY  
(Total Lump Sum Bid Amount)**

**WRITTEN IN FIGURES**      \$98,845.32

NINETY EIGHT THOUSAND EIGHT HUNDRED FORTY FIVE DOLLARS & THIRTY TWO CENTS

**WRITTEN IN WORDS**

**ADDITIVE ALTERNATE #1: RESTROOM AREA BID ITEMS**

**DEMOLITION**

35.	LS	Demo (E) Pavement	\$ <u>1,564.00</u>	LS	\$ <u>1,564.00</u>
36.	LS	Demo (E) Ceiling, Flooring, Walls, Etc.	\$ <u>1,564.00</u>	LS	\$ <u>1,564.00</u>
37.	LS	Demo (E) Plants, Landscape, and planters to Connect to (E) Sewer and (E) Water	\$ <u>782.00</u>	LS	\$ <u>782.00</u>

**SITE CONSTRUCTION**

38.	LS	Site Utilities (Connect to (E) Sewer, Water, Finding Route To Connect to City Sewer & Water)	\$ <u>1,736.50</u>	LS	\$ <u>1,736.50</u>
39.	LS	Other Site Work, Patching, Repairing, Replacing, Striping, Etc.	\$ <u>1,265.00</u>	LS	\$ <u>1,265.00</u>

DOORS AND HARDWARE

40.	LS	Doors & Hardware Per Schedule	\$ <u>3,082.00</u>	LS	\$ <u>3,082.00</u>
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CONCRETE

41.	LS	New Concrete To Fill In Trenches	\$ <u>2,140.00</u>	LS	\$ <u>2,140.00</u>
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WOOD & FRAMING

42.	LS	Framing (Misc. Connections and Adaption to (E) Structure	\$ <u>736.00</u>	LS	\$ <u>736.00</u>
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43.	LS	New Wood Stud Wall Framing (Per Sheet A2)	\$ <u>1,357.00</u>	LS	\$ <u>1,357.00</u>
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44.	LS	Gypsum Wall Board & Plaster	\$ <u>3,634.00</u>	LS	\$ <u>3,634.00</u>
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45.	LS	Gypsum Board Ceiling (Per Sheet A5)	\$ <u>9.05</u>	SF	\$ <u>2,714.00</u>
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FLOORING

46.	LS	Wainscotting & Cove Tile	\$ <u>5,066.00</u>	LS	\$ <u>5,066.00</u>
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47.	LS	Complete Floor Preparation & Installation	\$ <u>2,800.00</u>	LS	\$ <u>2,800.00</u>
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48.	317 SF	LVT Flooring To Include Required Substrate	\$ <u>10.28</u>	SF	\$ <u>3,257.38</u>
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FINISHES

49.	LS	Interior Paint and Finishes	\$ <u>2,139.00</u>	LS	\$ <u>2,139.00</u>
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50.	LS	Wall Finishes	\$ <u>1,069.50</u>	LS	\$ <u>1,069.50</u>
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51.	LS	Miscellaneous Exterior & Interior Finishes Not Included Elsewhere	\$ <u>1,357.00</u>	LS	\$ <u>1,357.00</u>
<b>SPECIALTIES</b>					
52.	2 EA	Restroom Grab Bars and Accessories (1) Behind Toilet & (1) Side Toilet	\$ <u>701.50</u>	EA	\$ <u>1,403.00</u>
53.	LS	Wheelchair Lift	\$ <u>19,000.00</u>	LS	\$ <u>19,000.00</u>
<b>PLUMBING</b>					
54.	LS	Complete Plumbing Installation Including All Connections, Piping, Fixtures, Etc.	\$ <u>7,728.00</u>	LS	\$ <u>7,728.00</u>
55.	LS	Toilet, Sink, Flushometer, Faucet, Etc.	\$ <u>8,659.42</u>	LS	\$ <u>8,659.42</u>
<b>MECHANICAL</b>					
56.	LS	New Ducting Various Diameters With Drops (Per Sheet M200)	\$ <u>2,760.00</u>	LS	\$ <u>2,760.00</u>
57.	LS	Duct Parts and Dampers, Smoke Detectors	\$ <u>1,035.00</u>	LS	\$ <u>1,035.00</u>
58.	LS	Connections to (E) Mechanical Equipment & Ducts	\$ <u>1,035.00</u>	LS	\$ <u>1,035.00</u>
59.	LS	Complete Mechanical Installation Including All Connections, Piping, Ducting, Equipment Fixtures, Etc.	\$ <u>2,070.00</u>	LS	\$ <u>2,070.00</u>
60.	LS	Exhaust Fan	\$ <u>1,552.50</u>	LS	\$ <u>1,552.50</u>

ELECTRICAL

61.	LS	Complete Electrical Installation Including All Connections, Conduits, Outlets, Switches, Etc.	\$ <u>2,645.00</u>	LS	\$ <u>2,645.00</u>
62.	5 EA	Light Fixtures, Etc.	\$ <u>520.00</u>	EA	\$ <u>2,600.00</u>
63.	LS	Light Switch (Per Sheet E200)	\$ <u>402.50</u>	LS	\$ <u>402.50</u>

**TOTAL ADDITIVE ALTERNATE #1 BID AMOUNT FOR: RESTROOM AREA  
(Total Lump Sum Bid Amount)**

**WRITTEN IN FIGURES**      **IN**      \$ 87,154.68

EIGHTY SEVEN THOUSAND ONE HUNDRED FIFTY FOUR DOLLARS & SIXTY EIGHT CENTS

**WRITTEN IN WORDS**

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**GRAND TOTAL BID (BASE BID PLUS ALTERNATE #1) AMOUNT FOR: CITY HALL  
TENANT IMPROVEMENT PROJECT  
(Total Lump Sum Bid Amount)**

**WRITTEN IN FIGURES**      **IN**      \$ 186,000.00

ONE HUNDRED EIGHTY SIX THOUSAND DOLLARS

**WRITTEN IN WORDS**

The undersigned, as Bidder, proposes and agrees, if the proposal is accepted, that he will execute a Contract with the Agency in the form set forth in the Contract Documents and that he will accept in full payment thereof the preceding prices as set forth in Bid Schedules.

Quantities above are for the purpose of comparison only and payments will be made on the basis of actual measurement of work completed. Measurements which vary from estimated quantities, shall require verification by City, and a written change order will be required prior to payment. For quantities indicated as lump sum, Contractor shall be paid at the Contract per lump sum price indicated, and shall include full compensation for all work and no additional compensation will be allowed thereof. Where discrepancies occur between words and figures, the words shall govern. Upon receipt of the Notice of Award, Contractor shall submit to the Agency for approval, a detailed breakdown of the Contractor's cost estimate into the various elements of materials and construction operations. When approved, this breakdown will serve as a basis for the Agency to determine partial payments.

If awarded this contract, the Bidder agrees to execute the Contract and submit the Insurance Certificates on the required forms within ten (10) calendar days from the date of the Notice of Award. The Notice of Award shall be accompanied by the necessary Contract and Insurance Certificate forms. In case of failure of the Bidder to execute the Contract, the Agency may at his option consider the Bidder in default, in which case the Bid Bond, or any deposit in lieu thereof, accompanying the proposal shall become the property of the Agency. Forfeiture of the Bid Bond, or any deposit in lieu thereof, does not preclude the Agency from seeking all other remedies provided by law to recover losses sustained as a result of the Contractor's failure to execute a written agreement to perform the work at his Bid Price.

The Bidder's execution on the signature portion of this proposal shall also constitute an endorsement and execution of those certifications which are a part of this Proposal.

### **EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION**

The bidder R DEPENDABLE CONST INC, proposed subcontractor AWESOME BLINDS / LA AIR BALANCE, hereby certifies that he has \_\_\_\_\_, has not , participated in a previous contract or subcontract subject to the equal opportunity clause, as required by Executive Orders 10925, 11114, or 11246, and that, where required, he has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

NOTE: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41CFR 60-1.7(b)(1), and must be submitted by Bidders and proposed subcontractors only in connection with contracts and subcontracts which are subject to the equal opportunity clause. Contracts and subcontracts which are exempt from the equal opportunity clause are set forth in



41 CFR 60-1.5. (Generally only contracts or subcontracts of \$10,000 or under are exempt).

Currently, Standard Form 100 (EEO-1) is the only report required by the Executive Orders or their implementing regulations.

Proposed prime contractors and subcontractors who have participated in a previous contract or subcontract, subject to the Executive Orders, and have not filed the required reports should note that 41 CFR 60-1.7 (b) (1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

**Noncollusion Affidavit**  
(Title United States Code Section 112 and  
Public Contract Code Section 7106)

In accordance with Title 23 United States Code Section 112 and Public Contract Code 7106 the bidder declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Noncollusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Noncollusion Affidavit. Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

**DEBARMENT AND SUSPENSION CERTIFICATION**  
(Title 49, Code of Federal Regulations, Part 29)

The Bidder, under penalty of perjury, certifies that, except as noted below, he/she or any person associated therewith in the capacity of owner, partner, director, office manager:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past 3 years;
  
- Does not have a proposed debarment pending; and
  
- Has not be indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any manner involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

NONE - N/A

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Exceptions will not necessarily result in denial of award, but will be considered in determining Bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

NONE - N/A

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Note: Providing false information may result in criminal prosecution or administrative sanctions.

The above certification is part of the Proposal. Signing this proposal on the signature portion thereof shall also constitute signature of this Certification.

## **NON LOBBYING CERTIFICATION FOR FEDERAL AID CONTRACTS**

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure of Lobbying Activities”, in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, and U.S. Code. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such sub-recipients shall certify and disclose accordingly.

Person who inspected site of the proposed work as a representative of your firm:

N/A - No Job Walk

Name (please print)

Date of Inspection

Bidder acknowledges receipt of the following Addenda:

NONE - N/A

Dated 6/24/2021

Dated

Dated

Dated

NAME OF BIDDER: R DEPENDABLE CONST INC

NAME AND TITLE OF SIGNING PARTY: ROSEMARY PADILLA - PRESIDENT

SIGNATURE OF BIDDER:

*Rosemary Padilla*

944088

Contractor's California License No.

ROSEMARY PADILLA

(CORPORATE SEAL)

Name of License Holder

B - GENERAL BUILDING

Type of License

3/31/2023

Expiration Date

Contact Information:

Company Name: R DEPENDABLE CONST INC

Contact Person: ROSEMARY PADILLA

Title: PRESIDENT

Company Address: 1019 W. 3RD STREET, SUITE B  
SAN BERNARDINO, CA 92410

Phone Number: 909-381-2310

Fax Number: 909-453-0429

**BID BOND**

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned,  
R Dependable Construction, Inc. as Principal,  
and International Fidelity Insurance Company as Surety, are hereby  
held and firmly bound unto the CITY OF PERRIS as Agency in the penal sum of

Ten Percent Amount of bid ( 10% ) for the payment of which,  
well and truly to be made, we hereby jointly and severally bind ourselves, successors and  
assigns. (Note: City of Perris requires bid bond to be at least equal to 10% of bid amount).

Signed, this 14th day of June, 2021.

The Condition of the above obligation is such that whereas the Principal has submitted to the  
Agency a certain Bid, attached hereto and hereby made a part hereof, to enter into a contract  
in writing for the

**PROJECT: 101 BUILDING TENANT IMPROVEMENT PROJECT**

**NOW, THEREFORE,**

- A. If said Bid shall be rejected, or
- B. If said Bid shall be accepted and the Principal shall execute and deliver a contract in the  
Form of Contract attached hereto (properly completed in accordance with said Bid) and  
shall furnish Bonds for his faithful performance of said Contract and for the payment of  
all persons performing labor or furnishing materials in connection therewith, the  
required insurance Certificates, and shall in all other respects perform the agreement  
created by the acceptance of said Bid, then this obligation shall be void, otherwise the  
same shall remain in force and effect; it being expressly understood and agreed that the  
liability of the Surety for any and all claims hereunder shall, in no event, exceed the  
penal amount of this obligation as herein stated.

The Surety, for value received, hereby stipulates and agrees that the obligation of said Surety  
and its Bond shall be in no way impaired or affected by any extension of the time within which  
the Agency may accept such Bid; and said Surety does hereby waive notice of any such  
extension.

IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their proper officers, the day and year first set forth above.

Two Witnesses  
(If Individual):

\_\_\_\_\_  
\_\_\_\_\_

PRINCIPAL: R Dependable Construction, Inc.

By: Rosemary Padilla

Title: Rosemary Padilla, President

ATTEST (If Corporation):

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

Title: \_\_\_\_\_

(Corporate Seal)

SURETY: International Fidelity Insurance Company

ATTEST:

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

By: Ashley Baker

Title: Ashley N. Baker, Attorney-in-Fact

Title: \_\_\_\_\_

(Corporate Seal)

**IMPORTANT:** Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the Project is located.

**THIS IS A REQUIRED FORM**

**Any claims under this bond may be addressed to:**

**(Name and Address of Surety)**

International Fidelity Insurance Company

2400 E. Katella Ave # 260

Anaheim, CA 92806

**(Name and Address of Agent  
or Representative for  
service of process in  
California, if different  
from above)**

Diamond Valley Insurance Services, Inc.

41856 Ivy Street # 108

Murrieta, CA 92562

**(Telephone Number of Surety  
and Agent or Representative  
for service of process in  
California)**

Surety: 714-602-9170 / Agent: 951-853-7400

**POWER OF ATTORNEY**  
**HARCO NATIONAL INSURANCE COMPANY**  
**INTERNATIONAL FIDELITY INSURANCE COMPANY**

Bond # N/A

Member companies of IAT Insurance Group, Headquartered: 702 Oberlin Road, Raleigh, North Carolina 27605

**KNOW ALL MEN BY THESE PRESENTS** That **HARCO NATIONAL INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of Illinois, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

**TIMOTHY C. BAKER, ASHLEY N. BAKER, KAREN A. EBY, KYLE T. BAKER**

Murrieta, CA

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** and is granted under and by authority of the following resolution adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of **HARCO NATIONAL INSURANCE COMPANY** at a meeting held on the 13th day of December, 2018.

**"RESOLVED**, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** have each executed and attested these presents on this 31st day of December, 2018



STATE OF NEW JERSEY  
County of Essex

Kenneth Chapman  
Executive Vice President, Harco National Insurance Company  
and International Fidelity Insurance Company

STATE OF ILLINOIS  
County of Cook



On this 31st day of December, 2018, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

Shirelle A. Outley a Notary Public of New Jersey  
My Commission Expires April 4, 2023

**CERTIFICATION**

I, the undersigned officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, June 14, 2021

A02155

Irene Martins, Assistant Secretary



Nº 6269

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
SAN FRANCISCO

Certificate of Authority

THIS IS TO CERTIFY, That, pursuant to the Insurance Code of the State of California,

International Fidelity Insurance Company

of Newark, New Jersey, organized under the laws of New Jersey, subject to its Articles of Incorporation or other fundamental organizational documents, is hereby authorized to transact within this State, subject to all provisions of this Certificate, the following classes of insurance:

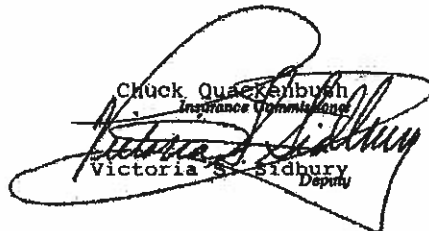
Surety

as such classes are now or may hereafter be defined in the Insurance Laws of the State of California.

THIS CERTIFICATE is expressly conditioned upon the holder hereof now and hereafter being in full compliance with all, and not in violation of any, of the applicable laws and lawful requirements made under authority of the laws of the State of California as long as such laws or requirements are in effect and applicable, and as such laws and requirements now are, or may hereafter be changed or amended.

IN WITNESS WHEREOF, effective as of the 9th day of February, 1926, I have hereunto set my hand and caused my official seal to be affixed this 9th day of February, 1926.



By   
Victoria S. Sidbury  
Deputy  
Chuck Quackenbush  
Insurance Commissioner

NOTICE: Qualification with the Secretary of State must be accomplished as required by the California Corporations Code promptly after issuance of this Certificate of Authority. Failure to do so will be a violation of Ins. Code Sec. 701 and will be grounds for revoking this Certificate of Authority pursuant to the covenants made in the application therefor and the conditions contained herein.

# CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

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


State of California }

County of Riverside }

On 14th June 2024 before me, K. A. Eby, Notary Public  
(Here insert name and title of the officer)

personally appeared Ashley N. Baker  
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.  
  
\_\_\_\_\_  
Notary Public Signature



(Notary Public Seal)

### ADDITIONAL OPTIONAL INFORMATION

**DESCRIPTION OF THE ATTACHED DOCUMENT**

\_\_\_\_\_  
(Title or description of attached document)

\_\_\_\_\_  
(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date \_\_\_\_\_

**CAPACITY CLAIMED BY THE SIGNER**

Individual (s)

Corporate Officer

\_\_\_\_\_ (Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other \_\_\_\_\_

### INSTRUCTIONS FOR COMPLETING THIS FORM

- This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.*
- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
  - Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
  - The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
  - Print the name(s) of document signer(s) who personally appear at the time of notarization.
  - Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, ~~is/are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
  - The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
  - Signature of the notary public must match the signature on file with the office of the county clerk.
    - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
    - ❖ Indicate title or type of attached document, number of pages and date.
    - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
  - Securely attach this document to the signed document with a staple.

**DESIGNATION OF SUBCONTRACTORS**

In compliance with the provisions of section 2.3 of the Standard Specifications, the Bidder shall set forth below the name and location of the mill, shop or office of each Subcontractor and the portions of the work, which will be done by that Subcontractor.

In compliance with the provisions of Section 2-3.2 of said "Standard Specifications" Bidder understands and agrees that the Contract Work described in the Plans and Specifications for the Enchanted Hills Park Project requires the Contractor to perform, with its own organization, Contract Work amounting to at least 50% of the Contract Price as provided in Section 2-3.2 Additional Responsibility of the current edition of the "Standard Specifications for Public Works Construction" prepared and promulgated by the Southern California Chapters of the American Public Works Association and Associated General Contractors of California ("Greenbook").

Pursuant to Section 1771.1 of the Labor Code, no contractor or subcontractor shall be qualified to bid on, be listed in a bid proposal (submitted on or after March 1, 2015), or engage in the performance of any contract for public work unless currently registered with the Department of Industrial Relations to perform public work pursuant to Section 1725.5 of the Labor Code. Bidders and their sub-contractors shall provide an extract PDF at the of bid showing active registration from the Public Works Contractor online registration at <https://efiling.dir.ca.gov/pwcr/search>

In compliance with the provisions of the Government Code, Section 4100-4108, the undersigned Bidder herewith sets forth the name and location of the place of business of each Subcontractor who will perform work or labor or render service to the Contractor on or about the construction site of the work or improvements in an amount in excess of one-half of one percent (½%) of the Contractor's total bid and the portion of the work which will be done by each Subcontractor as follows:

<b>Trade</b>	<b>% Of Work To Be Done</b>	<b>Name</b>	<b>License No.</b>	<b>Address</b>
12 24 13	9%	Awesome Blinds	875780	P.O. Box 6370, Norco, Ca 92860
HVAC	2%	LA Air Balance Co., Inc	625772	1848 W. 11th St, Suite N, Upland, Ca 91786

\* Identify any DBE subcontractors

**LISTING OF MANUFACTURERS**

The Contractor shall submit this sheet with his Bid to list the manufacturers of materials he intends to use. It shall be understood that where the Contractor elects not to use the material manufacturers called for in the Specifications, he will indicate the name of the Manufacturer he plans to substitute in the form below. Bidder further understands he will substitute only items of equal quality, durability, functional character and efficiency as determined by the Agency. See Section 01631 of these Specifications for substitution procedures and requirements. The Contractor should ascertain prior to bidding the acceptability of substitutes. Only one manufacturer shall be listed for each item.

<u>Item or Material</u>	<u>Manufacturer or Supplier</u>	<u>DBE(*)</u>
06 41 00 - Plastic Laminated Casework	Home Depot (To Match Existing)	
Div 08 - Doors & Hardware	Specified Doors/HW Through ASAP Doors Inc	
09 - Carpet Tile	Specified Carpet Tile Through JJ Flooring	
09 91 23 - Paint: "Eggshell"	Dunn-Edwards	
09 65 00 - Resilient Wall Base	Flexco Base Through Tri-West LTD.	
09 90 00 - LVT Flooring	Specified LVT Through Parterre Flooring	
09 29 00 - Gypsum Board	USG Solutions Sheetrock through Home Depot	
90 90 00 - Ceramic Tile	Specified Tile Through Daltile	
12 24 13 - Window Roller Shades	Mecho Shade Systems LLC through Awesome Blinds & Shutters	
22 40 00 - Plumbing Fixtures	Riverside Winnelson	
Div 26 - HVAC / Mechanical	Greenheck	
Div 26Light Fixtures / Accessories	Lithonia Lighting from Rexel USA	

No change shall be allowed of any material manufacturer listed after receipt of Bids unless the manufacturer so listed cannot furnish materials meeting the Specifications. Any manufacturer, which is not deemed to be equal-to or better in every significant respect to that required by the Contract Documents, shall be rejected at the sole discretion of the Agency. Should such change be allowed by the Agency, bidder shall provide materials meeting the specification, as determined by the Agency, and there shall be no increase in the amount of the Bid originally submitted.

\* Identify if Supplier is a DBE.

**ANTI-TRUST CLAIM**

In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or Subcontractor offers and agrees to assign to the Agency all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the Public Works Contract or the Contract or the Subcontract. This assignment shall be made and become effective at the time the Agency tenders final payment to the Contractor, without further acknowledgment by the parties.

RESPECTFULLY SUBMITTED:

<u>Rosemary Padilla</u> Signature	ROSEMARY PADILLA Please Print
PRESIDENT	1019 W. 3RD STREET, SUITE B
Title	Address
6/24/2021	SAN BERNARDINO, CA 92410
Date	Address
<hr/>	
944088	B
Contractor's California License No.	Type of License
ROSEMARY PADILLA	3/31/2022
Name of License Holder	Expiration Date

**THE REPRESENTATIONS MADE HEREIN ARE MADE UNDER PENALTY OF PERJURY.**

27-1029996  
Federal I.D. No.

(SEAL-if Bid is by a Corporation)

ATTEST \_\_\_\_\_

**CERTIFICATION - LABOR CODE SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of section 3700 et. seq. of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work of this Contract.

**CONTRACTOR:**

R DEPENDABLE CONST INC

Firm Name

Rosemary Padilla

Signature

ROSEMARY PADILLA

Print Name

944088

Contractor's California License No.

3/31/2022

Expiration Date

27-109996

Federal I.D. No.

(SEAL-if Bid is by a Corporation)

ATTEST \_\_\_\_\_

**CERTIFICATION OF NON-DISCRIMINATION**

On behalf of the Bidder making this proposal, the undersigned certifies that there will be no discrimination in employment with regard to ethnic group identification, color, religion, sex, age, physical or mental disability, or national origin; that all Federal, State, and local directives and executive orders regarding nondiscrimination in employment will be complied with; and that the principle of equal opportunity in employment will be demonstrated positively and aggressively.

DATED: 6/24/2021

R DEPENDABLE CONST INC  
(Name of Bidder)

Rosemary Padilla  
(Signature)

ROSEMARY PADILLA - PRESIDENT  
(Typed Name and Title)

944088  
California  
License No.

B  
Type of License

ROSEMARY PADILLA  
Name of License Holder

3/31/2022  
Expiration Date

27-1029996  
Federal I.D. No.

(SEAL-if Bid is by a Corporation)

ATTEST \_\_\_\_\_

**EXPERIENCE STATEMENT**

Bidder submits, as part of his bid, the following statements as to his experience qualifications. Bidder certifies that all statements and information set forth below are true and accurate. Bidder hereby authorizes the agency to make inquiry as appropriate regarding his experience.

Bidder has been engaged in the contracting business under his present business name for 11 years.

Bidder's experience in work of a nature similar in type and magnitude to that set forth in the Specification extends over a period of 30 years.

Bidder, as Contractor, has satisfactorily completed all Contracts awarded to him, except as follows: (Name any/all exceptions and reasons and attach and designate additional pages if necessary.)

NONE - N/A  
 \_\_\_\_\_  
 \_\_\_\_\_

List a minimum of three interior improvement projects which your company has performed in the last five years that meets or exceeded the total scope of work for 101 BUILDING TENANT IMPROVEMENT PROJECT where the cost of construction for each project was at least \$100,000 or greater. Bidder has satisfactorily completed the following contracts covering work similar in type and magnitude to that set forth in these Specifications for the following owners (name person, firms, or authorities):

<u>Name &amp; Address of Owner/Agency</u>	<u>Representative and Telephone</u>	<u>Type of Work, Year Completed &amp; \$ Amount</u>
HEMET USD 1791 W. ACACIA AVE, HEMET, CA 92545	JONNA WALKER 951-765-5100 X 5401	TENANT IMPROVEMENTS, CLASSROOM RECONFIGURATIONS \$136,500.00 - 2021
CHINO VALLEY IN 14011 CITY CENTER DR., CHINO HILL, CA 91709	SCOTT ATKINSON 909-816-7692	TENANT REMODEL OF (E) FIRE STATION BUILDING, \$181,000.00 - 2021
HAWTHORNE USD 14120 S. HAWTHORNE BLVD., HAWTHORNE, CA 90250	LOUIS VELEZ 310-675-5100	DISTRICT OFFICE REMODEL \$427,133.00 - 2021
CITY OF MONTCLAIR 5111 BENITO ST, MONTCLAIR, CA 91763	STEVE STANTON 909-626-8571	TENANT IMPROVEMENTS / REMODEL OF COUNCIL CHAMBER \$287,000.00 - 2019



<u>MATERIAL</u>	<u>TEST REQUIRED</u>	<u>CALIFORNIA TEST</u>
Permeable Material	Grading	202
	Sand Equivalent	217
	Durability Index	229
Imported Material (Shoulder Backing)	Grading	202
	Sand Equivalent	217
	Durability Index	229
Aggregate Subbase	Grading	202
	Sand Equivalent	217
	Resistance (R-Value)	301
Aggregate Base	Grading	202
	Sand Equivalent	217
	Resistance (R-Value)	301
	Durability Index	229
	Percentage of crushed particles	205
Screenings	Grading	202
	Loss In Los Angeles Rattler	211
	Crushed Particles	205
	Film Striping	302
	Cleanness valve	227
Asphalt Concrete (Except Open Graded)	Grading	202
	Specific Gravity	206
	(coarse & fine aggregate)	208
	Percentage of crushed particles	205
	Loss in Los Angeles Rattler	211
	Sand Equivalent	217
	Film Striping	302
	Kc Factor (CKE)	303
	Kf Factor (CKE)	303
	Stabilometer	366
	Swell	305
Moisture Vapor Susceptibility	307	
Optimum Bitumen Content*	367	
Open Graded AC, Asphalt Treated Permeable Material, Asphalt Treated Permeable Base	Grading	202
	Crushed Particles	205
	Loss In Los Angeles Rattler (500 revolutions)	211
	Durability Index	229
	Firm Striping	310 or 362 or 379

\*(Not shown in Construction Manual, use CDE frequency.)

Note: Should any potential source sampling and testing be waived by reason of previous acceptance of material from the source, there will be no reduction in contract prices by reason of such waiver.

FOREIGN MATERIALS – The requirements of the fifth paragraph in Section 6-1-08, "Foreign Materials," of the Standard Specifications shall not apply.



CONTRACTORS  
STATE LICENSE BOARD  
ACTIVE LICENSE



License Number **944088**

Entity **CORP**

Business Name **R DEPENDABLE CONST INC**

Classification **B**

Expiration Date **03/31/2022**

[www.cslb.ca.gov](http://www.cslb.ca.gov)



State of California  
**Department of Industrial Relations**



### Contractor Information

Legal Entity Name  
 R DEPENDABLE CONST INC

Legal Entity Type  
 Corporation

Status  
 Active

Registration Number  
 1000002054

Registration effective date  
 07/01/20

Registration expiration date  
 06/30/21

Mailing Address  
 1019 W 3RD STREET, STE B SAN BERNARDINO 92410 C...

Physical Address  
 1019 W 3RD STREET, STE B SAN BERNARDINO 92410 C...

Email Address  
 rdependable@gmail.com

Trade Name/DBA

License Number (s)  
 CSLB:944088  
 CSLB:944088

[Back to DIR>> \(https://www.dir.ca.gov/\)](https://www.dir.ca.gov/)

### Registration History

Effective Date	Expiration Date
06/08/18	06/30/19
06/12/17	06/30/18
06/10/16	06/30/17
06/19/15	06/30/16
10/21/14	06/30/15
07/01/19	06/30/20
07/01/20	06/30/21

### Legal Entity Information

Corporation Entity Number: C3234199

Federal Employment Identification Number: 271029996

President Name: ROSEMARY R PADILLA

Vice President Name:



State of California

# Department of Industrial Relations



## Contractor Information

**Legal Entity Name**  
 AWESOME BLINDS & SHUTTERS, INC.  
**Legal Entity Type**  
 Corporation  
**Status**  
 Active  
**Registration Number**  
 100007771  
**Registration effective date**  
 07/01/21  
**Registration expiration date**  
 06/30/23  
**Mailing Address**  
 P.O. Box 6379 Norco 92860 CA United States of America  
**Physical Address**  
 12808 THORNBURY LANE EASTVALE 92860 CA United States of America  
**Email Address**  
 caro.c@awesomedblinds.net  
**Trade Name/DBA**  
 AWESOME BLINDS & SHUTTERS, INC.  
**License Number (s)**  
 CSLB875780  
 CSLB875780

## Registration History

Effective Date	Expiration Date
06/25/16	06/30/19
06/14/17	06/30/18
08/16/16	06/30/17
02/05/16	06/30/16
01/30/15	06/30/15
07/01/19	06/30/20
07/01/20	06/30/21
07/01/21	06/30/23



State of California

# Department of Industrial Relations



## Contractor Information

**Legal Entity Name**  
 LOS ANGELES AIR BALANCE CO., INC.  
**Legal Entity Type**  
 Corporation  
**Status**  
 Active  
**Registration Number**  
 1000004731  
**Registration effective date**  
 07/01/21  
**Registration expiration date**  
 06/30/22  
**Mailing Address**  
 1848 W 11TH STREET, SUITE N UPLAND 91786 CA United States of America  
**Physical Address**  
 1848 W 11TH STREET, SUITE N UPLAND 91786 CA United States of America  
**Email Address**  
 owen@laairbalance.com  
**Trade Name/DBA**  
 LOS ANGELES AIR BALANCE CO., INC.  
**License Number (s)**  
 CSLB:625772  
 CSLB:625772

## Registration History

Effective Date	Expiration Date
06/14/18	06/30/19
05/11/17	06/30/18
05/25/16	06/30/17
06/11/15	06/30/16
01/06/15	06/30/15
07/01/19	06/30/20
07/01/20	06/30/21
07/01/21	06/30/22



# CITY OF PERRIS

5.C.

## CITY COUNCIL AGENDA SUBMITTAL

**MEETING DATE:** July 8, 2021

**SUBJECT:** Agreement for Purchase and Sale of Real Property for property located at 102 South D Street, APN 313-081-004

**REQUESTED ACTION:** 1) **Approve** the Agreement for Purchase and Sale for property located at 102 South D Street, APN 313-081-004, with owners, Jeanette Donaly Llamas and Salvador Llamas; and 2) **Authorize** the City Manager or her designee to execute all related documents in a form approved by the City Attorney.

**CONTACT:** Michele Ogawa, Economic Development and Housing Manager

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### **BACKGROUND/DISCUSSION:**

This agreement is for the purchase of an approximately 0.12-acre lot located at the southwest corner of D Street and 1<sup>st</sup> Street, 102 South D Street (APN 313-081-004), in the amount of \$220,000. The sellers of the property (Jeanette Donaly Llamas, a single woman, and Salvador Llamas, a single man, as joint tenants) listed the property for sale, at an initial asking price of \$275,000. The City submitted an initial offer in the amount of \$220,000, which the sellers accepted on June 19, 2021. The closing costs are estimated at \$1,346, bringing the estimated total for purchase to \$221,346.

The property is currently a vacant lot, approximately 5,227 square feet, near five City-owned or controlled properties, as exhibited in Attachment One to this staff report. The City has an interest in the property for City use, and/or as a component of the project to revitalize the Downtown District, along the D Street corridor.

Staff is recommending that the City Council approve the agreement, and authorize the City Manager or her designee to finalize and execute the agreement in a form approved by the City Attorney.

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**BUDGET (or FISCAL) IMPACT:** Funds for the purchase will be allocated from the SB2 fund balance

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Prepared by: Michele Ogawa, Economic Development and Housing Manager

**REVIEWED BY:**

City Attorney \_\_\_\_\_

Assistant City Manager \_\_\_\_\_

Finance Director \_\_\_\_\_

- Attachments:
1. Vicinity Map and Property Detail Information
  2. Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions (APN 313-081-004)
  3. Executed Purchase Agreement

Consent: July 8, 2021

Public Hearing:

Business Item:

Presentation:

Other:

# **ATTACHMENT ONE**

## **Vicinity Map and Property Detail Information**



## Vicinity Map and Property Detail Information

Subject Property: 102 South D Street (Southwest corner of D Street and 1<sup>st</sup> Street), APN 313-081-004

Lot Size: 5,227 SF (0.12 Acres)

Accepted Purchase Price: \$220,000



# **ATTACHMENT TWO**

**Agreement for Purchase and Sale of Real Property and  
Joint Escrow Instructions (APN 313-081-004)**

AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS  
[APN 313-081-004]

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made this 8th day of July, 2021 ("Effective Date") by and between THE CITY OF PERRIS, a municipal corporation ("Buyer"), and Jeanette Donaly Llamas, a single woman, and Salvador Llamas, a single man, as joint tenants ("Seller"). This Agreement includes the terms of purchase and sale between the parties and joint escrow instructions to the Escrow Holder (defined below). The Buyer and the Seller may be referred to individually herein each as a "Party", and collectively as the "Parties."

RECITALS:

Seller is the owner of approximately 5,227 square feet of real property and improvements located in the City of Perris, County of Riverside, State of California, located at 102 S. D Street and referred to as Assessor's Parcel Number ("APN") 313-081-004 and which is legally described on Exhibit "A" and depicted on Exhibit "B" attached hereto and incorporated herein by this reference ("Property").

Seller desires to sell and Buyer desires to purchase the Property (further defined below) pursuant to the terms and conditions of this Agreement.

DEFINITIONS:

"Business Days" - shall mean calendar days excluding weekends, holidays, and any other closures of the Parties' administrative offices.

"Buyer" - shall mean the City of Perris, a municipal corporation.

"Calendar Days" - shall mean consecutive calendar days excluding recognized federal and state holidays.

"City" - shall mean the City of Perris, a municipal corporation formed and existing under the laws of the State of California. The term City also includes any assignee of, or successor to, its rights, powers, and responsibilities.

"Closing" - shall mean the exchange of money and documents, and shall be deemed to have occurred when all conditions to closing have been satisfied or waived, Seller's Deed to Buyer has been recorded, the Escrow Holder holds and can record and deliver the remaining documents described in the Agreement, the Title Company is irrevocably and unconditionally committed to issue the Title Policy, and Buyer has delivered the Purchase Price in immediately available funds to Escrow Holder.

"Escrow Holder" - shall mean Asset Escrow, 6349 Riverside Avenue, Riverside, CA 92506.

"Property" - shall mean that certain Seller-owned real property and improvements, referred to as Assessor's Parcel Number ("APN") 313-081-004, located at 102 S. D Street in the City of Perris, and consisting of approximately 5,227 square feet, and more particularly described in Exhibit "A" of this Agreement.

"PST" - shall mean Pacific Standard Time.

"Seller" shall mean the Jeanette Donaly Llamas, a single woman, and Salvador Llamas, a single man, as joint tenants.

"Title Company" - shall mean Landwood Title, 1403 North Tustin Ave, Suite 300, Santa Ana, CA 92705, [TitleUnit@Landwood.com](mailto:TitleUnit@Landwood.com).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties hereto agree as follows:

### TERMS AND CONDITIONS

#### 1. PURCHASE AND SALE OF PROPERTY.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and subject to and on the terms and conditions herein set forth, Buyer hereby agrees to purchase from Seller, and Seller agrees to sell, assign and convey to Buyer the Property herein described, together with:

(a) All privileges, rights, easements, appurtenances belonging to the Property excepting any dedications, easements or other rights-of-way reserved to or required by Seller or other entity as set forth in the Deed and/or approved title exceptions;

(b) All development rights and air rights relating to the Property; and

(c) All minerals, oil, gas, and other hydrocarbon substances on and under the Property subject to any exceptions set forth on the Deed or recorded against Property; all right, title and interest of Seller in and to any streets, alleys, passages, water and sewer taps, sanitary or storm drain capacity or reservations and rights under utility agreements subject to Section 1(a) above, and other easements and rights-of-way including in, adjacent to or used in connection with the beneficial use and enjoyment of the Property.

Seller shall sell, assign, and convey to Buyer the Property in its condition, AS-IS, WHERE IS, at the Close of Escrow.

#### 2. OPENING OF ESCROW.

Within three (3) Business Days after Buyer's receipt of a copy of the fully executed (by both Buyer and Seller) Agreement, the Parties shall open an escrow ("Escrow") with the Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date the executed Agreement is delivered to Escrow Holder ("Opening of Escrow"). Escrow Holder shall acknowledge the Opening of Escrow and its agreement to act as Escrow Holder by promptly delivering a written confirmation of the date of the Opening of Escrow to the Buyer and Seller. The Escrow Holder shall be Asset Escrow, 6349

Riverside Avenue, Riverside, CA 92506, (909) 266-0232. The Escrow Officer shall be Rhonda S. Urban, Escrow Officer, who can be contacted at (909) 266-0232, rhonda@asset-escrow.com.

### 3. PAYMENT OF PURCHASE PRICE.

#### 3.1 Amount of Purchase Price.

The purchase price for the Property shall be Two Hundred Twenty Thousand Dollars and No Cents (\$220,000.00) ("Purchase Price"). The Purchase Price shall be payable through Escrow as described in Section 3.3, below.

#### 3.2 Deposit.

Concurrently with the Opening of Escrow, Buyer shall deposit the sum of THREE THOUSAND Dollars (\$3,000.00) ("**Deposit**") into Escrow. The Deposit shall be applied against the Purchase Price at Close of Escrow. The Deposit shall be returned to Buyer if the Agreement and the Escrow are terminated due to non-satisfaction of any Due Diligence condition, or for any other reason whatsoever other than Buyer's Default, and thereafter neither Party shall have any further rights or obligations except as otherwise stated in this Agreement. The Deposit shall be paid to Seller as liquidated damages pursuant to Section 3.4 if Close of Escrow (defined in Section 5.1 below), does not occur as a result of a Buyer Default (defined in Section 3.4 and described in Section 13.1 below).

#### 3.3 Payment of Purchase Price.

On the day preceding Close of Escrow, Buyer shall deposit the balance of the Purchase Price with Escrow Holder in "good funds." "Good funds" shall mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash. Escrow Holder shall disburse the cash amount of the Purchase Price to Seller after recordation of the grant deed transferring title to the Property. The total compensation to be paid by Buyer to Seller is all-inclusive of Seller's interest in the Property.

#### 3.4 Liquidated Damages.

THE PARTIES ACKNOWLEDGE AND AGREE THAT SELLER WILL SUFFER SUBSTANTIAL DAMAGES IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THE PROVISIONS HEREIN AS A RESULT OF A BREACH BY BUYER OF ANY OF ITS OBLIGATIONS UNDER THIS AGREEMENT ("BUYER DEFAULT"). GIVEN FLUCTUATIONS IN LAND VALUES, THE UNPREDICTABLE STATE OF THE ECONOMY AND OF GOVERNMENTAL REGULATIONS, THE FLUCTUATING MONEY MARKET FOR REAL ESTATE LOANS AND OTHER FACTORS WHICH DIRECTLY AFFECT THE VALUE AND MARKETABILITY OF THE PROPERTY, THE PARTIES REALIZE THAT IT WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL, IF NOT IMPOSSIBLE, TO ASCERTAIN WITH ANY DEGREE OF CERTAINTY THE ACTUAL AMOUNT OF SELLER'S DAMAGES IN THE EVENT OF SUCH BUYER DEFAULT. THEREFORE, THE PARTIES HEREBY AGREE THAT THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF SUCH DAMAGES, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF EXECUTION OF THIS AGREEMENT, AND THAT SELLER SHALL HAVE THE RIGHT TO RECEIVE AND RETAIN THE FULL AMOUNT OF THE DEPOSIT AS LIQUIDATED DAMAGES

PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671, AS SELLER'S SOLE RIGHT TO DAMAGES AS A RESULT OF THE BUYER DEFAULT AND AS ITS SOLE REMEDY FOR SUCH BUYER DEFAULT. SELLER WAIVES ALL RIGHTS SELLER OTHERWISE MAY HAVE PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1677 OR OTHERWISE TO SPECIFICALLY ENFORCE THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, THIS SECTION SHALL NOT LIMIT OR LIQUIDATE ANY OBLIGATIONS OR LIABILITIES OF BUYER PURSUANT TO SECTION 7. BY SIGNING THEIR INITIALS BELOW, EACH PARTY CONFIRMS ITS CONSENT TO AND AGREEMENT WITH THE PROVISIONS OF THIS PARAGRAPH:

\_\_\_\_\_  
Seller's Initials

\_\_\_\_\_  
Buyer's Initials

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 Buyer.

Buyer agrees that on or before 12:00 noon on the date preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement.

4.2 Seller.

Seller agrees that on or before 12:00 noon on the business day preceding the Closing Date, Seller will deposit with Escrow Holder an executed and recordable grant deed ("Grant Deed"), substantially in the form as provided in Exhibit "C," conveying the Property to Buyer, together with such funds and other items and instruments as may be necessary in order for the Escrow Holder to comply with this Agreement. Escrow Holder will cause the Grant Deed to be recorded when (but in no event after the date specified in Section 5.1 below) it can issue the Title Policy in the form described in Article 6 below, and holds for the account of Seller the items described above to be delivered to Seller through Escrow, less costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof.

5. CLOSING DATE; TIME OF ESSENCE.

5.1 Closing Date.

The Parties desire that the Escrow close in no event later than August 23, 2021, unless otherwise extended by mutual written agreement. The terms "Close of Escrow" and/or "Closing" and/or "Closing Date" are used herein to mean the time that Seller's Grant Deed is filed for recording by the Escrow Holder in the Office of the County Recorder of Riverside County, California. Subject to satisfaction or waiver of all conditions to Closing set forth in Section 8.1 and Section 8.2 of this Agreement, Escrow shall close fifteen (15) days from the end of the Due Diligence Period (defined below) ("**Closing Date**"), unless otherwise extended by Parties' written agreement.

5.2 Possession.

Possession and occupancy shall be delivered to Buyer at 5:00 p.m. PST on the Closing Date.

5.3 Time of Essence.

Buyer and Seller specifically understand that time is of the essence and Buyer and Seller each specifically agree to strictly comply and perform their obligations herein in the time and manner specified and waive any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

6. TITLE POLICY.

6.1 Approval of Title.

Promptly following execution of this Agreement, but in no event later than five (5) calendar days following Opening of Escrow, Seller shall furnish Buyer with a Preliminary Title Report ("PTR") issued through the Title Company, describing the state of title of the Property, together with copies of all exceptions specified therein and a map plotting all easements specified therein. The Title Company shall be Landwood Title, 1403 North Tustin Ave, Suite 300, Santa Ana, CA 92705. The Title Officer shall be Audrey Hayase, who can be contacted at [TitleUnit@Landwood.com](mailto:TitleUnit@Landwood.com), and/or other appropriate personnel of the Title Company authorized and qualified to provide title services. Buyer shall notify Seller in writing ("Buyer's Title Notice") of Buyer's approval of all matters contained in the PTR or of any objections Buyer may have to title exceptions or other matters ("Disapproved Exceptions") contained in the PTR within five (5) calendar days of receiving the PTR. If Buyer fails to deliver Buyer's Title Notice within said period, Buyer shall be conclusively deemed to have disapproved the PTR and all matters shown therein.

(a) In the event Buyer delivers Buyer's Title Notice rejecting certain title matters contained in the PTR, or is deemed to have disapproved such matters, Seller shall have a period of five (5) calendar days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("Seller's Notice"), provided, however, if the exception was caused by Seller or can be removed by Seller at no or minimal cost, Seller shall remove the Exception. Seller's failure to deliver Seller's Notice within said five (5) calendar day period shall be deemed Seller's election to decline to remove the Disapproved Exceptions. If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, if Seller is deemed to have elected to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) calendar days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines or is deemed to have declined to remove such Disapproved Exception(s).

(b) Upon the issuance of any amendment or supplement to the PTR which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) calendar days

following receipt of notice of such additional exceptions. Notwithstanding the foregoing, Buyer's Title Notice and Review period shall automatically terminate three (3) Business Days prior to Close of Escrow and Buyer's failure to tender Buyer's Title Notice to Seller shall be deemed Buyer's automatic and conclusive approval of the PTR.

## 6.2 Title Policy.

At the Close of Escrow, the Escrow Holder shall furnish Buyer with an American Land Title Association ("ALTA") Owner's Policy of Title Insurance ("Title Policy") for the Buyer's interest, wherein the Title Company shall insure that title to the Property shall be vested in Buyer, containing no exception to such title which has not been approved or waived by Buyer in accordance with this Section. The Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer has reasonably requested. Seller shall pay the cost that would be required for a California Land Title Association Title Policy. Buyer shall pay the additional cost for the ALTA Title Policy and survey. The premiums for any extended title coverage or endorsements requested by Buyer shall be borne solely by Buyer.

## 7. DUE DILIGENCE.

### 7.1 Review of Documents.

Within five (45) calendar days of Opening of Escrow, Seller shall make available to Buyer true, correct and complete copies of all contracts which relate to the Property (together with any amendments or modifications thereto); the PTR including underlying documents; all reports or other documents in Seller's possession respecting the physical condition of or prior uses of the Property, if any, including, but not limited to, building plans, site plans, ALTA survey, soils and geotechnical studies, and structural studies; and any other information in Seller's possession or control reasonably requested by Buyer regarding the Property. Seller's failure to provide Buyer with a complete copy of each document required to be delivered to Buyer pursuant to this Section shall automatically toll the Due Diligence Period (described below) one day for each day that Seller fails to satisfy its obligations set forth in this Section. Seller's failure to provide the documents referenced herein to Buyer within the Due Diligence Period shall vest with Buyer the option to terminate this Agreement as set forth in Section 10.5.

### 7.2 Scope of Due Diligence.

Buyer, until 5:00 p.m. PST on August 8, 2021 ("Due Diligence Period"), shall have the right to make an analysis of the Property including such engineering, feasibility studies, soils tests, environmental studies, surveys and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property. Buyer shall further have the right to make an examination of all permits, approvals and governmental regulations which affect the Property, including zoning and land use issues and conditions imposed upon the Property by governmental agencies.

### 7.3 Entry for Investigation.



(a) Subject to the conditions hereafter stated, Seller grants to Buyer, its agents and employees a limited license to enter upon any portion of the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense.

(b) As a condition to Buyer's entry, inspection or testing, Buyer shall keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement.

#### 7.4 Approval of Due Diligence Matters.

Buyer shall notify Seller in writing ("Buyer's Due Diligence Notice") on or before expiration of the Due Diligence Period of Buyer's approval or disapproval of the condition of the Property and Buyer's investigations with respect thereto (excluding title matters which are to be approved or disapproved pursuant to Section 6.1 above), which approval may be withheld in Buyer's sole and absolute discretion. Buyer's failure to deliver Buyer's Due Diligence Notice on or before expiration of the Due Diligence Period shall be conclusively deemed Buyer's approval thereof. Buyer's written disapproval of said matters prior to expiration of the Due Diligence Period shall vest in the Buyer, in its sole and absolute discretion, the option of terminating this Agreement as set forth in Section 10.5 of this Agreement. In such event, Buyer and Seller shall have no further rights or obligations hereunder, and Escrow Holder shall refund the Deposit to Buyer.

### 8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

#### 8.1 Condition to Buyer's Obligations.

The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent:

(a) Title Company will issue the ALTA Title Policy as required by Section 6 of this Agreement insuring title to the Property vested in Buyer.

(b) Buyer has approved in writing the condition to title of the Property on or before the date provided in Section 6.1 above.

(c) Buyer has approved in writing all Due Diligence matters on or before the expiration of the Due Diligence Period.

(d) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.

(e) Seller has deposited an executed and recordable Grant Deed into Escrow.

#### 8.2 Condition to Seller's Obligations.

The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following condition precedent:

(a) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

(b) Buyer shall have timely performed all of Buyer's obligations under this Agreement.

(c) Buyer shall not have terminated this Agreement pursuant to any right or election of Buyer to terminate provided under this Agreement.

(d) Escrow Holder shall have received the Purchase Price as adjusted and payable in a manner provided for in this Agreement.

(e) All warranties and representations of Buyer set forth in this Agreement shall be true and correct in all respects on the Agreement Date through the date of Closing.

### 8.3 Termination for Failure of a Condition.

If Buyer's closing conditions or Seller's closing conditions, as the case may be, have not been previously approved or waived, this Agreement may be terminated by the party in whose favor the closing conditions run by written notice to the other. If this Agreement is so terminated, the Parties shall have no further obligation or liability under this Agreement, except as provided that Escrow Holder must return all amounts deposited by Buyer into Escrow, to Buyer. Any cancellation fee or other costs of the Escrow Holder and Title Company shall be borne equally by Buyer and Seller and each Party shall pay its own expenses.

## 9. REPRESENTATIONS AND WARRANTIES.

### 9.1 Representations and Warranties - Buyer.

(a) Buyer hereby warrants and represents that, as of the Effective Date, this Agreement and the performance of Buyer's obligations under it and all the documents executed by Buyer that are to be delivered to Seller at the Closing are, or on the Closing Date shall be, duly authorized, executed, and delivered by Buyer and are, or at the Closing Date shall be, legal, valid, and binding obligations of Buyer, and do not, and on the Closing Date shall not, violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer or the Property is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, government agency, or other party is required for Buyer to enter into or to perform Buyer's obligations under this Agreement, except as has already been obtained.

(b) Until the Closing, Buyer shall not do anything which would impair Seller's title to any of the Property.

### 9.5 Representations and Warranties – Seller

(a) Seller hereby warrants and represents that, as of the Effective Date, this Agreement and the performance of Seller's obligations under it and all the documents executed

by Seller that are to be delivered to Seller at the Closing are, or on the Closing Date shall be, duly authorized, executed, and delivered by Seller and are, or at the Closing Date shall be, legal, valid, and binding obligations of Seller, and do not, and on the Closing Date shall not, violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject. Consent of the Seller's Board of Trustees is required for Seller to enter into or to perform Seller's obligations under this Agreement, and will be obtained before the Agreement is executed on behalf of the Seller hereunder.

(b) Until the Closing, Seller shall not do anything which would impair Seller's title to any of the Property.

#### 9.6 Effect of Representations and Warranties.

Each representation and warranty in this Article 9: (a) is material and being relied on by the party to which the representation and warranty is made; (b) is true in all respects as of the Effective Date; (c) shall be true in all respects on the Closing Date; and (d) shall survive the Closing, except as otherwise provided in this Agreement.

### 10. ESCROW PROVISIONS.

#### 10.1 Escrow Instructions.

This Agreement, when signed by Buyer and Seller, shall also constitute Escrow instructions to Escrow Holder. Escrow Holder is hereby directed to disburse funds held by it in accordance with the terms of this Agreement, or as otherwise instructed in a writing signed by both Buyer and Seller. The Parties shall execute any additional escrow instructions reasonably required by Escrow Holder to consummate the transaction, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail, unless such instructions state the modification in full and the specific modification is initialed by both Parties.

#### 10.2 Completion of Documents.

Escrow Holder is authorized to collate counterparts of documents deposited in Escrow, and to otherwise complete such documents where appropriate and consistent with this Agreement.

#### 10.3 Distribution of Funds and Documents.

At the Close of Escrow, Escrow Holder shall do each of the following:

10.3.1 Payment of Encumbrances. Pay any existing monetary encumbrances in accordance with the demand approved by Seller, utilizing funds deposited by Buyer in Escrow.

10.3.2 Recordation of Documents. Cause the Grant Deed for the Property to be recorded by the County Recorder of Riverside County and each other document to be recorded under the terms of this Agreement and, after recordation, cause the County Recorder to mail the Grant Deed to Buyer and

each other document to the Party for whose benefit said document was recorded in accordance with the Notice provisions of Section 14.1.

10.3.4 Distribution of Funds. Distribute, pursuant to instructions to be given by the recipient: (1) to Seller, the cash portion of the Purchase Price, adjusted for prorations, charges and other credits and debits provided for under the terms of this Agreement; and (2) to Buyer, any excess funds delivered to Escrow Holder by Buyer.

10.3.5 Conformed Copies. Deliver to Seller and Buyer copies of all fully executed, recorded documents and escrow instructions. Each recorded document shall be conformed to show the recording date and file number.

10.4 Closing Statement. As soon as reasonably practical after the Closing, Escrow Holder shall prepare a final accounting and closing statement for this transaction and send an electronic copy to Seller and Buyer.

10.5 Additional General Escrow Provisions.

All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Riverside County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be made by Escrow Holder's check.

10.6 Proration of Real Property Taxes.

All non-delinquent general and special real property taxes levied on the Property shall be pro-rated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

10.7 Payment of Costs.

Seller shall pay documentary transfer fees and taxes, the premium charges for the CLTA Title Policy, the cost for preparation of a Natural Hazard Zone Disclosure ("NHD") report, the cost to record the Grant Deed, if any, and one-half of the Escrow fees. Buyer shall pay one-half of the Escrow fees and any non-standard coverage, including ALTA premiums or endorsements, requested by Buyer. If Buyer may, in its sole discretion, desire extended coverage under the Title Policy, Buyer shall pay the additional premiums for such coverage. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the Parties in a manner consistent with the custom and usage of Escrow Holder.

10.8 Termination and Cancellation of Escrow.

Time is of the essence in this Agreement. If Escrow fails to close as provided above, Escrow shall terminate upon written consent of the Parties and Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to

whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

10.9 Information Report.

Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("Information Report") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-S as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and Escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e). The Parties further agree that neither Buyer nor Seller shall seek to hold the other party liable for the disclosure to the Internal Revenue Service of any such information.

11. BROKERAGE COMMISSIONS.

The parties acknowledge that Jose Marin, DRE License Number 01753895, is entitled to 3% of the Purchase Price as a commission, which shall be paid out of the Purchase Price by the Seller at the Close of Escrow. Except as expressly provided herein, Buyer and Seller each agree to indemnify and hold the other party harmless from and against all liabilities, costs, damages, and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

12. RISK OF PHYSICAL LOSS.

Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty, Buyer shall have the option to terminate this Agreement, provided notice of such termination is delivered to Seller within thirty (30) days following the date Buyer learns of the occurrence of such casualty or Close of Escrow, whichever occurs sooner. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said period, Buyer shall complete the acquisition of the Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage. Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

13. DEFAULT.

13.1 Buyer's Default.

Buyer shall be deemed to be in Default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement or the failure of a condition precedent to Buyer's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Buyer) by reason of Buyer's actual fraud or intentional misrepresentation; provided, however, that no such Default shall be deemed to have occurred unless and until Seller has given Buyer written notice of the Default, and Buyer has failed to cure such Default within five (5) days after the receipt of such notice (but in any event before the Closing Date, unless such Default occurs after Closing).

### 13.2 Seller's Default.

Seller shall be deemed to be in Default under this Agreement if Seller fails, for any reason other than Buyer's Default under this Agreement or the failure of a condition precedent to Seller's obligation to perform under this Agreement, to meet, comply with, or perform any covenant, agreement, or obligation required on its part within the time limits and in the manner required in this Agreement, or a material breach shall have occurred of any representation or warranty (made by Seller) because of Seller's actual fraud or intentional misrepresentation; provided, however, that no such Default shall be deemed to have occurred unless and until Buyer has given Seller written notice of the Default, and Seller has failed to cure such Default within five (5) days after receipt of such notice (but in any event before the Closing Date, unless such Default occurs after Closing).

### 13.3 Specific Performance

In addition to any other rights or remedies, either party may take legal action to compel specific performance of this Agreement.

## 14. MISCELLANEOUS.

### 14.1 No Conflict of Interest.

No officer or employee of the Buyer or Seller shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Seller warrants that it has not paid or given and will not pay or give any third party, any money or other consideration for obtaining this Agreement.

### 14.2 Assignment.

Buyer shall not have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the Seller at Seller's absolute and sole discretion. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns. Buyer will provide written notice to Seller and Escrow Holder of any assignment and/or vesting designation as may be required so as to not delay Close of Escrow.

### 14.3 Attorneys' Fees.

In any action between the Parties hereto seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

14.4 Notices.

Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by personal delivery, facsimile or electronic mail and by mailing the same by U.S. mail to the party to whom the notice is directed at the address of such party hereinafter set forth, or such other address and to such other persons as the Parties may hereinafter designate:

To Buyer: The City of Perris  
101 North D Street  
Perris, CA 92570  
Attn: Clara Miramontes, City Manager

Copy To: Aleshire & Wynder, LLP  
3880 Lemon Street, Suite 520  
Riverside, California 92501  
Attn: Eric L. Dunn, Esq.

To Seller: Jeanette Donaly Llamas  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Salvador Llamas  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

For a notice given by facsimile or electronic mail, it shall be considered delivered upon the earlier of: (a) the date the recipient actually received and read the notice as evidenced by the recipient's (non-automatic) reply to such notice or other competent evidence of actual receipt, or (b) the date of duplicate notice given by the sender by any mode of transmission allowed above other than facsimile or electronic mail. Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. Any notice shall be effective only upon delivery.

14.5 Interpretation; Governing Law.

This Agreement shall be construed according to its fair meaning and as if prepared by both Parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

14.6 No Waiver.

No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

14.7 Modifications.

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

14.8 Extensions

Seller and Buyer may authorize extensions of any deadline under this Agreement by written mutual agreement with a copy delivered to Escrow Holder. The City Manager of Buyer is authorized to execute any extensions on behalf of Buyer.

14.9 Severability.

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14.10 Merger of Prior Agreements and Understandings.

This Agreement and other documents incorporated herein by reference contain the entire understanding between the Parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

14.11 Time.

Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

14.12 Non-Liability of Officials or Employees.



No officer, official or employee of either party shall be personally liable to the other, or any successor in interest of such other party, in the event of any default or breach or for any amount which may become due hereunder, or on any obligations under the terms of this Agreement.

14.13 Continuing Cooperation.

Each party shall execute and deliver such other reasonable documents requested by the other party or by Escrow Holder to consummate the transactions described herein.

14.14 No Third-Party Beneficiary.

The provisions of this Agreement are not intended to benefit any third parties.

14.15 Execution in Counterparts.

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart. This Agreement may also be executed and delivered by facsimile or electronic mail transmission (in pdf or similar format) with the same force and effect as if an original executed counterpart "hard" copy of this Agreement had been delivered by the delivering party.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions as of the date set forth above.

**"BUYER"**

THE CITY OF PERRIS

\_\_\_\_\_  
By: Michael M. Vargas  
Its: Mayor

ATTEST:

\_\_\_\_\_  
Nancy Salazar, City Clerk

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

\_\_\_\_\_  
Eric L. Dunn  
City Attorney

**"SELLER"**

\_\_\_\_\_  
Jeanette Donaly Llamas

\_\_\_\_\_  
Salvador Llamas

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

LOTS 1, 2 AND 3, IN BLOCK A OF NANCE ADDITION TO PERRIS, IN THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGE 708 OF SAN DIEGO MAPS, RIVERSIDE COUNTY RECORDER.

APN: 313-081-004

# EXHIBIT "B"

## MAP OF THE PROPERTY

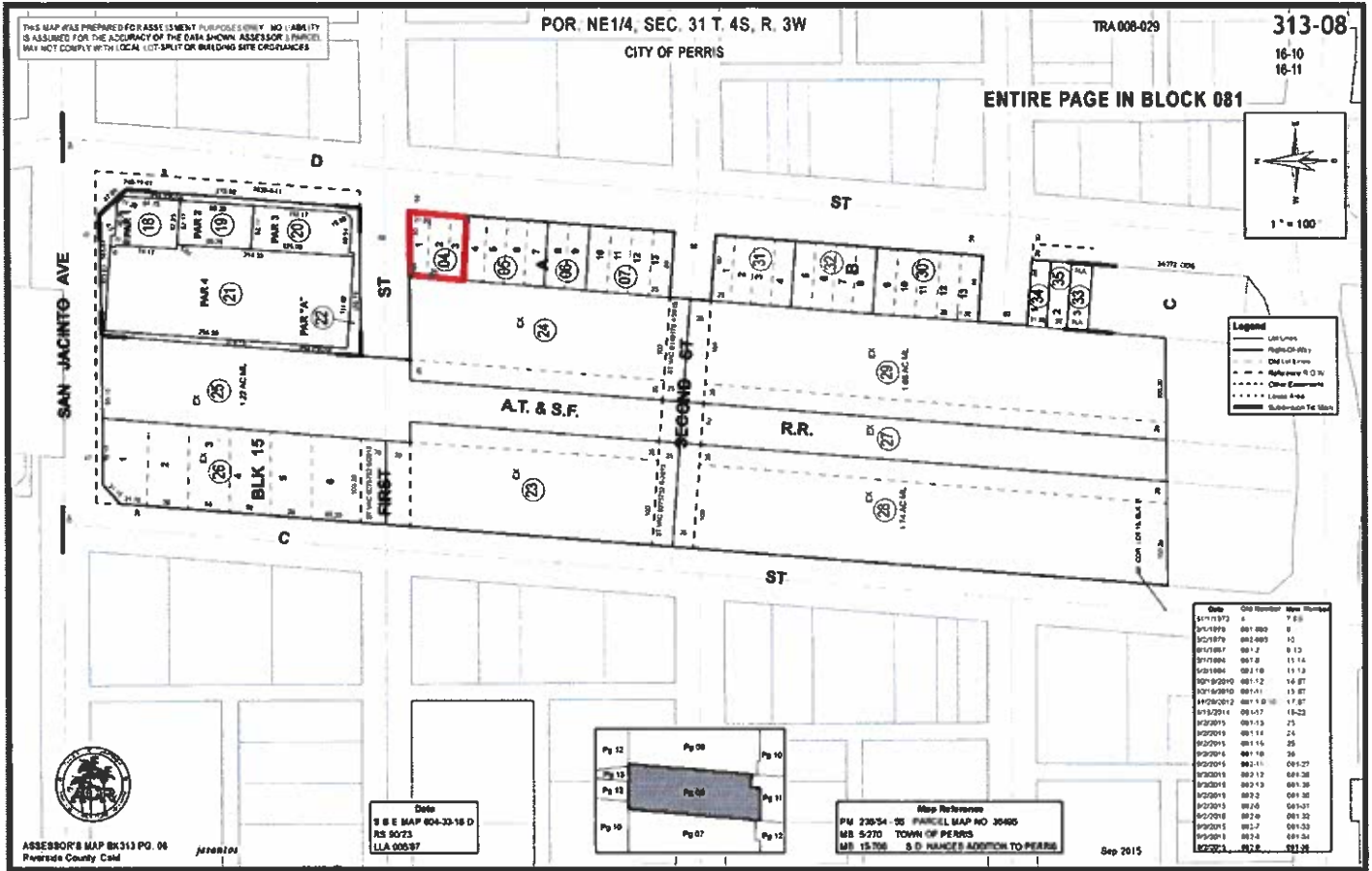


EXHIBIT "C"

GRANT DEED

FREE RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

City of Perris  
101 North D Street  
Attn: Judy Haughney, Assistant City Clerk

No DTT per Rev & Tax Code § 11922

(Space Above This Line for Recorder's Office Use Only)  
(Exempt from Recording Fee per Gov. Code § 6103)

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, JEANETTE DONALY LLAMAS, a single woman, AND SALVADOR LLAMAS, a single man, as joint tenants ("Grantor"), hereby grant(s) to the CITY OF PERRIS, a municipal corporation and general law city ("Grantee"), the fee simple interest in that certain 5,227 square feet of real property located in the City of Perris, County of Riverside, State of California, which is referred to as Assessor's Parcel Number ("APN") 313-081-004, that is identified and described in the Legal Description attached hereto and incorporated herein as Exhibit "A" and depicted on the map attached hereto and incorporated herein as Exhibit "B."

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers or agents hereunto as of the date first above written.

**"GRANTOR":**

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

By: \_\_\_\_\_  
Jeanette Donaly Llamas

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

By: \_\_\_\_\_  
Salvador Llamas

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

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

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
*Here, insert Name and Title of Officer*

personally appeared \_\_\_\_\_  
*Name(s) of Signer(s)*

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
*Signature of Notary Public*

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

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

STATE OF CALIFORNIA )

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
*Here, insert Name and Title of Officer*

personally appeared \_\_\_\_\_  
*Name(s) of Signer(s)*

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

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

WITNESS my hand and official seal.

\_\_\_\_\_  
*Signature of Notary Public*

**CERTIFICATE OF ACCEPTANCE**

Pursuant to Government Code Section 27281, this is to certify that the interest in real property conveyed from JEANETTE DONALY LLAMAS, a single woman, AND SALVADOR LLAMAS, a single man, as joint tenants, by Grant Deed to the CITY OF PERRIS, a municipal corporation, is hereby accepted by the undersigned officer and agent of the CITY OF PERRIS, and the CITY OF PERRIS consents to the recording of the Grant Deed.

Signed and dated in Perris, California on \_\_\_\_\_, 2021.

**"GRANTEE"**

CITY OF PERRIS

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

By: \_\_\_\_\_  
Clara Miramontes, City Manager

ATTEST:

By: \_\_\_\_\_  
Nancy Salazar, City Clerk



# **ATTACHMENT THREE**

**Executed Purchase Agreement**



# DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Buyer's Brokerage Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/18)

(If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(j), (k) and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salespersons and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

### SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation.

Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

Buyer  Seller  Landlord  Tenant XXXXXXXXXX Date 6/17/2021  
City of Perris

Buyer  Seller  Landlord  Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent North Realty Group DRE Lic. # 02084394

By Jose M Marin DRE Lic. # 01753885 Date 6-16-21

(Salesperson or Broker-Associate, if any) Jose M Marin

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AD REVISED 12/18 (PAGE 1 OF 2)

## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)



**CIVIL CODE SECTIONS 2079.13 – 2079.24 (2079.16 APPEARS ON THE FRONT)**

2079.13. As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salesperson or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. (b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. (c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 796.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.28. (d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. (f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multifamily residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.8 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. (n) "Buyer's agent" means an agent who represents a buyer in a real property transaction.

2079.14. A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: (a) The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16. Reproduced on Page 1 of this AD form.

2079.17(a) As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

**CONFIRMATION:** The following agency relationships are confirmed for this transaction:

Seller's Brokerage Firm \_\_\_\_\_ **DO NOT COMPLETE, SAMPLE ONLY** \_\_\_\_\_ License Number \_\_\_\_\_  
 Is the broker of (check one):  the seller, or  both the buyer and seller. (dual agent)  
 Seller's Agent \_\_\_\_\_ **DO NOT COMPLETE, SAMPLE ONLY** \_\_\_\_\_ License Number \_\_\_\_\_  
 Is (check one):  the Seller's Agent. (salesperson or broker associate)  both the Buyer's and Seller's Agent. (dual agent)  
 Buyer's Brokerage Firm \_\_\_\_\_ **DO NOT COMPLETE, SAMPLE ONLY** \_\_\_\_\_ License Number \_\_\_\_\_  
 Is the broker of (check one):  the buyer, or  both the buyer and seller. (dual agent)  
 Buyer's Agent \_\_\_\_\_ **DO NOT COMPLETE, SAMPLE ONLY** \_\_\_\_\_ License Number \_\_\_\_\_  
 Is (check one):  the Buyer's Agent. (salesperson or broker associate)  both the Buyer's and Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

2079.18 (Repealed pursuant to AB-1289)

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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**THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS®. NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.**

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AD REVISED 12/18 (PAGE 2 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**



**CALIFORNIA  
ASSOCIATION  
OF REALTORS®**

**FAIR HOUSING & DISCRIMINATION ADVISORY**

(C.A.R. Form FHDA, 10/20)

1. **EQUAL ACCESS TO HOUSING FOR ALL:** All housing in California is available to all persons. Discrimination as noted below is prohibited by law. Resources are available for those who have experienced unequal treatment under the law.
2. **FEDERAL AND STATE LAWS PROHIBIT DISCRIMINATION AGAINST IDENTIFIED PROTECTED CLASSES:**
  - A. **FEDERAL FAIR HOUSING ACT ("FHA")** Title VIII of the Civil Rights Act; 42 U.S.C. §§ 3601-3619; Prohibits discrimination in sales, rental or financing of residential housing against persons in protected classes;
  - B. **CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT ("FEHA")** California Government Code ("GC") §§12900-12996,12955; 2 California Code of Regulations ("CCR") §§12005-12271; Prohibits discrimination in sales, rental or financing of housing opportunity against persons in protected classes by providers of housing accommodation and financial assistance services as related to housing;
  - C. **CALIFORNIA UNRUH CIVIL RIGHTS ACT ("Unruh")** California Civil Code ("CC") §51; Prohibits business establishments from discriminating against, and requires full and equal accommodation, advantages, facilities, privileges, and services to persons in protected classes;
  - D. **AMERICANS WITH DISABILITIES ACT ("ADA")** 42 U.S.C. §§12181-12189; Title III of the ADA prohibits discrimination based on disability in public accommodations; and
  - E. **OTHER FAIR HOUSING LAWS:** Section 504 of Rehabilitation Act of 1973 29 U.S.C. §794; Ralph Civil Rights Act CC §51.7.; California Disabled Persons Act; CC §§54-55.32; any local city or county fair housing ordinances, as applicable.
3. **POTENTIAL LEGAL REMEDIES FOR UNLAWFUL DISCRIMINATION:** Violations of fair housing laws may result in monetary civil fines, injunctive relief, compensatory and/or punitive damages, and attorney fees and costs.
4. **PROTECTED CLASSES/CHARACTERISTICS:** Whether specified in Federal or State law or both, discrimination against persons if based on that person's belonging to, association with, or perceived membership to, any of the following classes or categories is prohibited.

Race	Color	Ancestry	National Origin	Religion
Sex	Sexual Orientation	Gender	Gender Identity	Gender Expression
Marital Status	Familial Status (family with a child or children under 18)	Source of Income (e.g., Section 8 Voucher)	Disability (Mental & Physical)	Medical Condition
Citizenship	Primary Language	Immigration Status	Military/Veteran Status	Age
Criminal History (non-relevant convictions)			Any arbitrary characteristic	

5. **THE CALIFORNIA DEPARTMENT OF REAL ESTATE REQUIRES TRAINING AND SUPERVISION TO PREVENT HOUSING DISCRIMINATION BY REAL ESTATE LICENSEES:**
  - A. California Business & Professions Code ("B&PC") §10170.5(a)(4) requires 3 hours of training on fair housing for DRE license renewal; Real Estate Regulation §2725(f) requires brokers who oversee salespersons to be familiar with the requirements of federal and state laws relating to the prohibition of discrimination.
  - B. Violation of DRE regulations or real estate laws against housing discrimination by a real estate licensee may result in the loss or suspension of the licensee's real estate license. B&PC §10177(i)(1); 10 CCR §2780
6. **REALTOR® ORGANIZATIONS PROHIBIT DISCRIMINATION:** NAR Code of Ethics Article 10 prohibits discrimination in employment practices or in rendering real estate license services against any person because of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity by REALTORS®.
7. **WHO IS REQUIRED TO COMPLY WITH FAIR HOUSING LAWS?**  
Below is a non-exclusive list of providers of housing accommodations or financial assistance services as related to housing who are most likely to be encountered in a housing transaction and who must comply with fair housing laws.
  - Sellers
  - Real estate licensees
  - Mobilehome parks
  - Insurance companies
  - Landlords
  - Real estate brokerage firms
  - Homeowners Associations ("HOAs");
  - Government housing services
  - Sublessors
  - Property managers
  - Banks and Mortgage lenders
8. **EXAMPLES OF CONDUCT THAT MAY NOT BE MOTIVATED BY DISCRIMINATORY INTENT BUT COULD HAVE A DISCRIMINATORY EFFECT:**
  - A. Prior to acceptance of an offer, asking for or offering buyer personal information or letters from the buyer, especially with photos. Those types of documents may inadvertently reveal, or be perceived as revealing, protected status information thereby increasing the risk of (i) actual or unconscious bias, and (ii) potential legal claims against sellers and others by prospective buyers whose offers were rejected.
  - B. Refusing to rent (i) an upper level unit to an elderly tenant out of concern for the tenant's ability to navigate stairs or (ii) a house with a pool to a person with young children out of concern for the children's safety.
9. **EXAMPLES OF UNLAWFUL OR IMPROPER CONDUCT BASED ON A PROTECTED CLASS OR CHARACTERISTIC:**
  - A. Refusing to negotiate for a sale, rental or financing or otherwise make a housing opportunity unavailable; failing to present offers due to a person's protected status;
  - B. Refusing or failing to show, rent, sell or finance housing; "channeling" or "steering" a prospective buyer or tenant to or away from a particular area due to that person's protected status or because of the racial, religious or ethnic composition of the neighborhood;
  - C. "Blockbusting" or causing "panic selling" by inducing a listing, sale or rental based on the grounds of loss of value of property, increase in crime, or decline in school quality due to the entry or prospective entry of people in protected categories into the neighborhood;
  - D. Making any statement or advertisement that indicates any preference, limitation, or discrimination;

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FHDA 10/20 (PAGE 1 OF 2)



**FAIR HOUSING & DISCRIMINATION ADVISORY (FHDA PAGE 1 OF 2)**

- E. Inquiring about protected characteristics (such as asking tenant applicants if they are married, or prospective purchasers if they have children or are planning to start a family);
  - F. Using criminal history information before otherwise affirming eligibility, and without a legally sufficient justification;
  - G. Failing to assess financial standards based on the portion of the income responsible by a tenant who receives government subsidies (such as basing an otherwise neutral rent to income ratio on the whole rent rather than just the part of rent that is the tenant's responsibility);
  - H. Denying a home loan or homeowner's insurance;
  - I. Offering inferior terms, conditions, privileges, facilities or services;
  - J. Using different qualification criteria or procedures for sale or rental of housing such as income standards, application requirements, application fees, credit analyses, sale or rental approval procedures or other requirements;
  - K. Harassing a person;
  - L. Taking an adverse action based on protected characteristics;
  - M. Refusing to permit a reasonable modification to the premises, as requested by a person with a disability (such as refusing to allow a wheel chair bound tenant to install, at their expense, a ramp over front or rear steps, or refusing to allow a physically disabled tenant from installing, at their own expense, grab bars in a shower or bathtub);
  - N. Refusing to make reasonable accommodation in policies, rules, practices, or services for a person with a disability (such as the following, if an actual or prospective tenant with a disability has a service animal or support animal):
    - (I) Failing to allow that person to keep the service animal or emotional support animal in rental property,
    - (II) Charging that person higher rent or increased security deposit, or
    - (III) Failing to show rental or sale property to that person who is accompanied by the service animal or support animal, and;
  - O. Retaliating for asserting rights under fair housing laws.
10. **EXAMPLES OF POSITIVE PRACTICES:**
- A. Real estate licensees working with buyers or tenants should apply the same objective property selection criteria, such as location/neighborhood, property features, and price range and other considerations, to all prospects.
  - B. Real estate licensees should provide complete and objective information to all clients based on the client's selection criteria.
  - C. Real estate licensees should provide the same professional courtesy in responding to inquiries, sharing of information and offers of assistance to all clients and prospects.
  - D. Housing providers should not make any statement or advertisement that directly or indirectly implies preference, limitation, or discrimination regarding any protected characteristic (such as "no children" or "English-speakers only").
  - E. Housing providers should use a selection process relying on objective information about a prospective buyer's offer or tenant's application and not seek any information that may disclose any protected characteristics (such as using a summary document, e.g. C.A.R. Form SUM-MO, to compare multiple offers on objective terms).
11. **FAIR HOUSING RESOURCES:** if you have questions about your obligations or rights under the Fair Housing laws, or you think you have been discriminated against, you may want to contact one or more of the sources listed below to discuss what you can do about it, and whether the resource is able to assist you.
- A. Federal: [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp](https://www.hud.gov/program_offices/fair_housing_equal_opp)
  - B. State: <https://www.dfeh.ca.gov/housing/>
  - C. Local: local Fair Housing Council office (non-profit, free service)
  - D. DRE: <https://www.dre.ca.gov/Consumers/FileComplaint.html>
  - E. Local Association of REALTORS®. List available at: <https://www.car.org/en/contactus/rosters/localassociationroster>.
  - F. Any qualified California fair housing attorney, or if applicable, landlord-tenant attorney.
12. **LIMITED EXCEPTIONS TO FAIR HOUSING REQUIREMENTS:** No person should rely on any exception below without first seeking legal advice about whether the exception applies to their situation. Real estate licensees are not qualified to provide advice on the application of these exceptions.
- A. Legally compliant senior housing is exempt from FHA, FEHA and Unruh as related to age or familial status only;
  - B. An owner of a single-family residence who resides at the property with one lodger may be exempt from FEHA for rental purposes, PROVIDED no real estate licensee is involved in the rental;
  - C. An owner of a single-family residence may be exempt from FHA for sale or rental purposes, PROVIDED (i) no real estate licensee is involved in the sale or rental and (ii) no discriminatory advertising is used, and (iii) the owner owns no more than three single-family residences. Other restrictions apply;
  - D. An owner of residential property with one to four units who resides at the property, may be exempt from FHA for rental purposes, PROVIDED no real estate licensee is involved in the rental; and
  - E. Both FHA and FEHA do not apply to roommate situations. See, *Fair Housing Council v Roommate.com LLC*, 866 F.3d 1216 (2019).
  - F. Since both the 14th Amendment of the U.S. Constitution and the Civil Rights Act of 1968 prohibit discrimination based on race; the FHA and FEHA exemptions do not extend to discrimination based on race.

Buyer/Tenant and Seller/Landlord have read, understand and acknowledge receipt of a copy of this Fair Housing & Discrimination Advisory.

Buyer/Tenant Michael M. Lopez City of Perris Date 06/19/2021

Buyer/Tenant [Signature] Date \_\_\_\_\_

Seller/Landlord Jeanette Donay Llamas Date 06/19/2021

Seller/Landlord Salvador Llamas Date 06/19/2021

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CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER  
OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, Revised 12/18)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the seller's willingness to accept a price less than the listing price or the buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller *C. D. [Signature]* AuthenticSign *Jeanette Donaly Llamas* Date 06/19/2021  
 Seller 6/19/2021 11:38:23 AM PDT *Salvador Llamas* Date 06/19/2021  
 Buyer *[Signature]* AuthenticSign *City of Perris* Date *[Signature]*  
 Buyer 6/19/2021 11:44:22 AM PDT Date *[Signature]*  
 Buyer's Brokerage Firm *Marin Realty Group* DRE Lic # *02084394* Date *06/16/2021*  
 By *Jose M Marin* DRE Lic # *01753895* Date *6-16-21*  
 Seller's Brokerage Firm *BENKINS HATHAWAY HOMESERVICES CALIFORNIA REALTY* DRE Lic # *01996796* Date *06/19/2021*  
 By *Randall Morin* DRE Lic # *01804104* Date *06/19/2021*  
*RANDALL MORIN* 6/19/2021 11:59:53 AM PDT

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PRBS REVISED 12/18 (PAGE 1 OF 1)

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**



**CALIFORNIA  
ASSOCIATION  
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**WIRE FRAUD AND ELECTRONIC FUNDS  
TRANSFER ADVISORY**  
(C.A.R. Form WFA, Revised 12/17)

Property Address: 102 S D Street, Perris, CA 92570 ("Property").

**WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:**

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

**ACCORDINGLY, YOU ARE ADVISED:**

1. Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Landlords at the beginning of the transaction.
2. **DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY.** Do not use any different phone number or account number included in any emailed transfer instructions.
3. Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Landlord.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WIFI, and not using free services.

If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Landlord, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>; the FBI's IC3 at [www.ic3.gov/](http://www.ic3.gov/); or 310-477-6565

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

**NOTE: There are existing alternatives to electronic and wired fund transfers such as cashier's checks. By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory.**

Buyer/Tenant X *Michael M. Lopez* City of Perris Date 06/17/2021  
 Buyer/Tenant \_\_\_\_\_ Date \_\_\_\_\_  
 Seller/Landlord X *Jeanette Donaly Llamas* Date 06/19/2021  
 Seller/Landlord X *Salvador Llamas* Date 06/19/2021

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**WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (WFA PAGE 1 OF 1)**



VACANT LAND PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (C.A.R. Form VLP, Revised 12/18)

Date Prepared: June 16, 2021

1. OFFER:

- A. THIS IS AN OFFER FROM City of Perris ("Buyer"),
B. THE REAL PROPERTY to be acquired is 102 S D Street, Perris (City), Riverside (County), California, 92570 (Zip Code), Assessor's Parcel No. 313081004 ("Property").
C. THE PURCHASE PRICE offered is Two Hundred Twenty Thousand Dollars \$ 220,000.00
D. CLOSE OF ESCROW shall occur on (date) (or) 60 Days After Acceptance.
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are confirmed for this transaction:
Seller's Brokerage Firm BERKSHIRE HATHAWAY HOMESERVICES CALIFORNIA REALTY License Number 01996796
Buyer's Brokerage Firm Marin Realty Group License Number 02084394

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 3,000.00
B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of ... \$
C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan.

D. LOAN(S):

- (1) FIRST LOAN: In the amount of \$
(2) SECOND LOAN in the amount of \$
(3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct.

Buyer's Initials (X) ( )
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VLP, REVISED 12/18 (PAGE 1 OF 11)

Seller's Initials (X) ( ) (X)



VACANT LAND PURCHASE AGREEMENT (VLP, PAGE 1 OF 11)



Property Address: 102 S D Street, Parris, CA 92570

Date: June 18, 2021

**E. ADDITIONAL FINANCING TERMS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of ..... \$ 217,000.00  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

**G. PURCHASE PRICE (TOTAL):** ..... \$ 220,000.00

**H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or \_\_\_) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (  Verification attached.)

**I. APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or \_\_\_) Days After Acceptance.

**J. LOAN TERMS:**

**(1) LOAN APPLICATIONS:** Within 3 (or \_\_\_) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (  Letter attached.)

**(2) LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

**(3) LOAN CONTINGENCY REMOVAL:**

Within 21 (or \_\_\_) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

**(4)  NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

**(5) LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

**K. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

**L. SELLER FINANCING:** The following terms (or  the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

**(1) BUYER'S CREDIT-WORTHINESS:** Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or \_\_\_\_\_) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

**(2) TERMS:** Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 8% of the installment due (or \_\_\_\_\_) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

**(3) ADDED, DELETED OR SUBSTITUTED BUYERS:** The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

**M. ASSUMED OR "SUBJECT TO" FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or

Buyer's Initials [Signature] ( \_\_\_\_\_ )

Seller's Initials [Signature] (X \_\_\_\_\_ ) (X \_\_\_\_\_ )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 2 OF 11)



Property Address: 102 S D Street, Perris, CA 92570

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cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. MANUFACTURED HOME PURCHASE: The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (or this contingency shall remain in effect until the Close Of Escrow of the Property).

6. CONSTRUCTION LOAN FINANCING: The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or this contingency shall remain in effect until Close Of Escrow of the Property).

7. ADDENDA AND ADVISORIES:

- A. ADDENDA: Addendum # (C.A.R. Form ADM)
Back Up Offer Addendum (C.A.R. Form BUO)
Court Confirmation Addendum (C.A.R. Form CCA)
Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
Short Sale Addendum (C.A.R. Form SSA)
Other

B. BUYER AND SELLER ADVISORIES:

- Buyer's Vacant Land Additional Inspection Advisory (C.A.R. Form BVLIA)
Probate Advisory (C.A.R. Form PA)
Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
Trust Advisory (C.A.R. Form TA)
REO Advisory (C.A.R. Form REO)
Short Sale Information and Advisory (C.A.R. Form SSIA)
Other

8. OTHER TERMS: Contract is subject to the approval by the City of Perris City Council. Buyer will pay for an appraisal for the property.

9. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: prepared by Any reliable company
(2) Buyer Seller shall pay for the following Report prepared by
(3) Buyer Seller shall pay for the following Report prepared by

B. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee Each party to pay their own costs
(b) Escrow Holder shall be Asset Escrow (Riverakde)
(c) The Parties shall, within 5 (or ) Days After receipt, sign and return Escrow Holder's general provisions.
(2) (a) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 18E
(b) Owner's title policy to be issued by Landwood Title
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

C. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or fee
(2) Buyer Seller shall pay City transfer tax or fee
(3) Buyer Seller shall pay Homeowners' Association ("HOA") transfer fee
(4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
(5) Buyer to pay for any HOA certification fee.
(6) Buyer Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
(7) Buyer Seller shall pay for any private transfer fee
(8) Buyer Seller shall pay for
(9) Buyer Seller shall pay for

10. CLOSING AND POSSESSION: Possession shall be delivered to Buyer: (i) at 6 PM or ( ) AM/ ( ) PM on the date of Close Of Escrow; (ii) no later than calendar days after Close Of Escrow; or (iii) at ( ) AM/ ( ) PM on . The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association.

Buyer's Initials ( ) ( )

Seller's Initials (X ) (X )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 3 OF 11)



Property Address: 102 S D Street, Perris, CA 92570

Date: June 16, 2021

Association ("HOA") to obtain keys to accessible HOA facilities.

**11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

- A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 11B or C.
- B. **ITEMS INCLUDED IN SALE:**
  - (1) All EXISTING fixtures and fittings that are attached to the Property;
  - (2) The following items: \_\_\_\_\_
  - (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
  - (4) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** \_\_\_\_\_

**12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:**

- A. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. **WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- C. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- D. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.dot.gov>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- E. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
  - (1) SELLER HAS: 7 (or \_\_\_ ) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).
  - (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or \_\_\_ ) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

**13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:**

- A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
  - (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
  - (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
  - (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
  - (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
  - (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
  - (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
  - (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
  - (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
  - (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
  - (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
  - (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
  - (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
  - (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
  - (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. **RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C.  **TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's initials (X [Signature])

Seller's initials (X [Signature]) (X [Signature])



Property Address: 102 S D Street, Perris, CA 92570

Date: June 18, 2021

- D. MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.
- E. SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLQ).
- 14. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 15. CHANGES DURING ESCROW:**
- A.** Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B.** At least 7 (or \_\_\_) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or \_\_\_) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.
- 16. CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
- A.** Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B.** Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C.** Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property Improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 17. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A.** Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer investigations except for minimally invasive testing; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B.** Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C.** Buyer indemnify and Seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.
- D. BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
- E. SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
- F. ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
- G. UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

Buyer's Initials ( [Signature] )

Seller's Initials ( X [Signature] ) ( X [Signature] )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 5 OF 11)



Property Address: 102 S D Street, Perris, CA 92570

Date: June 18, 2021

- H. **ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. **GEOLOGIC CONDITIONS:** Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. **NATURAL HAZARD ZONE:** Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. **PROPERTY DAMAGE:** Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquakes, floods, landslides or other causes.
- L. **NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS:** Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. **COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS:** Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. **SPECIAL TAX:** Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. **RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. **MANUFACTURED HOME PLACEMENT:** Conditions that may affect the ability to place and use a manufactured home on the Property.

**18. TITLE AND VESTING:**

- A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. **THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.**
- E. Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.

**19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. **SELLER HAS:** 7 (or \_\_\_ ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) **BUYER HAS:** 17 (or \_\_\_ ) Days After Acceptance, unless otherwise agreed in writing, to:
  - (i) complete all Buyer investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
  - (2) Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
  - (3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has 5 (or \_\_\_ ) Days After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

Buyer's Initials (X [Signature]) ( \_\_\_ )

Seller's Initials (X [Signature]) (X [Signature])



Property Address: **102 S D Street, Perris, CA 92570**

Date: **June 18, 2021**

(4) Continuation of Contingency: Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).

**C. SELLER RIGHT TO CANCEL:**

(1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or Initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

**D. NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or \_\_\_ ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

**E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

**F. CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_ ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

**G. EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

**20. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

**21. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or \_\_\_ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

**22. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

Buyer's Initials (X  ) ( \_\_\_\_\_ )

Seller's Initials (X  ) (X  )



Property Address: 102 S D Street, Perris, CA 92570

Date: June 16, 2021

**23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

**24. BROKERS:**

- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

**25. REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

**26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the Joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall Immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.

Buyer's Initials (  ) ( \_\_\_\_\_ )

Seller's Initials (X  ) (X  )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 8 OF 11)

Property Address: 102 S D Street, Perris, CA 92570

Date: June 16, 2021

E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.

B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).

Buyer's Initials [Signature]

Seller's Initials [Signature]

28. DISPUTE RESOLUTION:

A. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 29C.

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 29C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials [Signature]

Seller's Initials [Signature]

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2988; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

(2) PRESERVATION OF ACTIONS: The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.

(3) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

29. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

Buyer's Initials (X) [Signature]

Seller's Initials (X) [Signature]

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 9 OF 11)



Property Address: 102 S D Street, Perris, CA 92570

Date: June 16, 2021

- 30. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 31. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.
- 32. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form ACAA).
- 33. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 34. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 35. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
- 36. **DEFINITIONS:** As used in this Agreement:
  - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the Individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 37. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by \_\_\_\_\_ who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by \_\_\_\_\_  AM/  PM, on \_\_\_\_\_ (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date: 6/16/21 BUYER X [Signature]  
 (Print name) City of Perris  
 Date \_\_\_\_\_ BUYER \_\_\_\_\_  
 (Print name) \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

VLPA REVISED 12/16 (PAGE 10 OF 11)

Seller's Initials (X [Initials]) (X [Initials])

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 10 OF 11)

Property Address: 102 S D Street, Perris, CA 92570

Date: June 16, 2021

38. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 06/19/2021 SELLER X [Signature]

(Print name) Jeanette Donely Llamas DRE Lic. # 01784344

Date 06/19/2021 SELLER X [Signature]

(Print name) Salvador Llamas DRE Lic. # 01782211

Additional Signature Addendum attached (C.A.R. Form ASA).

(Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) at AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:
A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 2.
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING (BUYER'S) BROKER COMPENSATION: Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS.
E. PRESENTATION OF OFFER: Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.
Buyer's Brokerage Firm: Jose M Marin, DRE Lic. # 01753895, Date 6/16/21, Address 246 W 4th St, Perris, CA 92570.
Seller's Brokerage Firm: Randall Morin, DRE Lic. # 01804104, Date 06/19/2021, Address 6340 RIVERSIDE AVE, RIVERSIDE, CA 92506.

ESCROW HOLDER ACKNOWLEDGMENT: Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ counter offer numbers Seller's Statement of Information and and agrees to act as Escrow Holder subject to paragraph 26 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions. Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is Escrow Holder By Escrow # Date Address Phone/Fax/E-mail Escrow Holder has the following license number # Department of Financial Protection and Innovation, Department of Insurance, Department of Real Estate.

PRESENTATION OF OFFER: ( ) Seller's Broker presented this offer to Seller on (date). Broker or Designee Initials

REJECTION OF OFFER: ( ) ( ) No counter offer is being made. This offer was rejected by Seller on (date). Seller's Initials

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**CALIFORNIA  
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**BUYER'S VACANT LAND ADDITIONAL INSPECTION  
ADVISORY  
(C.A.R. Form BVLIA, 11/13)**

Property Address: 102 S D Street, Perris, CA 92570 ("Property").

**A. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations. Additionally, some inspections, such as those listed below, may be of particular importance when purchasing vacant land.

**B. BUYER RIGHTS AND DUTIES:** You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs, corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

**C. SELLER RIGHTS AND DUTIES:** Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

**D. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. **YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

**E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:**

1. **FINANCE:** Financing the purchase of vacant land finance and especially financing construction loans for the improvement of vacant land can provide particular challenges, including subordination agreements and insurance requirements. Buyer is advised to seek the assistance of reputable lenders in assistance with their decisions regarding financing of the property.
2. **CONSTRUCTION COSTS:** If Buyer is contemplating building improvements on the property, Buyer is advised that they will have to contact directly any contractors, service providers, suppliers, architects, utility companies regarding the costs of improvements. Buyer is advised to get written bids from all such persons regarding their decision to develop the property.
3. **UTILITIES:** Unimproved property may or may not have utilities available to the property. Buyer(s) is advised to obtain information from the public or private utility provider about the availability and cost of providing utilities to the property and whether necessary easements are in place to allow such utilities to the property.
4. **ENVIRONMENTAL SURVEY:** Unimproved land may have had or may have hazardous materials stored upon or under the land or been used by persons engaged in activities exposing the land to hazardous materials. The land may also be host to protected vegetation or animal life. Buyer(s) is advised to satisfy themselves as what hazards or protected plant or animal life are on the property and what impact they may have on Buyer's future plans for the property by seeking the help of a qualified professional.

Buyer's Initials MM

Seller's Initials JSF MS

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BVLIA 11/13 (PAGE 1 OF 2)

**BUYER'S VACANT LAND ADDITIONAL INSPECTION ADVISORY (BVLIA PAGE 1 OF 2)**




Property Address: 102 S D Street, Perris, CA 92570


Date: June 16, 2021


- 5. **NATURAL HAZARDS REPORTS:** Buyer(s) is advised that while certain disclosures are required by state, federal and local laws, hazard disclosure companies can provide additional disclosures for both natural and man-made hazards or nuisances for a cost. Buyer is advised to seek the advice of a natural hazards reporting company regarding additional reports and disclosures that buyer may wish to obtain.
- 6. **SUBDIVISION OF THE PROPERTY:** If Buyer's plans include future subdivision of the property (whether under the Subdivision Map Act of the Subdivided Lands Law) multiple, complex issues regarding city, county, state, and federal laws may be presented. Buyer is strongly advised to seek the advice of California legal counsel familiar with federal, state and local subdivision requirements.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

SELLER  Date 06/19/2021  
Jeanette Donnelly | 06/19/2021 11:38:46 AM PDT

SELLER  Date 06/19/2021  
Salvador Lopez | 06/19/2021 11:44:19 AM PDT

BUYER  Date 06/19/2021  
Michel M. Lopez | City of Perris

BUYER \_\_\_\_\_ Date \_\_\_\_\_

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BVLIA 11/13 (PAGE 2 OF 2)

**BUYER'S VACANT LAND ADDITIONAL INSPECTION ADVISORY (BVLIA PAGE 2 OF 2)**



CALIFORNIA ASSOCIATION OF REALTORS®

CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (C.A.R. Form CCPA, 12/19)

As of January 1, 2020, the California Consumer Privacy Act (commencing with Civil Code § 1798.100) ("CCPA") grants to California residents certain rights in their private, personal information that is collected by companies with whom they do business. Under the CCPA, "personal information" is defined broadly to encompass non-public records information that could reasonably be linked directly or indirectly to you, including, potentially, photographs of or sales information about your property. Some of your personal information will be collected and likely shared with others during the process of buying and selling real estate. Depending on the situation, you may have the right to "opt out" or stop the transfer of your personal information to others and request that certain businesses delete your personal information altogether. Not all businesses you interact with are required to comply with the law, primarily just those who meet the criteria of a covered "Business" as set forth in Section 1798.140 (c)]. For more information, you may ask your Broker for a copy of the C.A.R. Legal Q&A on the subject.

A real estate broker is likely to submit personal information to a Multiple Listing Service ("MLS") in order to help find a buyer for a seller's property. Through the MLS, the information is made available to real estate brokers and salespeople, and others. Even after a sale is complete, the MLS distributes sales information to the real estate community. Brokers, agents and MLSs may also share your personal information with others who post the personal information on websites or elsewhere, or otherwise use it. Thus, there are various service providers and companies in a real estate transaction who may be engaged in using or sharing data involving your personal information.

If your broker is a covered Business, it should have a privacy policy explaining your rights on its website and giving you an opportunity to request that personal information not be shared, used and even deleted. Even if your real estate brokerage is a covered Business, it needs, and is allowed, to keep your information to effectuate a sale and, by law, is required to maintain such information for three years to comply with regulatory requirements. Not all brokers are covered Businesses, however, and those that are not, do not have to comply with the CCPA.

Similarly, most MLSs will not be considered a covered Business. Instead, the MLS may be considered a Third Party in the event a covered Business (ex: brokerages, real estate listing aggregation or advertising internet sites or other outlets who meet the criteria of covered Businesses) exchanges personal information with the MLS. You do not have the right under the CCPA to require a Third Party to delete your personal information. And like real estate brokerages, even if an MLS is a covered Business, MLSs are also required by law to retain and make accessible in its computer system any and all listing and other information for three years.

Whether an MLS is a covered Business or a Third Party, you have a right to be notified about the sharing of your personal information and your right to contact a covered Business to opt out of your personal information being used, or shared with Third Parties. Since the MLSs and/or other entities receiving your personal information do not have direct contact with buyers and sellers and also may not be aware of which entities exchanging personal information are covered Businesses, this form is being used to notify you of your rights under the CCPA and your ability to direct requests to covered Businesses not to share personal information with Third Parties. One way to limit access to your personal information, is to inform your broker or salesperson you want to opt-out of the MLS, and if so, you will be asked to sign a document (Form SELM) confirming your request to keep your listing off the MLS. However, if you do so, it may be more difficult to sell your property or obtain the highest price for it because your property will not be exposed to the greatest number of real estate licensees and others.

I/we acknowledge receipt of a copy of this California Consumer Privacy Act Advisory.

Buyer/Seller/Landlord/Tenant [Signature] Date 01/17/2021
City of Perris
Buyer/Seller/Landlord/Tenant \_\_\_\_\_ Date \_\_\_\_\_

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CCPA 12/19 (PAGE 1 OF 1)

CALIFORNIA CONSUMER PRIVACY ACT ADVISORY (CCPA PAGE 1 OF 1)



**CALIFORNIA  
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**REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE  
(FOR BUYER REPRESENTATIVES)  
(C.A.R. Form RCSD-B, Revised 6/20)**

This form is not an assignment. It should not be used to add new parties after a contract has been formed. The purpose of this form is to identify who the principal is in the transaction and who has authority to sign documents on behalf of the principal.

This is a disclosure to one or more of the following: Purchase Agreement, Buyer Representation Agreement, Assignment of Agreement, or Other Agreement, specified below in which City of Perris is identified as "Buyer". If a trust, identify Buyer as the trustee(s) of the trust or by simplified trust name (e.g. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust 3.). Full name of trust should be identified in 1A below. If power of attorney, insert principal's name as Buyer.

1. A.  TRUST: (1) Assets used to acquire/lease the Property are held in trust pursuant to a trust document titled (Name of trust: \_\_\_\_\_)
- (2) The person(s) signing below is/are Sole/Co/Successor Trustee(s) of the Trust.
- B.  ENTITY: Buyer is a  Corporation,  Limited Liability Company,  Partnership  Other: Municipal Entity which has authorized the officer(s), managing member(s), partner(s) or person(s) signing below to act on its behalf. An authorizing resolution of the applicable body of the entity described above  is  is not attached.
- C.  POWER OF ATTORNEY: Buyer ("Principal") has authorized the person(s) signing below ("Attorney-in-Fact", "Power of Attorney" or "POA") to act on his/her behalf pursuant to a General Attorney (Specific Power of Attorney for the Property), dated \_\_\_\_\_. This form is not a Power of Attorney. A Power of Attorney must have already been executed before this form is used.
- D.  ESTATE: (1) Buyer is an  conservatorship, or  guardianship identified by Superior Court Case name as \_\_\_\_\_, Case # \_\_\_\_\_
- (2) The person(s) signing below is/are court approved representatives (whether designated as Sole or Co-Executor, Administrator, Conservator, Guardian) of the estate, conservatorship or guardianship identified above.

2. Buyer's Representative represents that the trust, entity or power of attorney for which that Party is acting already exists.

Buyer:  
By Michael M. Vargas Date: 06/17/2021

(Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)  
(Print Representative Name) Michael M. Vargas Title: Mayor

By \_\_\_\_\_ Date: \_\_\_\_\_  
(Sign Name of Trustee, Officer, Managing Member, Partner, or Attorney-in-Fact)  
(Print Representative Name) \_\_\_\_\_ Title: \_\_\_\_\_

**Acknowledgement of Receipt By Other Party:**

<b>AT TIME OF SALE</b>	
Buyer and <u>Jeanette Donaly Llamas, Salvador Llamas</u> ("Seller") are parties to a Purchase Agreement dated <u>06/16/2021</u> for property known as <u>102 S D Street, Perris, CA 92570</u>	
Seller <u>C. D. D...</u> Date <u>06/19/2021</u>	
Seller <u>Jeanette Donaly Llamas</u> Date <u>06/19/2021</u>	
Seller <u>Salvador Llamas</u> Date <u>06/19/2021</u>	



**REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 1 OF 2)**

**AT TIME OF BUYER REPRESENTATION AGREEMENT**

Buyer and Marin Realty Group ("Buyer's Broker") are parties to a Buyer Representation Agreement dated 06/16/2021.

Real Estate Broker Marin Realty Group

By Jose M Marin Date 6/16/21

**AT TIME OF ASSIGNMENT OF AGREEMENT**

Buyer and \_\_\_\_\_, the originally named buyer ("Assignor") are parties to an Assignment of Agreement Addendum dated \_\_\_\_\_.

Assignor and Jeanette Donaly Llamas, Salvador Llamas ("Seller") are parties to a Purchase Agreement or  Other: \_\_\_\_\_, which is being assigned to Buyer.

Assignor \_\_\_\_\_  
By \_\_\_\_\_ Date \_\_\_\_\_

Seller Jeanette Donaly Llamas, Salvador Llamas  
By \_\_\_\_\_ Date \_\_\_\_\_

**AT TIME OF OTHER AGREEMENT**

Buyer and \_\_\_\_\_ ("Other Party") are parties to \_\_\_\_\_ Agreement

dated \_\_\_\_\_, if applicable, for property known as \_\_\_\_\_.

Other Party \_\_\_\_\_  
By \_\_\_\_\_ Date \_\_\_\_\_

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RCSD-B REVISED 8/20 (PAGE 2 OF 2)

**REPRESENTATIVE CAPACITY SIGNATURE DISCLOSURE (RCSD-B PAGE 2 OF 2)**



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

6.A.

**MEETING DATE:** July 8, 2021

**SUBJECT:** Placing CR&R delinquent residential refuse collection charges on property tax rolls.

**REQUESTED ACTION:** That the City Council consider waiving further reading and introducing Ordinance No. (next in order):

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING SECTION 7.16.080 OF THE PERRIS MUNICIPAL CODE TO AUTHORIZE THE RIVERSIDE COUNTY TAX COLLECTOR TO PLACE DELINQUENT RESIDENTIAL REFUSE COLLECTION CHARGES ON THE PROPERTY TAX ROLLS

**CONTACT:** Ernie Reyna, Finance Director

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#### BACKGROUND

The City granted a franchise agreement to CR&R for the collection and disposal of residential and commercial refuse within the City. CR&R entered into an agreement with Eastern Municipal Water District (EMWD) under which the bills for trash services are included in the customers' water bills. As a result, EMWD currently processes the billing for both water and trash services.

EMWD and CR&R have determined to end that process, which means CR&R will be required to bill customers directly. That process is underway. In addition, CR&R has proposed that the City enact an ordinance pursuant to California Government Code sections 38790.1 and 25831, and Health & Safety Code Section 5473(a) whereby all delinquent residential refuse collection charges would be billed on the County property tax roll. CR&R previously requested that all ongoing charges be placed on the tax roll, but that ordinance was not adopted. The proposed ordinance would only apply to delinquent charges and would require an annual hearing process.

If the ordinance is adopted, the City will receive payments from the Riverside County Tax Assessor's office, and these payments would in turn be sent to CR&R.

#### ANALYSIS/DISCUSSION

Section 7.16.080 of the Municipal Code currently provides that charges for refuse collection shall be added to utility bills. Pursuant to California Government Code sections 38790.1 and 25831,



the City may elect to have delinquent refuse collection charges collected on the County property tax roll in the same manner as general taxes. Health & Safety Code Section 5473(a) further provides that the City, by two-thirds vote of the members of the legislative body, may choose to place delinquent charges on property tax rolls.

If the ordinance is adopted, CR&R will prepare an annual report of all delinquencies. The City Council must then hold a public hearing to consider all objections or protests. Following the hearing, the City Council may adopt the report which is then forwarded to the County Auditor/Tax Collector, who will place the delinquent charges on the property tax roll.

CR&R may discontinue services to delinquent non-residential customers and precondition the reestablishment of services with complying the City's and CR&R's billing policies.

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**BUDGET (or FISCAL) IMPACT:**

None to the City.

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Prepared by: Eric Dunn, City Attorney

**REVIEWED BY:**

City Attorney   X  

Assistant City Manager \_\_\_\_\_

Finance Director \_\_\_\_\_

**Attachments:**

Ordinance No. (Next in order) amending Section 7.16.080 of the Perris Municipal Code to authorize the Riverside County Tax Collector to place delinquent residential refuse collection charges on the property tax rolls.

Consent:

Public Hearing: X

Business Item:

Presentation:

Other:

# ATTACHMENT 1

ORDINANCE NUMBER (NEXT IN ORDER)

**ORDINANCE NO. XXXX**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AMENDING SECTION 7.16.080 OF THE PERRIS MUNICIPAL CODE TO AUTHORIZE THE RIVERSIDE COUNTY TAX COLLECTOR TO PLACE DELINQUENT RESIDENTIAL REFUSE COLLECTION FEES ON THE PROPERTY TAX ROLLS**

*WHEREAS*, pursuant to Chapter 7.16 of the City of Perris (“City”) Municipal Code, the City contracts for the collection and disposal of solid municipal waste; and

*WHEREAS*, pursuant to Section 7.16.080 of the Municipal Code, charges for residential refuse collection are currently added to utility bills; and

*WHEREAS*, California Government Code sections 38790.1 and 25831 and Health & Safety Code Section 5473(a) provide that the City may choose to collect delinquent garbage fees or charges by placing them on the County property tax roll in the same manner as its general taxes; and

*WHEREAS*, the City Council now desires to amend the Perris Municipal Code to authorize placing delinquent residential refuse collection charges on the County property tax rolls pursuant to California Government Code sections 38790.1 and 25831 and Health & Safety Code Section 5473(a).

***NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, DOES ORDAIN AS FOLLOWS:***

**Section 1. Recitals.** The Recitals set forth above are true and correct and incorporated herein by this reference.

**Section 2. Charges.** Section 7.16.080 of the Perris Municipal Code is amended to read in its entirety as follows:

“Sec. 7.16.080. - Charges.

A. **Joint and Several Liability.** The property owner of any premises receiving solid waste collection, recycling and/or disposal service pursuant to this Chapter and the account holder for such premises (if a tenant or otherwise different from the property owner) are jointly and severally liable for all fees and charges for such service provided to the premises.

B. **Delinquencies – Residential Customers.** An account holder for a residential service who has not remitted required payment for solid waste collection, recycling and/or disposal service within ninety (90) calendar days after the date of billing shall be notified by the city or the city’s contractor servicing the premises on forms that contain a statement that if payment is not

received within fifteen (15) calendar days from the date of the notice, a 10% penalty, 1.5% monthly interest and administrative charges will begin to accrue. If a contractor of the city is providing the statement, it shall inform the city of the delinquency in an annual report. The contractor will deliver a report of all delinquencies by June 1 of each year with a request that the city place the delinquencies on the property tax roll.

Pursuant to Sections 38790.1 and 25831 of the Government Code and Health & Safety Code Section 5473(a), the city shall collect delinquent fees or charges for residential solid waste collection, recycling and/or disposal services on the property tax roll for the premises. The city shall adhere to the following procedures:

1. City will fix a time, date, and place for a public hearing to consider the annual report of delinquencies. The city, or its contractor, shall mail notice of the hearing to the property owner of every premises listed on the annual report not less than ten (10) calendar days prior to the date of the public hearing. At the public hearing, the City Council shall hear any objections or protests of property owners liable to be assessed for delinquent fees or charges. The City Council may make revisions or corrections to the annual report as it deems just, after which, by Council resolution, the annual report may be confirmed.

2. The delinquent fees and charges set forth in the confirmed annual report shall constitute special assessments against the premises listed in the annual report and are a lien on the premises for the amount of the delinquent fees and charges. A certified copy of the confirmed annual report shall be filed with the Riverside County Auditor for the amounts of the respective assessments against the respective premises as they appear on the current assessment roll. The lien created attaches upon recordation of a certified copy of the resolution of confirmation in the office of the Riverside County Recorder. The assessment may be collected at the same time and in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for those taxes.

3. If city is using a contractor to provide solid waste collection, recycling and/or disposal services, city shall remit to its contractor any amounts collected pursuant to this process within fifteen (15) calendar days of receipt from the Riverside County Assessor along with a paid parcel list report. The contractor shall notify city in the event any delinquency on the confirmed annual report for which a lien has been created is paid or otherwise resolved along with a paid parcel list report.

C. Delinquencies – Non-Residential Customers. City, or its contractor, may discontinue solid waste collection, recycling and/or disposal service to commercial and bin service customers, if the account holder of said premises has not remitted required payment of applicable fees and charges within thirty (30) calendar days after the date of billing. If city, or its contractor, terminates service to any non-paying premises, city, or its contractor, may require as a condition precedent to re-establishment of such service, that the property owner of the premises and the account holder must comply fully with all of the billing policies and practices of city, or its contractor; including, but not limited to, requirement of payment by cash or cash equivalent, prepayment of one full billing cycle, a security deposit, payment of all costs of collection of monies owed to city, or its contractor, and payment of a reinstatement fee. Delinquent accounts

for commercial establishments, industrial operations, or any other non-residential premises shall be charged a 1.5% monthly late fee on the delinquent balance. If city is using a contractor, and the contractor discontinues service for non-payment, the contractor shall, upon written city request, give written notice to the City Manager of any discontinuance of service for nonpayment, giving the name and address of the account holders.

**Section 3. Severability.** If any subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declares that they would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional or otherwise unenforceable.

**Section 4. Effective Date.** This Ordinance shall take effect 30 days after its adoption.

**Section 5. Certification.** The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

***ADOPTED, SIGNED and APPROVED*** this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor, Michael Vargas

ATTEST:

\_\_\_\_\_  
City Clerk, Nancy Salazar

ATTEST:

STATE OF CALIFORNIA )  
COUNTY OF RIVERSIDE ) §  
CITY OF PERRIS )

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance No. (Next in order) was duly adopted by the City Council of the City of Perris at a regular meeting held the \_\_\_ day of \_\_\_\_\_, 2021, by the following called vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
City Clerk, Nancy Salazar



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** July 8, 2021

**SUBJECT:** **Workshop for the 2021-2029 Housing Element** – A workshop to discuss and review opportunity sites that allow residential projects at densities of 30 units per acre.

**REQUESTED ACTION:** **Conduct Workshop** to discuss pertinent information related to opportunity sites allowing 30-units per acre for the 2021-2029 Housing Element and to solicit input from residents and stakeholders.

**CONTACT:** Candida Neal, Interim Director of Development Services

#### **BACKGROUND:**

At the June 8, 2021, City Council meeting, after hearing the workshop item for the Safety Element, Environmental Justice Element, and Housing Element, the Council requested an opportunity to more closely review the opportunity sites identified as allowing 30-units per acre (i.e., the default density established by the California Department of Housing and Community Development (HCD) to facilitate the development of low and very low-income housing communities). One City Council member mentioned that the 2021 City of Perris Regional Housing Needs Assessment (RHNA) numbers were significantly higher than the RHNA numbers in the previous housing element cycle and inquired about appealing the numbers.

#### **Response to City Council Direction**

In response to the City Council direction Housing Opportunity sites are now provided on a city-wide location map with close-up aerial images included for each of the eight areas (see Attachment 2). The eight different areas were selected based on the HCD guidelines, and considering existing constraints, such as flooding, airport safety zones, or steep topography, which may increase construction costs that would not permit or limit the full use of the site for construction of affordable housing projects. No sites north of Nuevo Road were selected because the area is within the March ARB flight path that prohibits high density or within a significant flood zone area.

The sites selected are not within the March ARB flight path zone, a floodplain or with an area identified for conservation by Riverside County. In addition, sites were not limited by topographic features that would prohibit construction. Sites identified for higher density development include one or more of the features listed below.

- Within the Downtown Specific Plan area, sites with General Plan and zoning designations that allow 30-units per acre by-right;

- Outside the Downtown Specific Plan area, parcels already zoned for higher density residential uses, such as MFR -14, which allows 14 units per acre, or MFR-22, which allows 22 units per acre;
- In an underdeveloped area, where there has been interest in developing high-density residential;
- Adjacent areas zoned for higher densities; or
- Near public transit or close to other commercial uses, schools, or parks offering public amenities or services.

It should be noted that developers are not required to build the opportunity sites at 30-unit per acre. Staff is proposing that a zoning overlay be adopted for these parcels. The parcels can be developed at up to 30 units per acre. However, the overlay zoning does not prevent property owners from constructing a project consistent with the underlying commercial or single-family zoning designation. Overlay zoning provides property owners and potential developers a viable option to build affordable housing, as HCD, in its market analysis, has determined that approximately between 24 to 30 units per acre is necessary for affordable development to be financially viable with state funding assistance.

The deadline for appealing the RHNA numbers closed October 26, 2020.

### **Next Steps**

Confirmation of the selected sites or alternative sites at the July 8<sup>th</sup> meeting is vital to stay on schedule to adopt the Housing Element and obtain certification by HCD within a 120-day grace period starting October 15, 2021. Approval of the Housing Element allows timely access to State infrastructure bonds for capital improvement projects, ensures developers are eligible for state funding for affordable housing development, and the City has access to CDBG and HOME funds for affordable housing and transportation projects. It also ensures that the City maintains control of its land use decisions and avoids potential lawsuits due to a non-compliant General Plan.

A detailed presentation of the eight sites will be made at the Council meeting. The goal of the Council workshop is to obtain concurrence on the selected 30-units per acre opportunity sites. If the Council desires to eliminate a site or sites, and an alternative site should be recommended as all the site acreage is necessary to meet the goal of providing the Regional Housing Needs Assessment (RHNA) obligation of providing 7,805 dwelling units as part of the 2021-2029 Housing Element cycle.

Upon concurrence of the sites, the draft Housing Element can be finalized for submittal to HCD to ensure they agree with the City's approach before preparing the final Housing Element. Once the support of HCD is obtained, the Housing Element will be brought back to the Planning Commission for review and approval recommendation to the City Council for final approval consideration expected in November of 2021.

### **RECOMMENDATION:**

Staff is recommending the City Council conduct a workshop to discuss pertinent information related to opportunity sites allowing 30-units per acre for the 2021-2029 Housing Element and to solicit input from residents and stakeholders.



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**BUDGET (or FISCAL) IMPACT:**

Cost for preparation of the 2021-2029 Housing Element update will be covered by the SB 2 grant.

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Prepared by: Kenneth Phung, Planning Manager  
Reviewed by: Candida Neal, Interim Director of Development Services

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director \_\_\_\_\_

Consent:  
Public Hearing:  
**Business Item:** X  
Presentation:  
Others:

Attachments: 1. CC Staff Report Submittal dated June 8, 2021  
2. 30-Units Per Acre Opportunity Sites

**ATTACHMENT 1**  
**CC Staff Report Submittal dated**  
**June 8, 2021**



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

**MEETING DATE:** June 8, 2021

**SUBJECT:** **Workshop for the 2021-2029 Housing Element Update, Safety Element Update, and New Environmental Justice Element – A workshop to discuss and solicit information pertinent to the General Plan Housing Element Update, Safety Element Update, and new Environmental Justice Element.**

**REQUESTED ACTION:** **Conduct Workshop** to discuss information pertinent to updating the 2021-2029 Housing Element and Safety Element and adopting a new Environmental Justice Element to add to the Perris General Plan and to solicit input from residents and stakeholders.

**CONTACT:** Candida Neal, Interim Director of Development Services

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#### **BACKGROUND:**

On September 29, 2020, the City Council authorized a contract services agreement with National Core to prepare the sixth cycle Housing Element update, Safety Element update, and the new Environmental Justice Element. The purpose of the three elements is summarized below:

- **Housing Element Update.** To comply with the mandatory State requirements by instituting new policies, establishing an action program to guide decision-making, identifying ways to provide safe, decent housing opportunities, and considering how to deliver 7,805 new housing units required by the Regional Housing Needs Assessment (RHNA ) obligation;
- **Safety Element Update.** To meet the latest requirements regarding seismic hazards, dam inundation, and relevant hazards associated with climate change; and
- **Environmental Justice Element.** To meet the threefold objectives of developing policies that improve the quality of life for disadvantaged communities, promoting civic engagement in the public decision-making process, and developing and prioritizing improvement programs that address the needs of disadvantaged communities.

#### **PROJECT STATUS AND HOUSING ELEMENT ISSUES:**

Since the approval of the contract services agreement, National Core has conducted a workshop with the Planning Commission on February 3, 2021, to discuss why the updates are needed and evaluate land-use options available to support housing, improve safety, and promote equity in Perris. A second workshop was conducted with the Planning Commission on May 5, 2021, to provide a progress report on the three elements before presenting it to the City Council.

The main issue discussed at the Planning Commission is how to meet the current RHNA obligation. Since the last Housing Element was approved, the number of units required to be constructed during the 8-year Housing Element cycle increased from 1,353 units to 7,805 units. The new obligation requires 2,030 units for very low, 1,121 units for low, 1,274 units for moderate, and 3,374 units for above moderate-income housing.

Although the RHNA number has increased by almost six times, other factors also affect Perris' ability to meet its RHNA obligation. In previous Housing Element cycles, communities were required to identify general areas for affordable housing development without considering the feasibility of developing the sites as affordable housing projects. However, to meet current RHNA requirements, low and very low-income housing sites must be zoned to allow a minimum of 30 units per acre, have access to public transit and not have physical constraints that would prohibit the construction of affordable housing projects. In Perris, current zoning and airport restrictions do not allow residential projects at densities of 30 units per acre (i.e., The minimum density required to make it financially feasible to construct low and very low-income projects). In addition, many Perris sites are constrained by flooding and topography, steep slopes, and large boulders, which may increase construction costs to levels that would not permit or limit the full use of the site for construction of affordable housing projects.

Although potential opportunity sites for affordable housing were not specifically identified during the Planning Commission meeting due to dependency on the WRCOG (i.e., Western Riverside County Council of Government) GIS technical assistance to identify potential sites, the proposed sites will be presented at the City Council meeting.

A detailed presentation will be made at the City Council meeting to provide an update on the status of each Element, obtain feedback on the policy recommendations, and evaluate land-use options to meet the RHNA 7,805 dwelling unit obligations, particularly sites with the opportunity to build up to 30 units per acre. The goal of the Council workshop is to obtain concurrence on the direction of the three elements before completing drafts of the documents and submitting the housing element to the California Department of Housing and Community Development (HCD) to ensure they agree with the City's approach before preparing the final housing element. Once the support of HCD is obtained, the three elements will be brought back to the Planning Commission for review and approval recommendation to the City Council for final approval consideration expected in October of 2021.

**RECOMMENDATION:**

Staff is recommending the City Council conduct a workshop to discuss information pertinent to updating the 2021-2029 Housing Element, Safety Element, and adopting a new Environmental Justice Element to add to the Perris General Plan.

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**BUDGET (or FISCAL) IMPACT:**

Cost for preparation of the 2021-2028 Housing Element update will be covered by the SB 2 grant. The cost for the preparation of the Safety Element and the Environmental Justice Element has been approved to be covered by the General Fund budget.

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Prepared by: Kenneth Phung, Planning Manager  
Reviewed by: Candida Neal, Interim Director of Development Services

City Attorney \_\_\_\_\_  
Assistant City Manager \_\_\_\_\_  
Finance Director \_\_\_\_\_

Consent:

Public Hearing:

**Business Item:** X

Presentation:

Others:

Attachments:

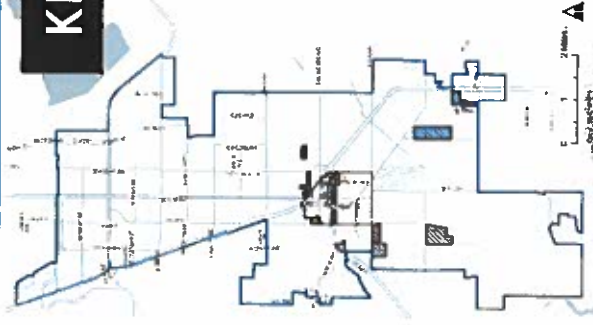
- ~~1. CC Staff Report Submittal dated September 29, 2020~~
- ~~2. PC Staff Report Submittal dated February 3, 2021~~
- ~~3. PC Staff Report Submittal dated May 5, 2021~~

## ATTACHMENT 2

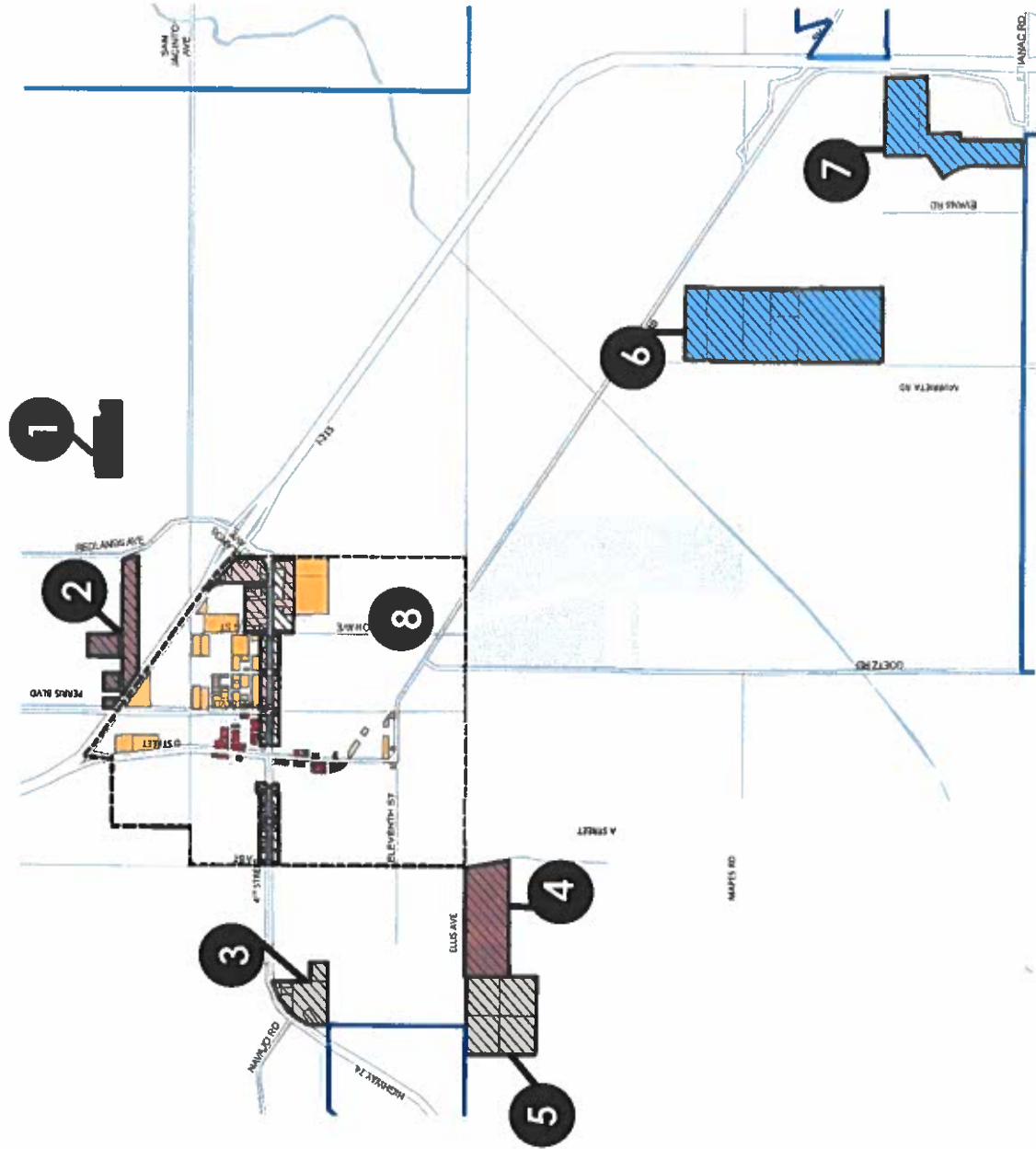
Opportunity Sites Allowing 30-units per Acre

# OPPORTUNITY SITES

## KEY MAP

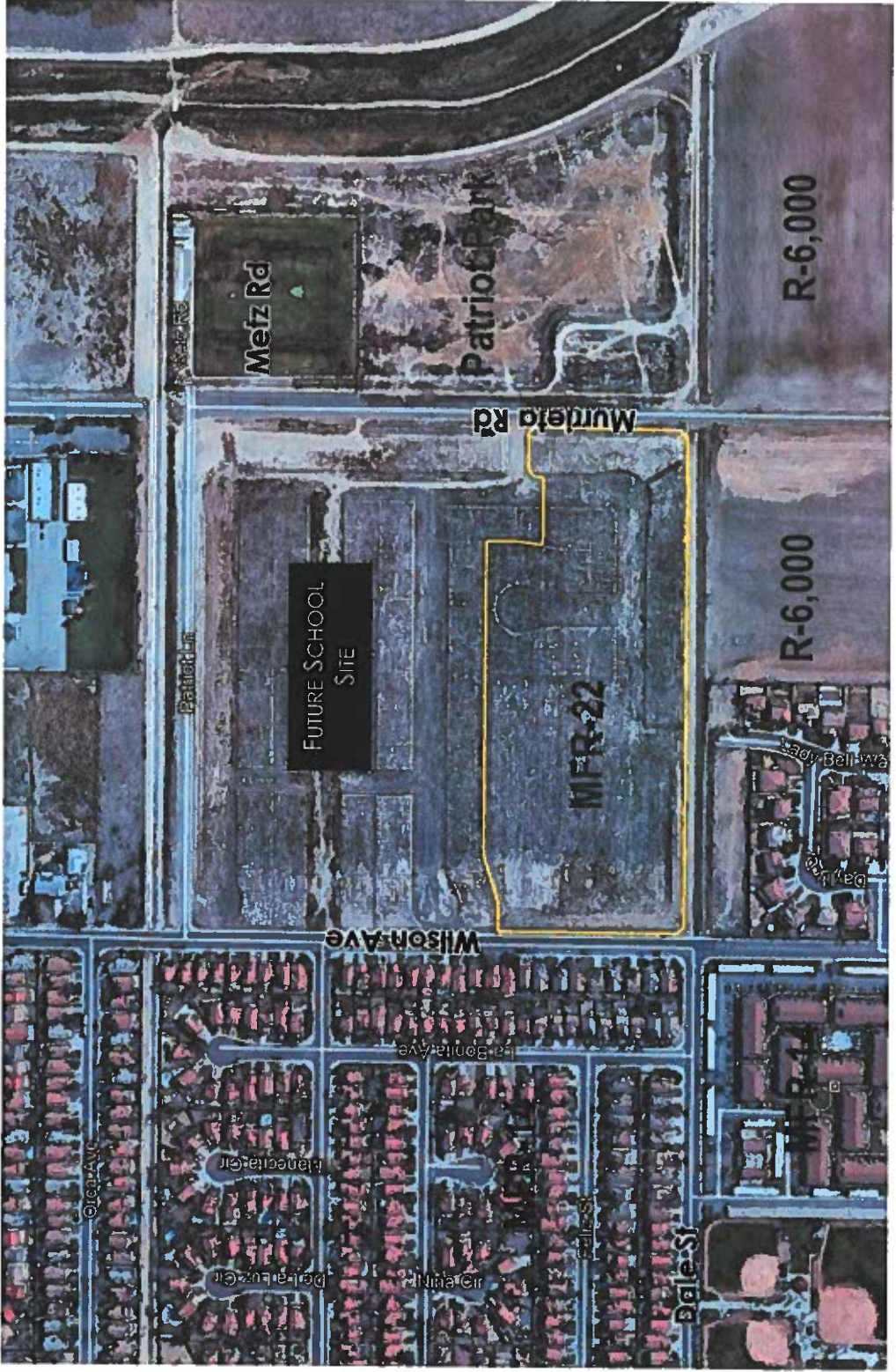


- City Boundary
- Downtown Specific Plan Boundary
- Housing Overlay (30 du/ac)
- Housing Element Sites by Zoning
- Urban Village
- 4th Street Gateway
- Plaza Mercado
- Downtown Promenade
- Multi-Family Residential 22 du/ac
- Multi-Family Residential 14 du/ac
- Single-Family Residential - 10,000 min. lot area
- Green Valley Specific Plan



# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 1



**Acres:** 13.4

**Zoning:** MFR - 22

**Housing**

**Overlay up to 30 du/ac would be applied**





# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 2

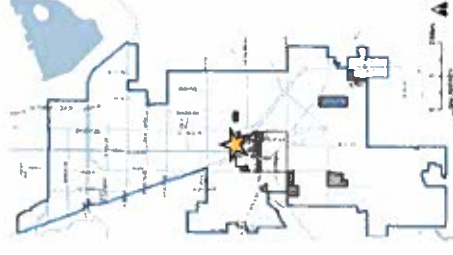


**Acres:** 20.7

**Zoning:** MFR-14

Housing

Overlay up to 30 du/ac would be applied



# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 3



**Acres:** 16.1

**Zoning:** SF-10,000

Housing Overlay up to 30 du/ac would be applied



# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 4

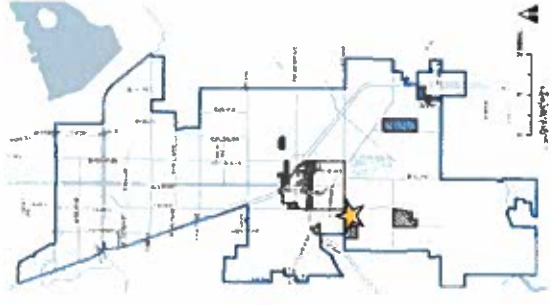
Approved Senior Housing  
Site at 33 du/ac



**Acres: 37.5**

**Zoning: MF-14**

Housing Overlay up  
to 30 du/ac would  
be applied



# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 5



**Acres:** 36.8

**Zoning:** SF-10,000

Housing Overlay up to 30 du/ac would be applied



# OPPORTUNITY SITES (YELLOW OUTLINE)

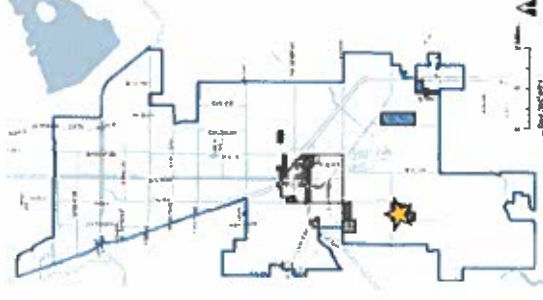
## AREA 6



**Acres:** 80.2

**Zoning:** SF-10,000

Housing Overlay up to 30 du/ac would be applied



# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 7



**Acres:** 152.1

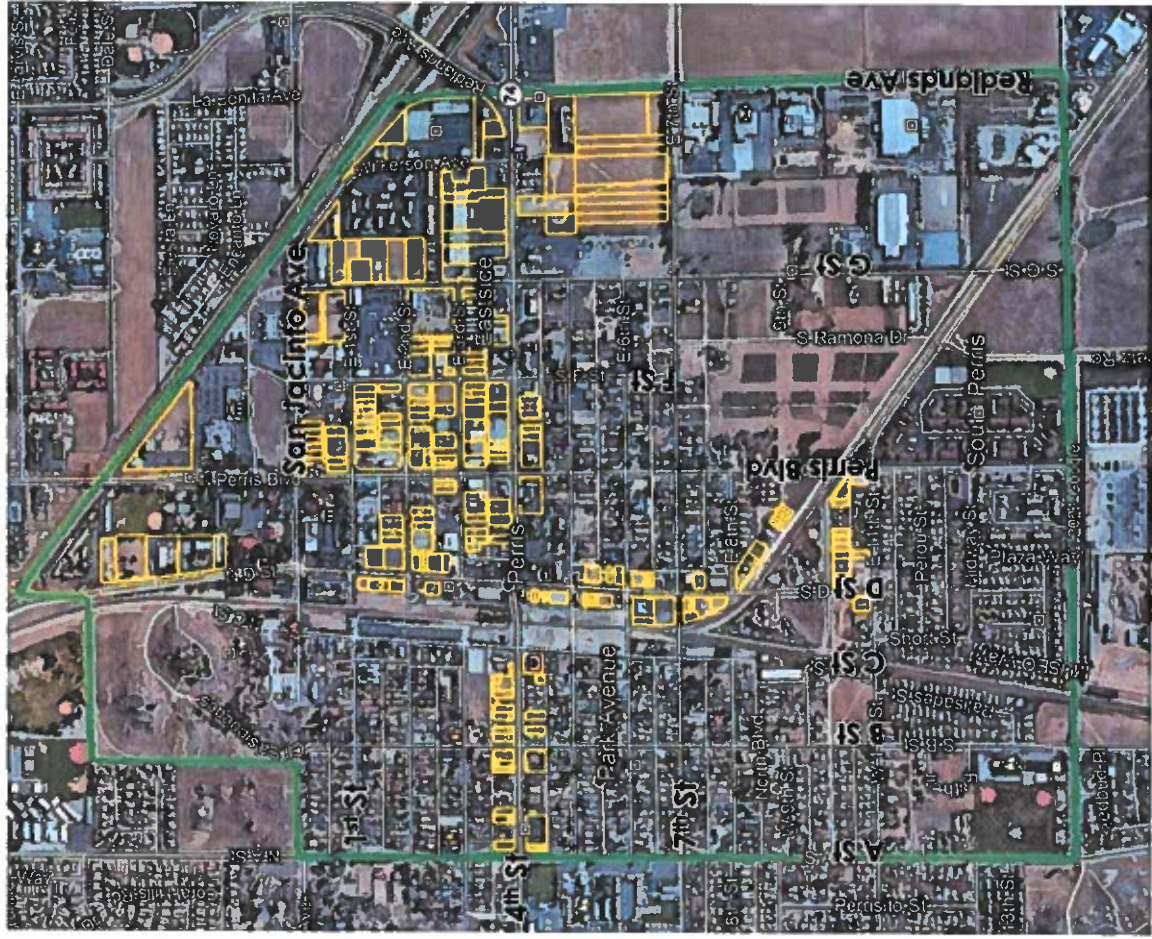
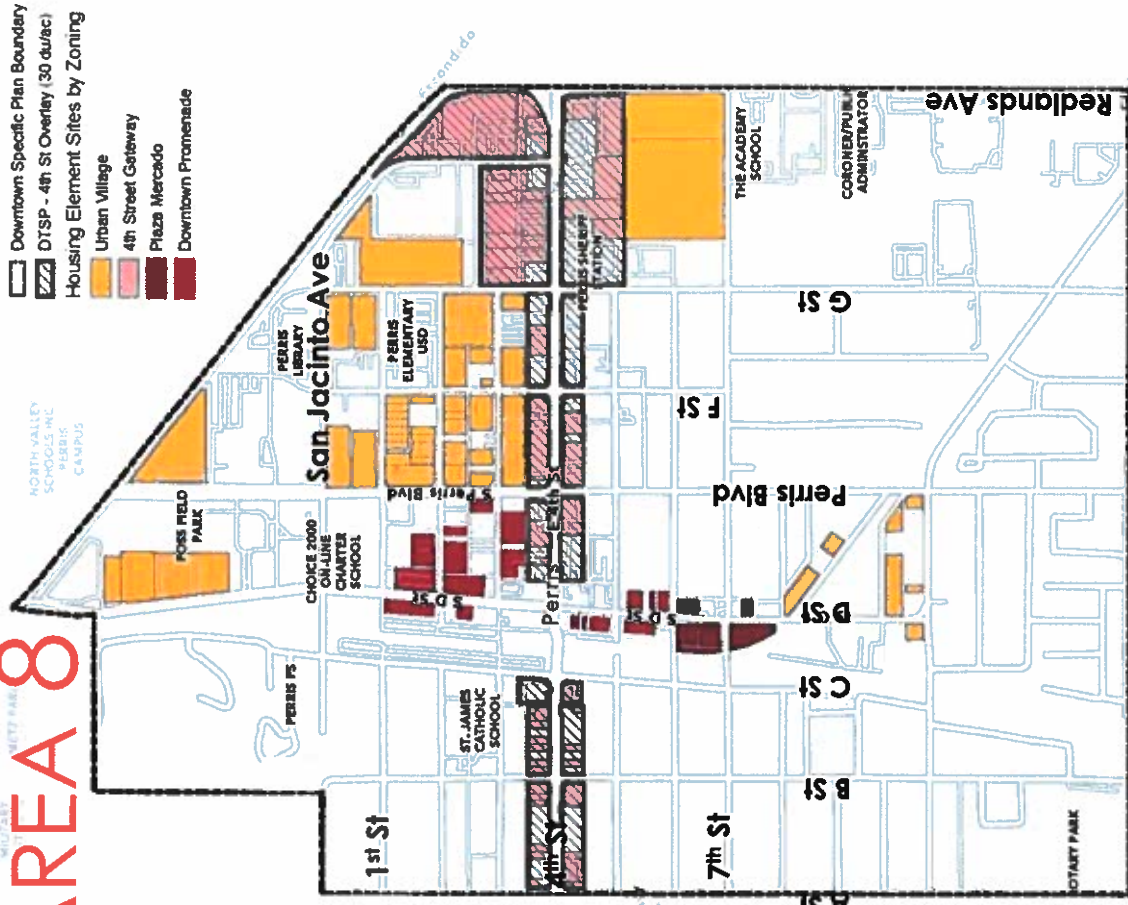
**Zoning:** SFR  
(Green Valley  
Specific Plan)

Housing Overlay up  
to 30 du/ac would  
be applied

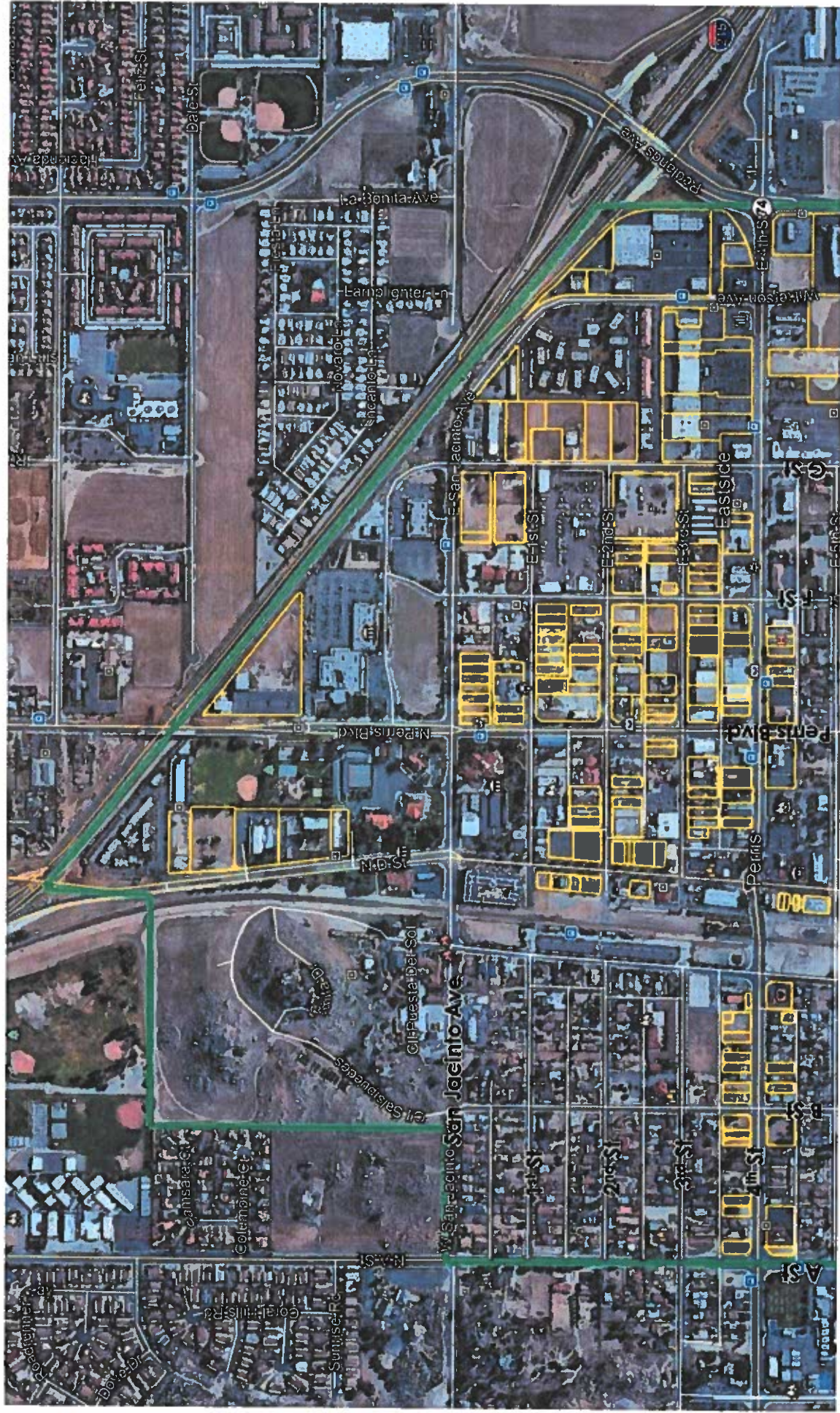


# OPPORTUNITY SITES (YELLOW OUTLINE)

## AREA 8



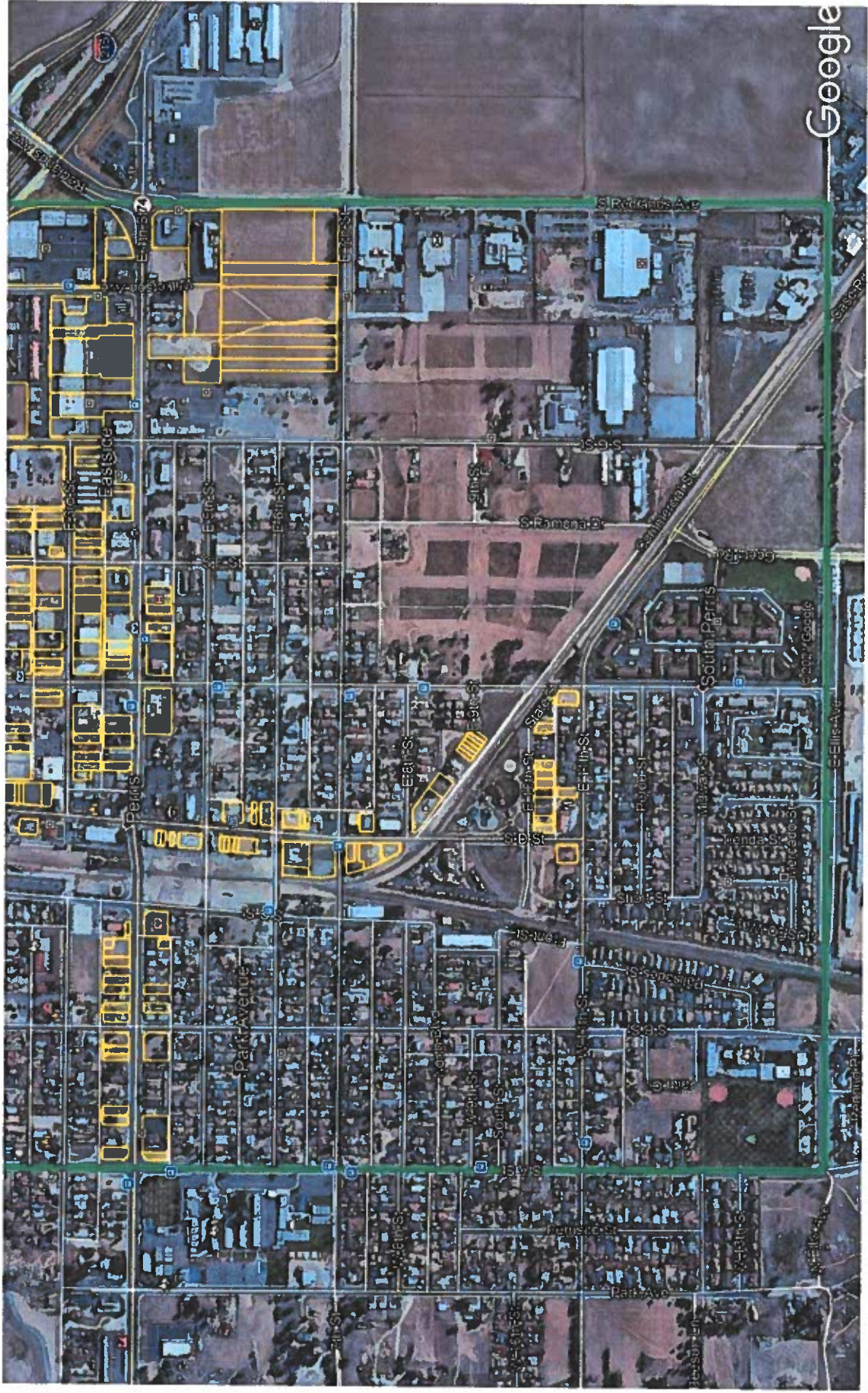
# OPPORTUNITY SITES — DOWNTOWN SPECIFIC PLAN



# CITY OF PERRIS AREA 8 — CLOSE-UP



# OPPORTUNITY SITES — DOWNTOWN SPECIFIC PLAN



# CITY OF PERRIS AREA 8 — CLOSE-UP



# CITY OF PERRIS

## CITY COUNCIL

### AGENDA SUBMITTAL

7.B.

**MEETING DATE:** July 8, 2021

**SUBJECT:** Workshop Regarding Allocation of American Rescue Plan Act (ARPA) 2021 Funds

**REQUESTED ACTION:** Review and provide direction to staff on allocation of ARPA funds

**CONTACT:** Ernie Reyna, Director of Finance *ER*

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#### **BACKGROUND/DISCUSSION:**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. The \$1.9 trillion package is intended to combat the Covid-19 pandemic and also directly allocates \$350 billion for fiscal relief for states, counties, and metropolitan cities.

Based upon a pre-determined formula, the City of Perris' allocation was designated to be \$22.1 million, which will be received in two installments over a period of one year. The first payment was made directly to the City from the U.S Department of Treasury on May 19, 2021 in the amount of \$11,085,752.50, which represented one-half of the \$22.1 million. The second payment, of the same amount, is expected to be received from the Department of Treasury sometime around May of 2022.

The U.S. Department of Treasury has released an Interim Final Rule, as well as Frequently Asked Questions, that are designed to assist local governments on how to properly spend the ARPA funds. The authorized categories vary, but all tie back to the pandemic and how covid-19 negatively affected individuals and businesses. As part of the community input process, a citywide survey was made available to obtain input from the public on how to spend these funds. The survey results are summarized in this report.

For budgeting purposes, one half of the \$22.1 million (\$11 million) has been programmed in Fiscal Year 2021/22 and the remaining half in Fiscal Year 2022/23; however, the City may begin using the funds for the period beginning on March 3, 2021 and ending December 31, 2024. This gives the City approximately 3 ½ years to expend the \$22.1 million.

## APPROVED USES OF ARPA FUNDS

The following categories have been identified as approved uses of ARPA:

- Response, Mitigation, and Prevention

This category is related to public health and prevention support, which includes covering medical expenses, behavioral health care, testing, vaccine incentive programs, support for vulnerable population public health surveillance, and capital investments in public facilities. Included under this category is Responding to Negative Economic Impact. Examples there include assistance to unemployed workers, assistance to households, addressing homelessness, assistance for small businesses, rent/mortgage/utility/food assistance, internet access, job training, assistance to non-profits, affordable housing, and capital investments in public facilities.

- Promoting Healthy Childhood Environments and Building Stronger Communities

This category includes support for promoting healthy families and social services, which includes expanding high-quality childcare, social services to families, resources for economic support, health needs, early learning services, afterschool and extended learning programs, positive parenting, and mental health and substance use challenges. Also, in recognition of the disproportionate negative economic impacts on certain communities and populations, the Interim Final Rule identifies certain types of services that are eligible uses when provided in a Qualified Census Tract (QCT), to families and individuals living in QCTs. These programs and services include services designed to build stronger neighborhoods and communities and to address health disparities and the social determinants of health. The Interim Final Rule provides a non-exhaustive list of eligible services to respond to the needs of communities disproportionately impacted by the pandemic, and recipients. For example, investments in parks, public plazas, and other public outdoor recreation spaces may be responsive to the needs of disproportionately impacted communities by promoting healthier living environments and outdoor recreation and socialization to mitigate the spread of COVID-19. This may also include support to enhance outdoor spaces for COVID-19 mitigation (e.g., restaurant patios) or to improve the built environment of the neighborhood (e.g., façade improvements).

- Revenue Loss Recovery

Next category allows for an agency to back-fill their general fund due to losses caused by the pandemic. The U.S. Department of the Treasury provided guidance on how to calculate this loss and through the assistance of the California Society of Municipal Finance Officers (CSMFO) and the League of Cities, a revenue loss calculation tool was created to help cities determine their ARPA allocation spends. The tool incorporates the latest Treasury Department's guidance and its applicability to local government finance in California. The City expended general fund revenues this past year for COVID related expenses and funds were also used to assist businesses, purchase equipment and supplies to allow employees to work remotely. Additionally, funds were used for facility improvements to improve the safety of staff and the public.

- Water/Sewer and Broadband Infrastructure

The last authorized category includes making necessary investments in water and sewer infrastructure. Congress has recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Public Works staff has developed a priority list of improvements to the City's water/sewer infrastructure in need of immediate repairs, totaling to approximately \$1 million dollars for Fiscal Year 2021-2022. In addition, broadband infrastructure is also included as Covid-19 underscored the importance of universally available high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work.

### **POTENTIAL CITY USES OF ARPA**

City departments have identified potential uses of ARPA funds under the approved categories that would benefit the City and its residents. The following five different departments have come up with funding ideas including Economic Development, Public Works, Information Technology, Finance, and Community Services:

1. The Economic Development department has come up with four areas for use of ARPA funding including Small Business Assistance Program (\$200,000), Rent/Mortgage Assistance Program (\$400,000), filling the gap of funding for the Perris Skills Center (\$2,500,000), and replenishing funds used for Business Assistance (\$800,000). Total amount of potential use is \$3,900,000. Additionally, the City can allocate funds to increase homelessness services under SWAG's contract renewal scheduled for the July 27, 2021, City Council meeting.
2. Public Works examined areas needing repairs, maintenance, and improvements and identified those that can use ARPA funding. Sewer Repairs were categorized based on need and those labeled as "category 5" were selected for potential repair. Repairs to sewer (\$695,000), Sewer Maintenance (\$110,000), and the 4<sup>th</sup> Street Lift Station Repairs (\$253,000) potentially utilizing ARPA funds amounted to \$1,058,000.
3. Information Technology identified broadband expansion as an area the city could use some infrastructure improvement on and would like to upgrade the Wi-Fi/Broadband to the downtown area. The potential project would consist of adding three new LTE sites (\$90,000), the purchase of a 10GB Back Bone, and upgrading Servers to be able to host the new sites (\$140,000). In total, the potential Broadband upgrade would cost approximately \$400,000.
4. The Finance department has calculated revenue loss to the general fund using the approved financial calculator provided by CSMFO and the League of Cities. The calculator takes into account actual revenues for the time period of January 2020 through December 2020 and compares this to the "counterfactual" revenues, or the amount the city should have received but did not because of Covid-19. For the calendar year 2020, the City of Perris had a loss of \$3,964,046 in the general fund and according to the Interim Final Rule issued by the Department of the Treasury, the City may use ARPA funds to replace this amount and restore to the general fund in the current fiscal year.

5. Community Services has identified potential uses mostly centered around improvements to City parks within Qualified Census Tracts (QCTs). The projects are broken down into two phases and estimated potential cost for both Phase I and II projects for Community Services and park projects equates to \$7,862,000.

Phase I projects have a subtotal of \$3,382,000 and include the following:

- Early Childhood Classroom and Offices at the 227 Building project has an estimated cost of \$500,000 and would go towards renovating space for early childhood development.
- Paragon Park Improvement has an estimated total of \$2,645,000 that would go towards a skate park, playground renovations, playground shade sails, site furnishings, and picnic shelters. This would promote public outdoor recreation space for socialization and health disparities to mitigate the spread of Covid-19.
- Mercado Park Improvement is another potential project with an estimated cost of \$72,000. This project would pour in place surfacing and splash pad water features.
- Rotary Park Improvement has an estimated cost of \$70,000 and would cover site furnishings, which include hot ash containers, picnic tables, trash receptable, and basketball backstops.
- Foss Field Improvement has an estimated cost of \$5,000 and would go towards basketball backstops.
- Cooper Creek Improvement also has an estimated cost of \$5,000 and like Foss Field, would go towards basketball backstops.
- Lastly within the Phase I improvements is Enchanted Hills Park Improvement. This has a potential price tag of \$85,000 and covers the north parking lot and splash pad features (rocky tower rain).

Phase II includes five potential projects with a subtotal amount of \$4,480,000.

- The first project in Phase II is Paragon Park Improvement, which has an estimated cost of \$2,150,000 and will be used for a dog walking path and a multi-purpose recreation facility.
- Foss Field Improvement has an estimated cost of \$490,000 and would install playground shade sails, picnic shelters, site furnishings including hot ash containers, picnic tables, and trash receptables.
- Cooper Creek Park Improvements has an estimated cost of \$265,000 and would install playground shade sails and site furnishings including hot ash containers, picnic tables, and trash receptacles.
- New Banta Beatty Park project has an estimated cost of \$1,000,000 and would go towards a new meditation garden, which would be adjacent to the senior center.

- Lastly in Phase II would be the Senior Center Tenant Improvements. This project has a price tag of \$575,000 and would expand the multipurpose room and nutrition center.

## **CITY POLL UPDATE**

As of July 5, 2021, 167 residents have responded to the City poll regarding potential uses of ARPA funds. City staff laid out the poll according to the four approved uses described above (Public Health, responding to negative economic impact, back-filling general fund revenues, and investments in infrastructure). Residents were given several options within each category to vote on and were able to prioritize their choices. Attachments 2 and 3 include the survey results.

Under the Public Health category, 54 residents out of 126 that answered, or 43%, chose Investments in Public Facilities as their top answer. This was followed closely by 43 out of 126 residents, or 34%, selecting Providing Behavioral Health, with Assistance for Medical Expenses getting 29 out of 126 votes, or 23%.

The next category was Responding to Negative Economic Impact and 30 residents out of 131, or 23%, chose Services to Address Homelessness as their top choice. Affordable Housing was a close second with 28 residents, or 21%, followed by Assistance to Households with 23 residents, or 18%

Residents were also in favor of using ARPA funds to back-fill revenues lost due to the pandemic with 103 residents choosing this option.

Lastly, under the Investments in Infrastructure category, 78 residents, or 61%, chose Water and Sewer Infrastructure against 49 residents, or 39%, voting for Broadband instead. Staff notes that the use of ARPA funds for park improvements were not included in the poll since the City received an update notice of this decision after the poll was sent out.

Overall, the results from the city poll are generally in line with the staff recommendations for use of the ARPA funds for the next two years. This report includes areas identified by staff in need of funding and has been provided to the City Council for their review. Specific projects do not necessarily need to be identified but the City Council can allocate certain amounts to specific categories. Staff is recommending that the City Council provide direction to staff in the allocation of the ARPA funds for the various categories presented in this report. Final projects and contract awards will be subject to City approval requirements. Staff will also provide an update during the mid-year budget report as to the progress of these fund's expenditure.

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**BUDGET (or FISCAL) IMPACT:** \$11,085,752.50 has been budgeted in both Fiscal Years 2021/22 & 2022/23, totaling \$22,171,505 within the Special Revenue Funds.

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Prepared by: Ernie Reyna, Director of Finance

**REVIEWED BY:**

City Attorney \_\_\_\_\_

City Manager \_\_\_\_\_

Finance Director \_\_\_\_\_

**Attachments:**

1. Potential Departmental Uses of ARPA Funds
2. Results of City-Wide Survey (English)
3. Results of City-Wide Survey (Spanish)
4. Frequently Asked Questions – as of June 24, 2021

Consent:

Public Hearing:

Business Item: X

Presentation:

Other:

# ATTACHMENT 1

## POTENTIAL DEPARTMENTAL USES OF ARPA FUNDS



## Potential Departmental Uses of ARPA Funds:

### Economic Development

Business Assistance - (to replenish from the following funds)

Restaurant Incentive Program -	\$300,732
Business Attraction/Retention -	\$149,634
Commercial Façade Improv -	\$149,634
General Fund -	\$200,000
Small Business Assistance Program -	\$200,000
Rent/Mortgage Assistance Program -	\$400,000
Skills Center Budget Gap -	\$2,500,000
<b>Total</b>	<b>\$3,900,000</b>

### Public Works

Sewer Repairs – Category 5 -	\$695,000
Sewer Maintenance -	\$110,000
4 <sup>th</sup> Street Lift Station Repairs -	\$253,000
<b>Total</b>	<b>\$1,058,000</b>

### Information Technology

Wi-Fi/Broadband Upgrade

Three (3) LTE Sites -	\$90,000
10GB Back Bone -	\$95,000
Server Upgrade -	\$140,000
<b>Total</b>	<b>\$400,000</b>

### Finance

General Fund Revenue Back-Fill	\$3,964,046
<b>Total</b>	<b>\$3,946,046</b>

**Community Service*****Phase I***

Early Childhood Classroom and Offices 227 Bldg.-	\$500,000
Paragon Park Improvement -	\$2,645,000
Mercado Park Improvement -	\$72,000
Rotary Park Improvement -	\$70,000
Foss Field Improvement -	\$5,000
Cooper Creek Improvement -	\$5,000
Enchanted Hills Park Improvement -	\$85,000
<b>Subtotal Phase I</b>	<b>\$3,382,000</b>

***Phase II***

Paragon Park Improvement -	\$2,150,000
Foss Field Park Improvement -	\$490,000
Cooper Creek Improvement -	\$265,000
New Banta Beatty Park -	\$1,000,000
Senior Center Tenant Improvement -	\$575,000
<b>Subtotal Phase II</b>	<b>\$4,480,000</b>

**Grand Total Phase I & II \$7,862,000**

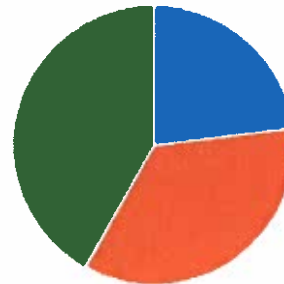
## ATTACHMENT 2

### RESULTS OF CITY-WIDE SURVEY (ENGLISH)

### 1. Public Health (examples include)

[More Details](#)

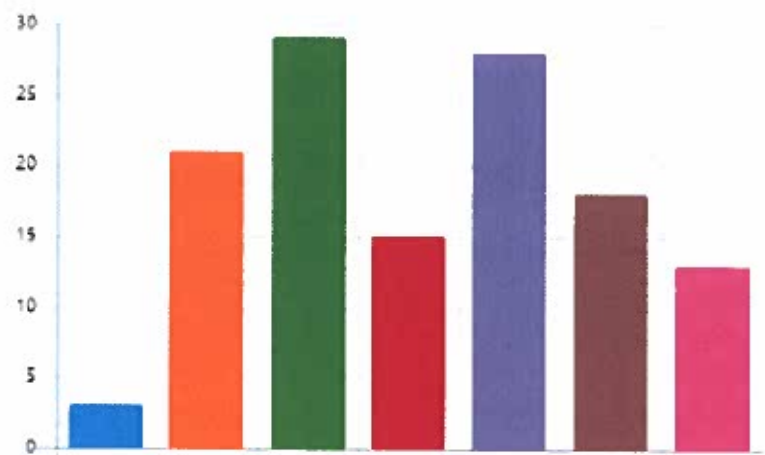
- Assistance with Medical Expen... 28
- Providing Behavioral Health C... 43
- Capital Investments in Public F... 51



### 2. Responding to Negative Economic Impact (examples include)

[More Details](#)

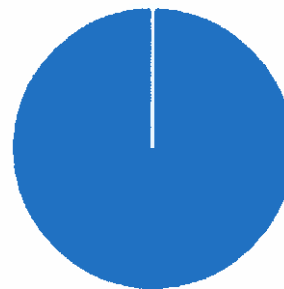
- Assistance to Unemployed W... 3
- Assistance to Households 21
- Services to Address Homeless... 29
- Assistance for Small Businesse... 15
- Affordable Housing 28
- Early Learning Services 18
- High-Quality Childcare 13



### 3. Revenue Recovery for the General Fund

[More Details](#)

- Back-Fill Revenue Loss to Gen... 100

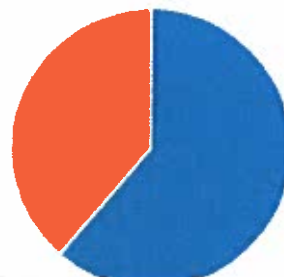


### 4. Investments in Infrastructure (examples include)

[More Details](#)

[Insights](#)

- Water and Sewer Infrastructure 76
- Broadband Infrastructure 48



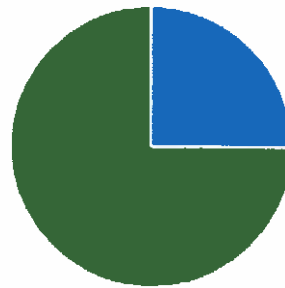
## **ATTACHMENT 3**

### **RESULTS OF CITY-WIDE SURVEY (SPANISH)**

1. Salud pública (los ejemplos incluyen)

[More Details](#)

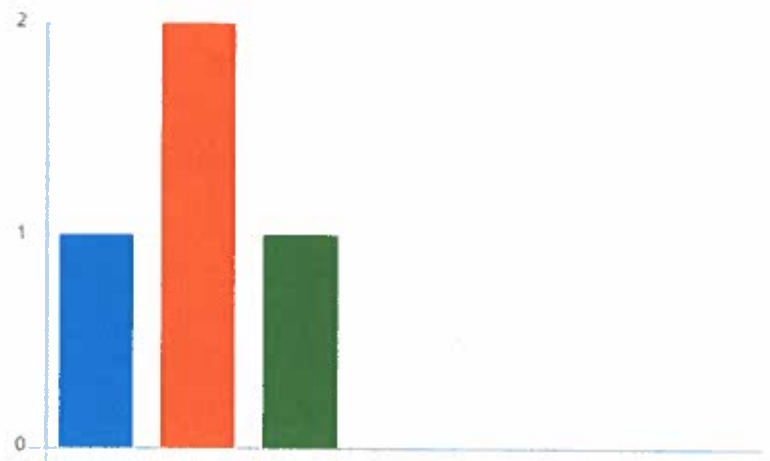
- Asistencia con los gastos médi... 1
- Brindar atención de salud con... 0
- Inversiones de capital en insta... 3



2. Responder al impacto económico negativo (los ejemplos incluyen)

[More Details](#)

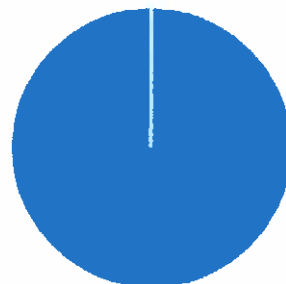
- Asistencia a los trabajadores d... 1
- Asistencia a los hogares 2
- Servicios para abordar el desa... 1
- Asistencia para pequeñas emp... 0
- Vivienda asequible 0
- Servicios de aprendizaje temp... 0
- Cuidado de niños de alta calid... 0



3. Recuperación de ingresos para el Fondo General

[More Details](#)

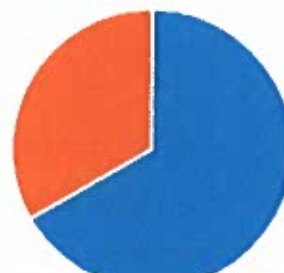
- Recuperar la pérdida de ingre... 3



4. Inversiones en infraestructura (los ejemplos incluyen)

[More Details](#)

- Infraestructura de agua y alca... 2
- Infraestructura de amplitud de... 1



## ATTACHMENT 4

FREQUENTLY ASKED QUESTIONS AS OF  
JUNE 24, 2021

## **Coronavirus State and Local Fiscal Recovery Funds**

### **Frequently Asked Questions**

**AS OF JUNE 24, 2021**

This document contains answers to frequently asked questions regarding the Coronavirus State and Local Fiscal Recovery Funds (CSFRF / CLFRF, or Fiscal Recovery Funds). Treasury will be updating this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the [Interim Final Rule](#) for additional information.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about CSFRF / CLFRF, please email [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov)
- Treasury is seeking comment on all aspects of the Interim Final Rule. Stakeholders are encouraged to submit comments electronically through the Federal eRulemaking Portal (<https://www.regulations.gov/document/TREAS-DO-2021-0008-0002>) on or before July 16, 2021. Please be advised that comments received will be part of the public record and subject to public disclosure. Do not disclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Questions added 5/27/21: 1.5, 1.6, 2.13, 2.14, 2.15, 3.9, 4.5, 4.6, 10.3, 10.4 (noted with “[5/27]”)

Questions added 6/8/21: 2.16, 3.10, 3.11, 3.12, 4.7, 6.7, 8.2, 9.4, 9.5, 10.5 (noted with “[6/8]”)

Questions added 6/17/21: 6.8, 6.9, 6.10, 6.11 (noted with “[6/17]”)

Questions added 6/23/21: 1.7, 2.17, 2.18, 2.19, 2.20, 3.1 (appendix), 3.13, 4.8, 6.12 (noted with “[6/23]”)

Question added 6/24/21: 2.21 (noted with “[6/24]”)

Answers to frequently asked questions on distribution of funds to non-entitlement units of local government (NEUs) can be found in this [FAQ supplement](#), which is regularly updated.

## **1. Eligibility and Allocations**

### **1.1. Which governments are eligible for funds?**

The following governments are eligible:

- States and the District of Columbia
- Territories



- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

**1.2. Which governments receive funds directly from Treasury?**

Treasury will distribute funds directly to each eligible state, territory, metropolitan city, county, or Tribal government. Smaller local governments that are classified as non-entitlement units will receive funds through their applicable state government.

**1.3. Are special-purpose units of government eligible to receive funds?**

Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts.

**1.4. How are funds being allocated to Tribal governments, and how will Tribal governments find out their allocation amounts?**

\$20 billion of Fiscal Recovery Funds was reserved for Tribal governments. The American Rescue Plan Act specifies that \$1 billion will be allocated evenly to all eligible Tribal governments. The remaining \$19 billion will be distributed using an allocation methodology based on enrollment and employment.

There will be two payments to Tribal governments. Each Tribal government's first payment will include (i) an amount in respect of the \$1 billion allocation that is to be divided equally among eligible Tribal governments and (ii) each Tribal government's pro rata share of the Enrollment Allocation. Tribal governments will be notified of their allocation amount and delivery of payment 4-5 days after completing request for funds in the Treasury Submission Portal. The deadline to make the initial request for funds is June 21, 2021.<sup>1</sup>

In mid-June or shortly after completing the initial request for funds, Tribal governments will receive an email notification to re-enter the Treasury Submission Portal to confirm or amend their 2019 employment numbers that were submitted to the Department of the Treasury for the CARES Act's Coronavirus Relief Fund. The deadline to confirm employment numbers is July 9, 2021. Treasury will calculate each Tribal government's pro rata share of the Employment Allocation for those Tribal governments that confirmed or submitted amended employment numbers. In late-June, Treasury will communicate to Tribal governments the amount of their portion of the Employment Allocation and the anticipated date for the second payment.

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<sup>1</sup> This document was updated on June 10, 2021 to reflect the extension of the two portal submission deadlines.

**1.5. My county is a unit of general local government with population under 50,000. Will my county receive funds directly from Treasury? [5/27]**

Yes. All counties that are units of general local government will receive funds directly from Treasury and should apply via the [online portal](#). The list of county allocations is available [here](#).

**1.6. My local government expected to be classified as a non-entitlement unit. Instead, it was classified as a metropolitan city. Why? [5/27]**

The American Rescue Plan Act defines, for purposes of the Coronavirus Local Fiscal Recovery Fund (CLFRF), metropolitan cities to include those that are currently metropolitan cities under the Community Development Block Grant (CDBG) program but also those cities that relinquish or defer their status as a metropolitan city for purposes of the CDBG program. This would include, by way of example, cities that are principal cities of their metropolitan statistical area, even if their population is less than 50,000. In other words, a city that is eligible to be a metropolitan city under the CDBG program is eligible as a metropolitan city under the CLFRF, regardless of how that city has elected to participate in the CDBG program.

Unofficial allocation estimates produced by other organizations may have classified certain local governments as non-entitlement units of local government. However, based on the statutory definitions, some of these local governments should have been classified as metropolitan cities.

**1.7. In order to receive and use Fiscal Recovery Funds, must a recipient government maintain a declaration of emergency relating to COVID-19? [6/23]**

No. Neither the statute establishing the CSFRF/CLFRF nor the Interim Final Rule requires recipients to maintain a local declaration of emergency relating to COVID-19.

**2. Eligible Uses – Responding to the Public Health Emergency / Negative Economic Impacts**

**2.1. What types of COVID-19 response, mitigation, and prevention activities are eligible?**

A broad range of services are needed to contain COVID-19 and are eligible uses, including vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings,

homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.

**2.2. If a use of funds was allowable under the Coronavirus Relief Fund (CRF) to respond to the public health emergency, may recipients presume it is also allowable under CSFRF/CLFRF?**

Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under CSFRF/CLFRF, with the following two exceptions: (1) the standard for eligibility of public health and safety payrolls has been updated; and (2) expenses related to the issuance of tax-anticipation notes are not an eligible funding use.

**2.3. If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited?**

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

**2.4. May recipients use funds to respond to the public health emergency and its negative economic impacts by replenishing state unemployment funds?**

Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and the date when the Interim Final Rule is published in the Federal Register.

**2.5. What types of services are eligible as responses to the negative economic impacts of the pandemic?**

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training.

Assistance to small business and non-profits includes, but is not limited to:

- loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs

**2.6. May recipients use funds to respond to the public health emergency and its negative economic impacts by providing direct cash transfers to households?**

Yes, provided the recipient considers whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. Additionally, cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, state, local, territorial, and Tribal governments may consider and take guidance from the per person amounts previously provided by the federal government in response to the COVID crisis.

**2.7. May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan?**

Use of Fiscal Recovery Funds is generally forward looking. The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

**2.8. May recipients use funds for general economic development or workforce development?**

Generally, not. Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers

may be used to address negative economic impacts of the public health emergency and be eligible.

**2.9. How can recipients use funds to assist the travel, tourism, and hospitality industries?**

Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel and hospitality industries and to districts that were closed during the COVID-19 public health emergency, as well as aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic.

Tribal development districts are considered the commercial centers for tribal hospitality, gaming, tourism and entertainment industries.

**2.10. May recipients use funds to assist impacted industries other than travel, tourism, and hospitality?**

Yes, provided that recipients consider the extent of the impact in such industries as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, nationwide the leisure and hospitality industry has experienced an approximately 17 percent decline in employment and 24 percent decline in revenue, on net, due to the COVID-19 public health emergency. Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

Recipients should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

**2.11. How does the Interim Final Rule help address the disparate impact of COVID-19 on certain populations and geographies?**

In recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments.

Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their

determination of how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.

Eligible services include:

- Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;
- Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity;
- Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and
- Promoting healthy childhood environments, including: child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

**2.12. May recipients use funds to pay for vaccine incentive programs (e.g., cash or in-kind transfers, lottery programs, or other incentives for individuals who get vaccinated)?**

Yes. Under the Interim Final Rule, recipients may use Coronavirus State and Local Fiscal Recovery Funds to respond to the COVID-19 public health emergency, including expenses related to COVID-19 vaccination programs. See forthcoming 31 CFR 35.6(b)(1)(i). Programs that provide incentives reasonably expected to increase the number of people who choose to get vaccinated, or that motivate people to get vaccinated sooner than they otherwise would have, are an allowable use of funds so long as such costs are reasonably proportional to the expected public health benefit.

**2.13. May recipients use funds to pay “back to work incentives” (e.g., cash payments for newly employed workers after a certain period of time on the job)? [5/27]**

Yes. Under the Interim Final Rule, recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to unemployed workers. See forthcoming 31 CFR 35.6(b)(4). This assistance can include job training or other efforts to accelerate rehiring and thus reduce unemployment, such as childcare assistance, assistance with transportation to and from a jobsite or interview, and incentives for newly employed workers.

**2.14. The Coronavirus Relief Fund (CRF) included as an eligible use: "Payroll expenses for public safety, public health, health care, human services, and similar employees"**

**whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What has changed in CSFRF/CLFRF, and what type of documentation is required under CSFRF/CLFRF? [5/27]**

Many of the expenses authorized under the Coronavirus Relief Fund are also eligible uses under the CSFRF/CLFRF. However, in the case of payroll expenses for public safety, public health, health care, human services, and similar employees (hereafter, public health and safety staff), the CSFRF/CLFRF does differ from the CRF. This change reflects the differences between the ARPA and CARES Act and recognizes that the response to the COVID-19 public health emergency has changed and will continue to change over time. In particular, funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, including first responders, to the extent that the employee's time that is dedicated to responding to the COVID-19 public health emergency.

For administrative convenience, the recipient may consider a public health and safety employee to be entirely devoted to mitigating or responding to the COVID-19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated (e.g., more than half of the employee's time is dedicated) to responding to the COVID-19 public health emergency.

Recipients may use presumptions for assessing whether an employee, division, or operating unit is primarily dedicated to COVID-19 response. The recipient should maintain records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID-19 response. Recipients need not routinely track staff hours. Recipients should periodically reassess their determinations.

**2.15. What staff are included in "public safety, public health, health care, human services, and similar employees"? Would this include, for example, 911 operators, morgue staff, medical examiner staff, or EMS staff? [5/27]**

As discussed in the Interim Final Rule, funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, for the portion of the employee's time that is dedicated to responding to the COVID-19 public health emergency.

Public safety employees would include police officers (including state police officers), sheriffs and deputy sheriffs, firefighters, emergency medical responders, correctional and detention officers, and those who directly support such employees such as dispatchers and supervisory personnel. Public health employees would include employees involved in providing medical and other health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions, and other support services essential for patient care (e.g., laboratory technicians, medical examiner or morgue staff) as well as employees of public health departments directly engaged in matters related to public health and related supervisory personnel. Human services staff

include employees providing or administering social services; public benefits; child welfare services; and child, elder, or family care, as well as others.

**2.16. May recipients use funds to establish a public jobs program? [6/8]**

Yes. The Interim Final Rule permits a broad range of services to unemployed or underemployed workers and other individuals that suffered negative economic impacts from the pandemic. That can include public jobs programs, subsidized employment, combined education and on-the-job training programs, or job training to accelerate rehiring or address negative economic or public health impacts experienced due to a worker's occupation or level of training. The broad range of permitted services can also include other employment supports, such as childcare assistance or assistance with transportation to and from a jobsite or interview.

The Interim Final Rule includes as an eligible use re-hiring public sector staff up to the government's level of pre-pandemic employment. "Public sector staff" would not include individuals participating in a job training or subsidized employment program administered by the recipient.

**2.17. The Interim Final Rule states that "assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category." Are recipients required to demonstrate that each individual or business experienced a negative economic impact for that individual or business to receive assistance? [6/23]**

Not necessarily. The Interim Final Rule allows recipients to demonstrate a negative economic impact on a population or group and to provide assistance to households or businesses that fall within that population or group. In such cases, the recipient need only demonstrate that the household or business is within the population or group that experienced a negative economic impact.

For assistance to households, the Interim Final Rule states, "In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic." This would allow, for example, an internet access assistance program for all low- or moderate-income households, but would not require the recipient to demonstrate or document that each individual low- or moderate income household experienced a negative economic impact from the COVID-19 public health emergency apart from being low- or moderate income.

For assistance to small businesses, the Interim Final Rule states that assistance may be provided to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, to respond to the negative economic impacts of the COVID-19 public health emergency. In providing assistance to small businesses, recipients must design a program that responds to the negative economic impacts of the COVID-19



public health emergency, including by identifying how the program addresses the identified need or impact faced by small businesses. This can include assistance to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID-19 public health emergency.

As part of program design and to ensure that the program responds to the identified need, recipients may consider additional criteria to target assistance to businesses in need, including to small businesses. Assistance may be targeted to businesses facing financial insecurity, with substantial declines in gross receipts (e.g., comparable to measures used to assess eligibility for the Paycheck Protection Program), or facing other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. For example, a recipient could find based on local data or research that the smallest businesses faced sharply increased risk of bankruptcy and develop a program to respond; such a program would only need to document a population or group-level negative economic impact, and eligibility criteria to limit access to the program to that population or group (in this case, the smallest businesses).

In addition, recognizing the disproportionate impact of the pandemic on disadvantaged communities, the Interim Final Rule also identifies a set of services that are presumptively eligible when provided in a Qualified Census Tract (QCT); to families and individuals living in QCTs; to other populations, households, or geographic areas identified by the recipient as disproportionately impacted by the pandemic; or when these services are provided by Tribal governments. For more information on the set of presumptively eligible services, see the Interim Final Rule section on *Building Stronger Communities through Investments in Housing and Neighborhoods* and FAQ 2.11.

**2.18. Would investments in improving outdoor spaces (e.g. parks) be an eligible use of funds as a response to the public health emergency and/or its negative economic impacts? [6/23]**

There are multiple ways that investments in improving outdoor spaces could qualify as eligible uses; several are highlighted below, though there may be other ways that a specific investment in outdoor spaces would meet eligible use criteria.

First, in recognition of the disproportionate negative economic impacts on certain communities and populations, the Interim Final Rule identifies certain types of services that are eligible uses when provided in a Qualified Census Tract (QCT), to families and individuals living in QCTs, or when these services are provided by Tribal governments. Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic.

These programs and services include services designed to build stronger neighborhoods and communities and to address health disparities and the social determinants of health. The Interim Final Rule provides a non-exhaustive list of eligible services to respond to the needs of communities disproportionately impacted by the pandemic, and recipients

may identify other uses of funds that do so, consistent with the Rule's framework. For example, investments in parks, public plazas, and other public outdoor recreation spaces may be responsive to the needs of disproportionately impacted communities by promoting healthier living environments and outdoor recreation and socialization to mitigate the spread of COVID-19.

Second, recipients may provide assistance to small businesses in all communities. Assistance to small businesses could include support to enhance outdoor spaces for COVID-19 mitigation (e.g., restaurant patios) or to improve the built environment of the neighborhood (e.g., façade improvements).

Third, many governments saw significantly increased use of parks during the pandemic that resulted in damage or increased maintenance needs. The Interim Final Rule recognizes that "decrease[s to] a state or local government's ability to effectively administer services" can constitute a negative economic impact of the pandemic.

**2.19. Would expenses to address a COVID-related backlog in court cases be an eligible use of funds as a response to the public health emergency? [6/23]**

The Interim Final Rule recognizes that "decrease[s to] a state or local government's ability to effectively administer services," such as cuts to public sector staffing levels, can constitute a negative economic impact of the pandemic. During the COVID-19 public health emergency, many courts were unable to operate safely during the pandemic and, as a result, now face significant backlogs. Court backlogs resulting from inability of courts to safely operate during the COVID-19 pandemic decreased the government's ability to administer services. Therefore, steps to reduce these backlogs, such as implementing COVID-19 safety measures to facilitate court operations, hiring additional court staff or attorneys to increase speed of case resolution, and other expenses to expedite case resolution are eligible uses.

**2.20. Can funds be used to assist small business startups as a response to the negative economic impact of COVID-19? [6/23]**

As discussed in the Interim Final Rule, recipients may provide assistance to small businesses that responds to the negative economic impacts of COVID-19. The Interim Final Rule provides a non-exclusive list of potential assistance mechanisms, as well as considerations for ensuring that such assistance is responsive to the negative economic impacts of COVID-19.

Treasury acknowledges a range of potential circumstances in which assisting small business startups could be responsive to the negative economic impacts of COVID-19, including for small businesses and individuals seeking to start small businesses after the start of the COVID-19 public health emergency. For example:

- A recipient could assist small business startups with additional costs associated with COVID-19 mitigation tactics (e.g., barriers or partitions; enhanced cleaning; or physical plant changes to enable greater use of outdoor space).
- A recipient could identify and respond to a negative economic impact of COVID-19 on new small business startups; for example, if it could be shown that small business startups in a locality were facing greater difficulty accessing credit than prior to the pandemic, faced increased costs to starting the business due to the pandemic, or that the small business had lost expected startup capital due to the pandemic.
- The Interim Final Rule also discusses eligible uses that provide support for individuals who have experienced a negative economic impact from the COVID-19 public health emergency, including uses that provide job training for unemployed individuals. These initiatives also may support small business startups and individuals seeking to start small businesses.

**2.21. Can funds be used for eviction prevention efforts or housing stability services? [6/24]**

Yes. Responses to the negative economic impacts of the pandemic include “rent, mortgage, or utility assistance [and] counseling and legal aid to prevent eviction or homelessness.” This includes housing stability services that enable eligible households to maintain or obtain housing, such as housing counseling, fair housing counseling, case management related to housing stability, outreach to households at risk of eviction or promotion of housing support programs, housing related services for survivors of domestic abuse or human trafficking, and specialized services for individuals with disabilities or seniors that supports their ability to access or maintain housing.

This also includes legal aid such as legal services or attorney’s fees related to eviction proceedings and maintaining housing stability, court-based eviction prevention or eviction diversion programs, and other legal services that help households maintain or obtain housing.

Recipients may transfer funds to, or execute grants or contracts with, court systems, non-profits, and a wide range of other organizations to implement these strategies.

**3. Eligible Uses – Revenue Loss**

**3.1. How is revenue defined for the purpose of this provision? [appendix added 6/23]**

The Interim Final Rule adopts a definition of “General Revenue” that is based on, but not identical, to the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances.

General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from

issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Tribal governments may include all revenue from Tribal enterprises and gaming operations in the definition of General Revenue.

Please see the appendix for a diagram of the Interim Final Rule's definition of General Revenue within the Census Bureau's revenue classification structure.

**3.2. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?**

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID-19 public health emergency on a recipient's revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

**3.3. Does the definition of revenue include outside concessions that contract with a state or local government?**

Recipients should classify revenue sources as they would if responding to the U.S. Census Bureau's Annual Survey of State and Local Government Finances. According to the Census Bureau's [Government Finance and Employment Classification manual](#), the following is an example of current charges that would be included in a state or local government's general revenue from own sources: "Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities."

**3.4. What is the time period for estimating revenue loss? Will revenue losses experienced prior to the passage of the Act be considered?**

Recipients are permitted to calculate the extent of reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues.

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

**3.5. What is the formula for calculating the reduction in revenue?**

A reduction in a recipient's General Revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)} ] - \text{Actual General Revenue}_t ; 0 \}$$

Where:

*Base Year Revenue* is General Revenue collected in the most recent full fiscal year prior to the COVID-19 public health emergency.

*Growth Adjustment* is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

*n* equals the number of months elapsed from the end of the base year to the calculation date.

*Actual General Revenue* is a recipient's actual general revenue collected during 12-month period ending on each calculation date.

Subscript *t* denotes the calculation date.

**3.6. Are recipients expected to demonstrate that reduction in revenue is due to the COVID-19 public health emergency?**

In the Interim Final Rule, any diminution in actual revenue calculated using the formula above would be presumed to have been "due to" the COVID-19 public health emergency. This presumption is made for administrative ease and in recognition of the broad-based economic damage that the pandemic has wrought.

**3.7. May recipients use pre-pandemic projections as a basis to estimate the reduction in revenue?**

No. Treasury is disallowing the use of projections to ensure consistency and comparability across recipients and to streamline verification. However, in estimating the revenue shortfall using the formula above, recipients may incorporate their average annual revenue growth rate in the three full fiscal years prior to the public health emergency.

**3.8. Once a recipient has identified a reduction in revenue, are there any restrictions on how recipients use funds up to the amount of the reduction?**

The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for

building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

However, paying interest or principal on outstanding debt, replenishing rainy day or other reserve funds, or paying settlements or judgments would not be considered provision of a government service, since these uses of funds do not entail direct provision of services to citizens. This restriction on paying interest or principal on any outstanding debt instrument, includes, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt. In addition, the overarching restrictions on all program funds (e.g., restriction on pension deposits, restriction on using funds for non-federal match where barred by regulation or statute) would apply.

**3.9. How do I know if a certain type of revenue should be counted for the purpose of computing revenue loss? [5/27]**

As discussed in FAQ #3.1, the Interim Final Rule adopts a definition of “General Revenue” that is based on, but not identical, to the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances.

Recipients should refer to the definition of “General Revenue” included in the Interim Final Rule. See forthcoming 31 CFR 35.3. If a recipient is unsure whether a particular revenue source is included in the Interim Final Rule’s definition of “General Revenue,” the recipient may consider the classification and instructions used to complete the Census Bureau’s Annual Survey.

For example, parking fees would be classified as a Current Charge for the purpose of the Census Bureau’s Annual Survey, and the Interim Final Rule’s concept of “General Revenue” includes all Current Charges. Therefore, parking fees would be included in the Interim Final Rule’s concept of “General Revenue.”

The Census Bureau’s Government Finance and Employment Classification manual is available [here](#).

**3.10. In calculating revenue loss, are recipients required to use audited financials? [6/8]**

Where audited data is not available, recipients are not required to obtain audited data. Treasury expects all information submitted to be complete and accurate. See 31 CFR 35.4(c).

**3.11. In calculating revenue loss, should recipients use their own data, or Census data? [6/8]**

Recipients should use their own data sources to calculate general revenue, and do not need to rely on published revenue data from the Census Bureau. Treasury acknowledges that due to differences in timing, data sources, and definitions, recipients' self-reported general revenue figures may differ somewhat from those published by the Census Bureau.

**3.12. Should recipients calculate revenue loss on a cash basis or an accrual basis? [6/8]**

Recipients may provide data on a cash, accrual, or modified accrual basis, provided that recipients are consistent in their choice of methodology throughout the covered period and until reporting is no longer required.

**3.13. In identifying intergovernmental revenue for the purpose of calculating General Revenue, should recipients exclude all federal funding, or just federal funding related to the COVID-19 response? How should local governments treat federal funds that are passed through states or other entities, or federal funds that are intermingled with other funds? [6/23]**

In calculating General Revenue, recipients should exclude all intergovernmental transfers from the federal government. This includes, but is not limited to, federal transfers made via a state to a locality pursuant to the Coronavirus Relief Fund or Fiscal Recovery Funds. To the extent federal funds are passed through states or other entities or intermingled with other funds, recipients should attempt to identify and exclude the federal portion of those funds from the calculation of General Revenue on a best-efforts basis.

**4. Eligible Uses – General**

**4.1. May recipients use funds to replenish a budget stabilization fund, rainy day fund, or similar reserve account?**

No. Funds made available to respond to the public health emergency and its negative economic impacts are intended to help meet pandemic response needs and provide immediate stabilization for households and businesses. Contributions to rainy day funds and similar reserves funds would not address these needs or respond to the COVID-19 public health emergency, but would rather be savings for future spending needs. Similarly, funds made available for the provision of governmental services (to the extent of reduction in revenue) are intended to support direct provision of services to citizens. Contributions to rainy day funds are not considered provision of government services, since such expenses do not directly relate to the provision of government services.

**4.2. May recipients use funds to invest in infrastructure other than water, sewer, and broadband projects (e.g. roads, public facilities)?**

Under 602(c)(1)(C) or 603(c)(1)(C), recipients may use funds for maintenance of infrastructure or pay-go spending for building of new infrastructure as part of the general provision of government services, to the extent of the estimated reduction in revenue due to the public health emergency.

Under 602(c)(1)(A) or 603(c)(1)(A), a general infrastructure project typically would not be considered a response to the public health emergency and its negative economic impacts unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract).

**4.3. May recipients use funds to pay interest or principal on outstanding debt?**

No. Expenses related to financing, including servicing or redeeming notes, would not address the needs of pandemic response or its negative economic impacts. Such expenses would also not be considered provision of government services, as these financing expenses do not directly provide services or aid to citizens.

This applies to paying interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt.

**4.4. May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally?**

Fiscal Recovery Funds are subject to pre-existing limitations in other federal statutes and regulations and may not be used as non-federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. For example, expenses for the state share of Medicaid are not an eligible use. For information on FEMA programs, please [see here](#).

**4.5. Are governments required to submit proposed expenditures to Treasury for approval? [5/27]**

No. Recipients are not required to submit planned expenditures for prior approval by Treasury. Recipients are subject to the requirements and guidelines for eligible uses contained in the Interim Final Rule.

**4.6. How do I know if a specific use is eligible? [5/27]**

Fiscal Recovery Funds must be used in one of the four eligible use categories specified in the American Rescue Plan Act and implemented in the Interim Final Rule:



- a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- d) To make necessary investments in water, sewer, or broadband infrastructure.

Recipients should consult Section II of the Interim Final Rule for additional information on eligible uses. For recipients evaluating potential uses under (a), the Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. See Section II of the Interim Final Rule for additional discussion.

For recipients evaluating potential uses under (c), the Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. See FAQ #3.8 for additional discussion.

For recipients evaluating potential uses under (b) and (d), see Sections 5 and 6.

**4.7. Do restrictions on using Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred beginning on March 3, 2021 apply to costs incurred by the recipient (e.g., a State, local, territorial, or Tribal government) or to costs incurred by households, businesses, and individuals benefiting from assistance provided using Coronavirus State and Local Fiscal Recovery Funds? [6/8]**

The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021. This limitation applies to costs incurred by the recipient (i.e., the state, local, territorial, or Tribal government receiving funds). However, recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to households, businesses, and individuals within the eligible use categories described in the Interim Final Rule for economic harms experienced by those households, businesses, and individuals prior to March 3, 2021. For example,

- Public Health/Negative Economic Impacts – Recipients may use Coronavirus State and Local Fiscal Recovery Funds to provide assistance to households – such as rent, mortgage, or utility assistance – for economic harms experienced or costs incurred by the household prior to March 3, 2021 (e.g., rental arrears from preceding months), provided that the cost of providing assistance to the household was not incurred by the recipient prior to March 3, 2021.

- **Premium Pay** – Recipients may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency. Such premium pay must be “in addition to” wages and remuneration already received and the obligation to provide such pay must not have been incurred by the recipient prior to March 3, 2021.
- **Revenue Loss** – The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. The calculation of lost revenue begins with the recipient’s revenue in the last full fiscal year prior to the COVID-19 public health emergency and includes the 12-month period ending December 31, 2020. However, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021.
- **Investments in Water, Sewer, and Broadband** – Recipients may use Coronavirus State and Local Fiscal Recovery Funds to make necessary investments in water, sewer, and broadband. See FAQ Section 6. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the Coronavirus State and Local Fiscal Recovery Funds were incurred after March 3, 2021.

**4.8. How can I use CSFRF/CLFRF funds to prevent and respond to crime, and support public safety in my community? [6/23]**

Under Treasury’s Interim Final Rule, there are many ways in which the State and Local Fiscal Recovery Funds (“Funds”) under the American Rescue Plan Act can support communities working to reduce and respond to increased violence due to the pandemic. Among the eligible uses of the Funds are restoring of public sector staff to their pre-pandemic levels and responses to the public health crisis and negative economic impacts resulting from the pandemic. The Interim Final Rule provides several ways for recipients to “respond to” this pandemic-related gun violence, ranging from community violence intervention programs to mental health services to hiring of public safety personnel.

Below are some examples of how Fiscal Recovery Funds can be used to address public safety:

- In all communities, recipients may use resources to rehire police officers and other public servants to restore law enforcement and courts to their pre-pandemic levels. Additionally, Funds can be used for expenses to address COVID-related court backlogs, including hiring above pre-pandemic levels, as a response to the public health emergency. See FAQ 2.19.
- In communities where an increase in violence or increased difficulty in accessing or providing services to respond to or mitigate the effects of violence, is a result of the pandemic they may use funds to address that harm. This spending may include:

- Hiring law enforcement officials – even above pre-pandemic levels – or paying overtime where the funds are directly focused on advancing community policing strategies in those communities experiencing an increase in gun violence associated with the pandemic
- Community Violence Intervention (CVI) programs, including capacity building efforts at CVI programs like funding and training additional intervention workers
- Additional enforcement efforts to reduce gun violence exacerbated by the pandemic, including prosecuting gun traffickers, dealers, and other parties contributing to the supply of crime guns, as well as collaborative federal, state, and local efforts to identify and address gun trafficking channels
- Investing in technology and equipment to allow law enforcement to more efficiently and effectively respond to the rise in gun violence resulting from the pandemic

As discussed in the Interim Final Rule, uses of CSFRF/CLFRF funds that respond to an identified harm must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses.

- Recipients may also use funds up to the level of revenue loss for government services, including those outlined above.

Recognizing that the pandemic exacerbated mental health and substance use disorder needs in many communities, eligible public health services include mental health and other behavioral health services, which are a critical component of a holistic public safety approach. This could include:

- Mental health services and substance use disorder services, including for individuals experiencing trauma exacerbated by the pandemic, such as:
  - Community-based mental health and substance use disorder programs that deliver evidence-based psychotherapy, crisis support services, medications for opioid use disorder, and/or recovery support
  - School-based social-emotional support and other mental health services
- Referrals to trauma recovery services for crime victims.

Recipients also may use Funds to respond to the negative economic impacts of the public health emergency, including:

- Assistance programs to households or populations facing negative economic impacts of the public health emergency, including:
  - Assistance to support economic security, including for the victims of crime;
  - Housing assistance, including rent, utilities, and relocation assistance;
  - Assistance with food, including Summer EBT and nutrition programs; and
  - Employment or job training services to address negative economic or public health impacts experienced due to a worker's occupation or level of training.
- Assistance to unemployed workers, including:

- Subsidized jobs, including for young people. Summer youth employment programs directly address the negative economic impacts of the pandemic on young people and their families and communities;
- Programs that provide paid training and/or work experience targeted primarily to (1) formerly incarcerated individuals, and/or (2) communities experiencing high levels of violence exacerbated by the pandemic;
- Programs that provide workforce readiness training, apprenticeship or pre-apprenticeship opportunities, skills development, placement services, and/or coaching and mentoring; and
- Associated wraparound services, including for housing, health care, and food.

Recognizing the disproportionate impact of the pandemic on certain communities, a broader range of services are eligible in those communities than would otherwise be available in communities not experiencing a pandemic-related increase in crime or gun violence. These eligible uses aim to address the pandemic's exacerbation of public health and economic disparities and include services to address health and educational disparities, support neighborhoods and affordable housing, and promote healthy childhood environments. The Interim Final Rule provides a non-exhaustive list of eligible services in these categories.

These services automatically qualify as eligible uses when provided in Qualified Census Tracts (QCTs), low-income areas designated by HUD; to families in QCTs; or by Tribal governments. Outside of these areas, recipient governments can also identify and serve households, populations, and geographic areas disproportionately impacted by the pandemic.

Services under this category could include:

- Programs or services that address or mitigate the impacts of the COVID-19 public health emergency on education, childhood health and welfare, including:
  - Summer education and enrichment programs in these communities, which include many communities currently struggling with high levels of violence;
  - Programs that address learning loss and keep students productively engaged;
  - Enhanced services for foster youths and home visiting programs; and
  - Summer camps and recreation.
- Programs or services that provide or facilitate access to health and social services and address health disparities exacerbated by the pandemic. This includes Community Violence Intervention (CVI) programs, such as:
  - Evidence-based practices like focused deterrence, street outreach, violence interrupters, and hospital-based violence intervention models, complete with wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance; and,
  - Capacity-building efforts at CVI programs like funding more intervention workers; increasing their pay; providing training and professional development for intervention workers; and hiring and training workers to administer the programs.

Please refer to Treasury's Interim Final Rule for additional information.

## **5. Eligible Uses – Premium Pay**

### **5.1. What criteria should recipients use in identifying essential workers to receive premium pay?**

Essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others.

Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Governments receiving Fiscal Recovery Funds have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents.

The Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

### **5.2. What criteria should recipients use in identifying third-party employers to receive grants for the purpose of providing premium pay to essential workers?**

Any third-party employers of essential workers are eligible. Third-party contractors who employ essential workers in eligible sectors are also eligible for grants to provide premium pay. Selection of third-party employers and contractors who receive grants is at the discretion of recipients.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided.

### **5.3. May recipients provide premium pay retroactively for work already performed?**

Yes. Treasury encourages recipients to consider providing premium pay retroactively for work performed during the pandemic, recognizing that many essential workers have not yet received additional compensation for their service during the pandemic.

## **6. Eligible Uses – Water, Sewer, and Broadband Infrastructure**

### **6.1. What types of water and sewer projects are eligible uses of funds?**

The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance

through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of [eligible projects](#) include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of [eligible projects](#) include: construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.

**6.2. May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?**

Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

**6.3. May recipients use funds as a non-federal match for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?**

Recipients may not use funds as a state match for the CWSRF and DWSRF due to prohibitions in utilizing federal funds as a state match in the authorizing statutes and regulations of the CWSRF and DWSRF.

**6.4. Does the National Environmental Policy Act (NEPA) apply to eligible infrastructure projects?**

NEPA does not apply to Treasury's administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

**6.5. What types of broadband projects are eligible?**

The Interim Final Rule requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

**6.6. For broadband investments, may recipients use funds for related programs such as cybersecurity or digital literacy training?**

Yes. Recipients may use funds to provide assistance to households facing negative economic impacts due to Covid-19, including digital literacy training and other programs that promote access to the Internet. Recipients may also use funds for modernization of cybersecurity, including hardware, software, and protection of critical infrastructure, as part of provision of government services up to the amount of revenue lost due to the public health emergency.

**6.7. How do I know if a water, sewer, or broadband project is an eligible use of funds? Do I need pre-approval? [6/8]**

Recipients do not need approval from Treasury to determine whether an investment in a water, sewer, or broadband project is eligible under CSFRF/CLFRF. Each recipient should review the Interim Final Rule (IFR), along with the preamble to the Interim Final Rule, in order to make its own assessment of whether its intended project meets the eligibility criteria in the IFR. A recipient that makes its own determination that a project meets the eligibility criteria as outlined in the IFR may pursue the project as a CSFRF/CLFRF project without pre-approval from Treasury. Local government recipients similarly do not need state approval to determine that a project is eligible under CSFRF/CLFRF. However, recipients should be cognizant of other federal or state laws or regulations that may apply to construction projects independent of CSFRF/CLFRF funding conditions and that may require pre-approval.

For water and sewer projects, the IFR refers to the EPA [Drinking Water](#) and [Clean Water](#) State Revolving Funds (SRFs) for the categories of projects and activities that are eligible for funding. Recipients should look at the relevant federal statutes, regulations, and guidance issued by the EPA to determine whether a water or sewer project is eligible. Of note, the IFR does not incorporate any other requirements contained in the federal statutes governing the SRFs or any conditions or requirements that individual states may place on their use of SRFs.

**6.8. For broadband infrastructure investments, what does the requirement that infrastructure “be designed to” provide service to unserved or underserved households and businesses mean? [6/17]**

Designing infrastructure investments to provide service to unserved or underserved households or businesses means prioritizing deployment of infrastructure that will bring service to households or businesses that are not currently serviced by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed. To meet this requirement, states and localities should use funds to deploy broadband infrastructure projects whose objective is to provide service to unserved or underserved households or businesses. These unserved or underserved households or businesses do not need to be the only ones in the service area funded by the project.

**6.9. For broadband infrastructure to provide service to “unserved or underserved households or businesses,” must every house or business in the service area be unserved or underserved? [6/17]**

No. It suffices that an objective of the project is to provide service to unserved or underserved households or businesses. Doing so may involve a holistic approach that provides service to a wider area in order, for example, to make the ongoing service of unserved or underserved households or businesses within the service area economical. Unserved or underserved households or businesses need not be the *only* households or businesses in the service area receiving funds.

**6.10. May recipients use payments from the Funds for “middle mile” broadband projects? [6/17]**

Yes. Under the Interim Final Rule, recipients may use payments from the Funds for “middle-mile projects,” but Treasury encourages recipients to focus on projects that will achieve last-mile connections—whether by focusing on funding last-mile projects or by ensuring that funded middle-mile projects have potential or partnered last-mile networks that could or would leverage the middle-mile network.

**6.11. For broadband infrastructure investments, what does the requirement to “reliably” meet or exceed a broadband speed threshold mean? [6/17]**

In the Interim Final Rule, the term “reliably” is used in two places: to identify areas that are eligible to be the subject of broadband infrastructure investments and to identify expectations for acceptable service levels for broadband investments funded by the Coronavirus State and Local Fiscal Recovery Funds. In particular:

- The IFR defines “unserved or underserved households or businesses” to mean one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speeds and 3 Mbps of upload speeds.
- The IFR provides that a recipient may use Coronavirus State and Local Fiscal Recovery Funds to make investments in broadband infrastructure that are designed to provide service to unserved or underserved households or businesses and that are designed to, upon completion: (i) reliably meet or exceed



symmetrical 100 Mbps download speed and upload speeds; or (ii) in limited cases, reliably meet or exceed 100 Mbps download speed and between 20 Mbps and 100 Mbps upload speed and be scalable to a minimum of 100 Mbps download and upload speeds.

The use of “reliably” in the IFR provides recipients with significant discretion to assess whether the households and businesses in the area to be served by a project have access to wireline broadband service that can actually and consistently meet the specified thresholds of at least 25Mbps/3Mbps—i.e., to consider the actual experience of current wireline broadband customers that subscribe to services at or above the 25 Mbps/3 Mbps threshold. Whether there is a provider serving the area that advertises or otherwise claims to offer speeds that meet the 25 Mbps download and 3 Mbps upload speed thresholds is not dispositive.

When making these assessments, recipients may choose to consider any available data, including but not limited to documentation of existing service performance, federal and/or state-collected broadband data, user speed test results, interviews with residents and business owners, and any other information they deem relevant. In evaluating such data, recipients may take into account a variety of factors, including whether users actually receive service at or above the speed thresholds at all hours of the day, whether factors other than speed such as latency or jitter, or deterioration of the existing connections make the user experience unreliable, and whether the existing service is being delivered by legacy technologies, such as copper telephone lines (typically using Digital Subscriber Line technology) or early versions of cable system technology (DOCSIS 2.0 or earlier).

The IFR also provides recipients with significant discretion as to how they will assess whether the project itself has been designed to provide households and businesses with broadband services that meet, or even exceed, the speed thresholds provided in the rule.

**6.12. May recipients use Funds for pre-project development for eligible water, sewer, and broadband projects? [6/23]**

Yes. To determine whether Funds can be used on pre-project development for an eligible water or sewer project, recipients should consult whether the pre-project development use or cost is eligible under the Drinking Water and Clean Water State Revolving Funds (CWSRF and DWSRF, respectively). Generally, the CWSRF and DWSRF often allow for pre-project development costs that are tied to an eligible project, as well as those that are reasonably expected to lead to a project. For example, the DWSRF [allows](#) for planning and evaluations uses, as well as numerous pre-project development costs, including costs associated with obtaining project authorization, planning and design, and project start-up like training and warranty for equipment. Likewise, the CWSRF [allows](#) for broad pre-project development, including planning and assessment activities, such as cost and effectiveness analyses, water/energy audits and conservation plans, and capital improvement plans.

Similarly, pre-project development uses and costs for broadband projects should be tied to an eligible broadband project or reasonably expected to lead to such a project. For example, pre-project costs associated with planning and engineering for an eligible broadband infrastructure build-out is considered an eligible use of funds, as well as technical assistance and evaluations that would reasonably be expected to lead to commencement of an eligible project (e.g., broadband mapping for the purposes of finding an eligible area for investment).

All funds must be obligated within the statutory period between March 3, 2021 and December 31, 2024, and expended to cover such obligations by December 31, 2026.

## 7. Non-Entitlement Units (NEUs)

Answers to frequently asked questions on distribution of funds to NEUs can be found in this [FAQ supplement](#), which is regularly updated.

## 8. Ineligible Uses

### 8.1. What is meant by a pension “deposit”? Can governments use funds for routine pension contributions for employees whose payroll and covered benefits are eligible expenses?

Treasury interprets “deposit” in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both: (1) the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and (2) the payment occurs outside the recipient’s regular timing for making such payments.

Under this interpretation, a “deposit” is distinct from a “payroll contribution,” which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees’ wages and salaries. In general, if an employee’s wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee’s covered benefits as an eligible use of Fiscal Recovery Funds.

### 8.2. May recipients use Fiscal Recovery Funds to fund Other Post-Employment Benefits (OPEB)? [6/8]

OPEB refers to benefits other than pensions (see, e.g., [Governmental Accounting Standards Board, “Other Post-Employment Benefits”](#)). Treasury has determined that Sections 602(c)(2)(B) and 603(c)(2), which refer only to pensions, do not prohibit CSFRF/CLFRF recipients from funding OPEB. Recipients of either the CSFRF/CLFRF may use funds for eligible uses, and a recipient seeking to use CSFRF/CLFRF funds for

OPEB contributions would need to justify those contributions under one of the four eligible use categories.

## **9. Reporting**

On June 17, 2021, Treasury released [Guidance on Recipient Compliance and Reporting Responsibilities for the Coronavirus State and Local Fiscal Recovery Funds](#). Recipients should consult this guidance for additional detail and clarification on recipients' compliance and reporting responsibilities. A users' guide will be provided with additional information on how and where to submit required reports.

### **9.1. What records must be kept by governments receiving funds?**

Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

### **9.2. What reporting will be required, and when will the first report be due?**

Recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual Recovery Plan Performance Reports as specified below, regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.

Interim reports: States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report. The interim report will include a recipient's expenditures by category at the summary level and for states, information related to distributions to non-entitlement units of local government must also be included in the interim report. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Non-entitlement units of local government are not required to submit an interim report.

Quarterly Project and Expenditure reports: State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments will be required to submit quarterly project and expenditure reports. This report will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. Reports will be required quarterly with the exception of non-entitlement units, which will report annually. An interim report is due on August 31, 2021. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to

Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Non-entitlement units of local government will be required to submit the project and expenditure report annually. The initial annual Project and Expenditure report for non-entitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

Recovery Plan Performance Reports: States (defined to include the District of Columbia), territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance Report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program. The initial Recovery Plan Performance Report will cover activity from date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the Recovery Plan Performance Reports will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance Report will cover the period from July 1, 2021 to June 30, 2022 and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance Report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and non-entitlement units of local government are not required to develop a Recovery Plan Performance Report.

Please see the [Guidance on Recipient Compliance and Reporting Responsibilities](#) for more information.

**9.3. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?**

Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. Recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program. The Assistance Listing will be available on beta.SAM.gov.

**9.4. Once a recipient has identified a reduction in revenue, how will Treasury track use of funds for the provision of government services? [6/8]**

The ARPA establishes four categories of eligible uses and further restrictions on the use of funds to ensure that Fiscal Recovery Funds are used within the four eligible use categories. The Interim Final Rule implements these restrictions, including the scope of

the eligible use categories and further restrictions on tax cuts and deposits into pensions. Reporting requirements will align with this structure.

Consistent with the broad latitude provided to recipients to use funds for government services to the extent of the reduction in revenue, recipients will be required to submit a description of services provided. As discussed in IFR, these services can include a broad range of services but may not be used directly for pension deposits, contributions to reserve funds, or debt service. Recipients may use sources of funding other than Fiscal Recovery Funds to make deposits to pension funds, contribute to reserve funds, and pay debt service, including during the period of performance for the Fiscal Recovery Fund award.

For recipients using Fiscal Recovery Funds to provide government services to the extent of reduction in revenue, the description of government services reported to Treasury may be narrative or in another form, and recipients are encouraged to report based on their existing budget processes and to minimize administrative burden. For example, a recipient with \$100 in revenue replacement funds available could indicate that \$50 were used for personnel costs and \$50 were used for pay-go building of sidewalk infrastructure.

In addition to describing the government services provided to the extent of reduction in revenue, all recipients will also be required to indicate that Fiscal Recovery Funds are not used directly to make a deposit in a pension fund. Further, recipients subject to the tax offset provision will be required to provide information necessary to implement the Interim Final Rule, as described in the Interim Final Rule. Treasury does not anticipate requiring other types of reporting or recordkeeping on spending in pensions, debt service, or contributions to reserve funds.

These requirements are further detailed in the guidance on reporting requirements for the Fiscal Recovery Funds available [here](#).

**9.5. What is the Assistance Listing and Catalog of Federal Domestic Assistance (CFDA) number for the program? [6/8]**

The [Assistance Listing](#) for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) was published May 28, 2021 on SAM.gov. This includes the final CFDA Number for the program, 21.027.

The assistance listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The CFDA number is the unique 5-digit code for each type of federal assistance, and can be used to search for program information, including funding opportunities, spending on [usaspending.gov](https://usaspending.gov), or audit results through the Federal Audit Clearinghouse.

To expedite payments and meet statutory timelines, Treasury issued initial payments under an existing CFDA number. If you have already received funds or captured the

initial CFDA number in your records, please update your systems and reporting to reflect the final CFDA number 21.027. **Recipients must use the final CFDA number for all financial accounting, audits, subawards, and associated program reporting requirements.**

To ensure public trust, Treasury expects all recipients to serve as strong stewards of these funds. This includes ensuring funds are used for intended purposes and recipients have in place effective financial management, internal controls, and reporting for transparency and accountability.

Please see [Treasury's Interim Final Rule](#) and the [Guidance on Recipient Compliance and Reporting Responsibilities](#) for more information.

## **10. Miscellaneous**

### **10.1. May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets?**

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments.

### **10.2. Can recipients use funds for administrative purposes?**

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

### **10.3. Are recipients required to remit interest earned on CSFRF/CLFRF payments made by Treasury? [5/27]**

No. CSFRF/CLFRF payments made by Treasury to states, territories, and the District of Columbia are not subject to the requirement of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 to remit interest to Treasury. CSFRF/CLFRF payments made by Treasury to local governments and Tribes are not subject to the requirement of 2 CFR 200.305(b)(8)-(9) to maintain balances in an interest-bearing account and remit payments to Treasury.

### **10.4. Is there a deadline to apply for funds? [5/27]**

The Interim Final Rule requires that costs be incurred by December 31, 2024. Direct recipients are encouraged to apply as soon as possible. For direct recipients other than Tribal governments, there is not a specific application deadline.

Tribal governments do have deadlines to complete the application process and should visit [www.treasury.gov/SLFRPTribal](http://www.treasury.gov/SLFRPTribal) for guidance on applicable deadlines.

Non-entitlement units of local government should contact their state government for information on applicable deadlines.

**10.5. May recipients use funds to cover the costs of consultants to assist with managing and administering the funds? [6/8]**

Yes. Recipients may use funds for administering the CSFRF/CLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.

## **11. Operations**

**11.1. How do I know if my entity is eligible?**

The Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan Act of 2021 set forth the jurisdictions eligible to receive funds under the program, which are:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities (typically, but not always, those with populations over 50,000)
- Non-entitlement units of local government, or smaller local governments (typically, but not always, those with populations under 50,000)

**11.2. How does an eligible entity request payment?**

Eligible entities (other than non-entitlement units) must submit their information to the [Treasury Submission Portal](#). Please visit the [Coronavirus State and Local Fiscal Recovery Fund website](#) for more information on the submission process.

**11.3. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can help me?**

If you have questions about the Treasury Submission Portal or for technical support, please email [covidreliefitsupport@treasury.gov](mailto:covidreliefitsupport@treasury.gov).

**11.4. What do I need to do to receive my payment?**

All eligible payees are required to have a DUNS Number previously issued by Dun & Bradstreet (<https://www.dnb.com/>).

All eligible payees are also required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>).

And eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit. Payees with a Wire account are encouraged to provide that information as well.

More information on these and all program pre-submission requirements can be found on the [Coronavirus State and Local Fiscal Recovery Fund website](#).

**11.5. Why is Treasury employing id.me for the Treasury Submission Portal?**

ID.me is a trusted technology partner to multiple government agencies and healthcare providers. It provides secure digital identity verification to those government agencies and healthcare providers to make sure you're you – and not someone pretending to be you – when you request access to online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is <https://help.id.me>.

**11.6. Why is an entity not on the list of eligible entities in Treasury Submission Portal?**

The ARPA statute lays out which governments are eligible for payments. The list of entities within the Treasury Submission Portal includes entities eligible to receive a direct payment of funds from Treasury, which include states (defined to include the District of Columbia), territories, Tribal governments, counties, and metropolitan cities.

Eligible non-entitlement units of local government will receive a distribution of funds from their respective state government and should not submit information to the Treasury Submission Portal.

If you believe an entity has been mistakenly left off the eligible entity list, please email [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov).

**11.7. What is an Authorized Representative?**

An Authorized Representative is an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.

**11.8. How does a Tribal government determine their allocation?**

Tribal governments will receive information about their allocation when the submission to the Treasury Submission Portal is confirmed to be complete and accurate.

**11.9. How do I know the status of my request for funds (submission)?**



Entities can check the status of their submission at any time by logging into [Treasury Submission Portal](#).

**11.10. My Treasury Submission Portal submission requires additional information/correction. What is the process for that?**

If your Authorized Representative has not yet signed the award terms, you can edit your submission with in the into [Treasury Submission Portal](#). If your Authorized Representative has signed the award terms, please email [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov) to request assistance with updating your information.

**11.11. My request for funds was denied. How do I find out why it was denied or appeal the decision?**

Please check to ensure that no one else from your entity has applied, causing a duplicate submission. Please also review the list of all eligible entities on the [Coronavirus State and Local Fiscal Recovery Fund website](#).

If you still have questions regarding your submission, please email [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov).

**11.12. When will entities get their money?**

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the [Treasury Submission Portal](#). The verification process takes approximately four business days. If any errors are identified, the designated point of contact for the government will be contacted via email to correct the information before the payment can proceed. Once verification is complete, the designated point of contact of the eligible government will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day after this verification email, though funds may not be available immediately due to processing time of their financial institution.

**11.13. How does a local government entity provide Treasury with a notice of transfer of funds to its State?**

For more information on how to provide Treasury with notice of transfer to a state, please email [SLRedirectFunds@treasury.gov](mailto:SLRedirectFunds@treasury.gov).

**Appendix: Interim Final Rule Definition of General Revenue Within the Census Bureau Classification Structure of Revenue**

